

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008



GREENVILLE... HEART OF THE EAST



CITY OF GREENVILLE, NC  
FINANCIAL SERVICES DEPARTMENT

**CITY OF GREENVILLE**  
**GREENVILLE, NORTH CAROLINA**

**Comprehensive Annual Financial Report**  
**For Fiscal Year Ended June 30, 2008**

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**CITY OF GREENVILLE, NORTH CAROLINA  
JUNE 30, 2008**

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INTRODUCTION SECTION

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FROM THE OFFICE OF THE  
DIRECTOR OF FINANCIAL SERVICES

October 6, 2008

## *Letter of Transmittal*

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



Recently ranked by Forbes Magazine as one of the top ten of the nation's "Best Places for Business and Careers" and recognized as the 10th largest city in North Carolina, Greenville continues to thrive as the economic, cultural, educational, and medical hub of eastern North Carolina. Our mission statement declares "The City of Greenville is dedicated to providing all citizens with quality services in an open, ethical manner, insuring a community of distinction for the future. This growth allowed the city to end fiscal year 2008 with a stable tax rate without compromising the quantity or quality of services the City provides.

State law requires that all general-purpose local governments publish each fiscal year a complete set of financial statements in conformity with generally accepted accounting principles (GAAP) by October 31st of each year. The City of Greenville is pleased to submit its Comprehensive Annual Financial Report for the year ended June 30, 2008. This report consists of management's representations concerning 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 representations, the City has a comprehensive internal control framework that ensures the protection of assets against loss, unauthorized use and theft and to compile reliable information for the preparation of the City's financial statements. 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.

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.



Through astute fiscal management policies, the City of Greenville leveraged the 16% increase in the tax base to strengthen our basic core operational services. The City continues to invest in its infrastructure with capital project spending increasing an average of over \$5 million a year over the last five years. Prudent budgeting policies resulted in revenues surpassing estimates by more than one percentage point. Conservative spending policies kept the increase in expenditures almost two percentage points below inflation. The most important consequence was that the only fund balance needed, as result of current year's activity, was six-tenths of a percent, of actual revenues.

This yields a remaining "available" fund balance of 23% of fiscal year 2008-2009 General Fund appropriations, which exceeds the level recommended by the Government Finance Officers Association (GFOA). Given that \$5.5 million was appropriated from fund balance, this shows that management is fiscally conservative when spending approved funds. For nineteen 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 our 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, it is approved by City ordinance for implementation July 1st. The City was the recipient of GFOA's Distinguished Budget Award for its first biennial budget for the 2006-2007/2007-2008 Financial and Operating Plan. 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 could not have been accomplished without the exceptionally dedicated and hardworking employees of Financial Services whose daily efforts contribute to the sound financial condition of the City. Appreciation 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.

Respectfully submitted,



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

# Greenville, North Carolina

The Heart of Eastern North Carolina!

Greenville offers something which is becoming increasingly rare in today's fast-paced world – a small town atmosphere ideal in which to live, work, play and raise a family and all without sacrificing any of the “big city” lures of arts and culture, shopping centers, entertainment, education and medical services.

Greenville has played a huge role in the growth and development of the Pitt County area. Greenville is now the 10th largest city in North Carolina with a population of 76,932 and is the fifth fastest growing city in North Carolina this year. In January 2008, Greenville was named one of the nation's “100 Best Communities for Young People” by the America's Promise Alliance. In March 2008, Greenville was ranked in the top ten of the nation's “Best Places For Business And Careers” by *Forbes Magazine*. In 2004, Greenville was named Sportstown USA for the state of North Carolina by *Sports Illustrated* and the National Parks & Recreation Association. The city is also known as “BMX Pro Town USA” and is home for many top professional BMX riders.

Progressive planning and cooperation between government, business and private citizens has allowed Greenville to maintain a careful balance between economic growth and a high quality of life for old-family residents and newcomers alike. The region continues to combine a low cost of living with ideal climate, truly superior recreational capabilities, excellent medical and educational facilities, a well-trained, eager and loyal work force with lots of cultural amenities.

## Local Economy

**One Cool City-** Greenville has been named a “Cool City” by the Sierra Club. The award recognizes the city's many initiatives to improve the environment. At the same time, city officials are increasing efforts to make Greenville more accessible to all residents.

The city is expanding its recycling program in residential areas as well as at schools and apartment complexes. All city buses and fleet vehicles now use low-sulphur diesel fuel, and the Fire/Rescue department has its first hybrid SUV on fleet.



The City Council also passed legislation to help keep trees and greenery in the city by restricting the wholesale clear cutting of land, so that more people can enjoy the greener environment, Greenville is also working to make city facilities and services more accessible. The recently renovated municipal building and new city hall are entirely wheelchair accessible. All buses “kneel” and have wheelchair ramps. Greenville is also working with the National League of Cities to build a diverse and inclusive community.

## Existing Industry Overview

- Well diversified employment and manufacturing base.
- No single industry or employer dominates the local economy.
- Primary manufactured goods include: chemicals (pharmaceuticals), textiles, apparel, transportation equipment, machinery, and factored metals.
- Eight manufacturers maintain either corporate or divisional headquarters.

## Top 10 Major Employers

Employer	Product/Service	Employment
• Pitt County Memorial Hospital	Medical	6,297
• East Carolina University	Education	4,936
• Pitt County Public Schools	Education	2,940
• NACCO Material Handling Group	Lift Trucks	1,200
• DSM Pharmaceuticals	Pharmaceuticals	1,200
• City of Greenville	Government	967
• County of Pitt	Government	865
• ASMO Greenville	Small motor mfg.	535
• Physicians East	Medical	500

## Health Services

**Pitt County Memorial Hospital (PCMH)**- As the flagship hospital for University Health Systems of Eastern Carolina, PCMH is leading the way in acute, intermediate, rehabilitation and outpatient services. The 761-bed tertiary referral facility serves as the teaching hospital for the Brody School of Medicine at ECU and provides healthcare to more than 1.2 million people in 29 counties. In an average year, they see about 36,000 inpatients and more than 266,000 outpatients in the Greenville facilities. In 1998, PCMH was transformed from a publicly- owned hospital with a mission of regional service to a private, not-for-profit, five hospital regional health care system. The re-organization enabled the hospital and its health system to compete more effectively with other health systems, thus ensuring the availability of high quality care.







Pitt County Memorial Hospital and East Carolina University have developed a new cardiovascular institute to provide clinical care and research for cardiovascular disease. Pitt County Memorial Hospital's portion of the project is the six-story, 375,000 square-foot heart institute currently being constructed that connects to the main Pitt County Memorial Hospital building.

The institute will feature six operating rooms, 12 invasive labs, and 120 acute care beds. At a cost of \$150 million, this new facility will also employ 375 additional staff. These jobs will result in a significant growth factor for eastern North Carolina's economic development.

**Brody School of Medicine at East Carolina University** - Ranked sixth in the nation by *U.S. News & World Report* among medical schools emphasizing primary care. Originally committed to expanding opportunities for medical education in North Carolina and improving health care delivery to state residents, the school's clinical services, degree programs and research activities have grown well beyond original expectations since it opened its doors to the first 28 students in 1977. Additionally, the medical school represents over four decades of dedicated service by university officials, community physicians, local business governmental leaders, and state legislators.

Today, the full-time faculty includes 300 physicians and research scientists actively engaged in basic and clinical research as well as contractual product testing services. About 310 medical students and 50 doctoral students are enrolled in 28 residency and fellowship programs.



### PCMH Programs and Services

- Behavioral Health
- Pain Management
- 25-OR Surgical Suites
- SurgiCenter (outpatient surgery)
- Sleep Studies
- Home Care/Hospice
- Radiology (including PET scans)
- Laboratories

### PCMH "Centers of Excellence"

- Leo W. Jenkins Cancer Center
- Regional Rehabilitation Center
- Children's Hospital
- Level I Trauma and Critical Care Center
- Bariatric Surgery Center
- Women's Clinic
- Cardiovascular Center

## Technology



**Robotic Surgical-** Pitt County Memorial Hospital (PCMH) offers robotic-assisted laparoscopic surgery for a variety of heart, gynecology, urology and general surgery procedures. PCMH is a world leader in robotic technology, having performed the first robotic-assisted mitral valve repair surgery in North America, and is currently the largest training center in the Southeast. Dr. Randolph Chitwood has been leading the field in heart surgery using the robot, and he recently performed his 400th robot-assisted mitral valve replacement. This technology has become the standard for prostatectomy, or removal of the prostate, a treatment for prostate cancer.

**Wireless Communication** - An investment of \$54,000 allows the city to offer free Internet access to an area that encompasses the center city from Reade Circle north to the Tar River and from Pitt Street to Reade Street. Visitors, residents, business owners and state employees can access the wireless network in that area, enjoying connectivity unheard of only years ago. Conversely, Greenville's modest progress in providing wireless access has lured some 845 new users and nearly 20,000 connections.





## Commerce and Industry

### **NACCO Materials Handling Group, Inc. ("NMHG")-**

Established in Greenville in 1974. NACCO 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. NMHG is Greenville's largest truck lift manufacturer.

**Grady-White Boats-** The National Marine Manufacturers Association (NMMA) has again awarded Grady-White Boats the CSI Award, the trade association's top recognition for customer satisfaction. This award for 2008 is the seventh year of the association's study of customer satisfaction among boat and boat engine owners. Grady-White has received the award in its category of fiberglass outboard boats all seven years. Grady-White Boats was also awarded a seventh trophy from J.D. Power and Associates when the company was ranked "Highest in Customer Satisfaction with Coastal Fishing Boats for the seventh time in a row.

**DSM Pharmaceuticals, Inc-** In 1968 Burroughs Wellcome, a major pharmaceutical research and manufacturing firm, chose Greenville as its home. The site is now owned by DSM Pharmaceuticals Inc. and employs approximately 1,300 people. DSM Pharmaceuticals, Inc., has been awarded a multi-year commercial supply agreement by US WorldMeds, LLC for manufacturing a sterile lyophilized pharmaceutical product here in the city of Greenville.

DSM Pharmaceuticals has recently been awarded the North Carolina International Community and Economic Development Award given by the N.C. Department of Commerce in recognition of the important civic and philanthropic contributions made by foreign owned businesses.

**Metrics, Inc-** One of the fastest-growing contract pharmaceutical development laboratories in the United States, is celebrating the grand opening of its \$18-million, 47,000-square-foot facility addition in Greenville, NC, nearly doubling its space and allowing the company to dramatically expand services to clients.



COMMUNITY  
PROFILE



Metrics provides quality pharmaceutical formulation, clinical trial material (Phase I, II and III) and commercial manufacturing, and analytical development/validation services to the pharmaceutical industry. Since its start in 1994, Metrics has created more than 225 high-skill, high-wage, high-benefits jobs in a part of North Carolina historically dependent on agriculture and manufacturing.

Moreover, the company has invested more than \$35 million in property, plant and equipment, and grown its revenue at double-digit rates annually. The Pitt County Development Commission just named Metrics its "Industry of the Year."

## Housing

Greenville is enjoying a flourishing residential real estate market. Most of the building consists of small to medium-size subdivisions on the southwestern side, and increasingly on the southeastern side, of Greenville. Branch's Langston Farms, one of the bigger communities, will include more than 300 homes when it is completed on Thomas Langston Road. Residents seeking a traditional and neoelectic style home can move to Brook Valley, Bedford Place and Ironwood sub-divisions; situated on heavily-wooded and lavishly landscaped lots.

**Brook Valley-** One of Greenville's premier luxury golfing communities. Stately traditional and neo-eclectic style homes are situated on heavily-wooded and lavishly-landscaped lots. Many of these custom-built homes offer stunning views of the fairways. A very extensive neighborhood, amenities include a stunning clubhouse and charming pool with tennis court.

**Bedford Place-** A very popular, established community, many of the traditional and neo-eclectic homes are custom-built. Lavish landscaping and beautifully wooded lots are highlights of Bedford.

**Ironwood-** An exquisite neighborhood situated on a golf course complete with a country club. Immaculate custom built homes in neoelectic and traditional style. This incredible subdivision also has a lovely community pool and tennis court area.





**Community Block Grant Program (CDBG)-** This program 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.



**CDBG Activities**

Housing Rehabilitation:	3
Public Facility:	1
Public Safety Activities:	9

**Recreation**

Over thirty parks grace the boundaries of Greenville, Pitt County and provide a variety of recreational opportunities from picnicking and hiking to fishing and boating,



**Extreme Park-** The Extreme Park is open for in-line skating, skateboarding, and biking. In addition there is an inline hockey rink adjacent to the skate park. Greenville has been on the cutting edge of skate/BMX parks since the beginning of its popularity. By doing this, Greenville has attracted some of the best BMX riders to move to our community from other parts of the country. This gives international recognition to Greenville as they compete around the world and appear on television when their hometown is mentioned as Greenville, NC. ESPN commentators refer to Greenville, NC, as Pro Town USA for the BMX bikers.

**Bradford Creek Golf Course-**Bradford Creek Golf Course is a public course operated by the Greenville Recreation and Parks Department. Bradford Creek features an lighted driving range, and an 18-hole golf course strategically designed to offer new and challenging experiences each and every round; a clubhouse for corporate and catered events; a driving range and service and hospitality generally reserved for members-only clubs.

Bradford Creek's tee configurations produce yardage's ranging from 5,124 yards from the forward tees to 7,151 yards from the championship tees. 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.

**Greenville Aquatics and Fitness Center-** A full service, City-owned YMCA type facility. It includes a newly renovated indoor Olympic size pool, supervised nursery, and a full-range of exercise equipment and programs.

**Viquet Center-** Greenville's spacious 52,000 square foot, medically modeled wellness center. It combines traditional fitness and wellness services, including outpatient rehabilitation. Services and programs are open to the community, as well as to employees and patients of Pitt County Memorial Hospital.



## Culture and Arts

Greenville is home to a wide range of cultural events such as, musical concerts, theatrical and dance productions, travel films, and lectures. The Greenville Museum contains local art, as well as rotating exhibitions.

**Greenville Museum of Art-** 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. The museum also owns one of the largest public collections of North Carolina Jugtown Pottery.

**Shopping-** The Greenville Mall is the city's enclosed center, featuring over 60 shops. Other large centers include University Commons, Lynncroft and Arlington Village. A new development called 11 Galleria, on the site of the former Carolina East Mall, will feature a number of big-box retailer, including Kohl's and the Fresh Market. The new shopping center will contain 400,000 sq.ft. of retail space.

**PirateFest-** There's fun and entertainment for everyone at Uptown Greenville! This event showcases beautiful, one-of-a-kind art available from more than 60 exhibiting N.C. artists, including mediums of all types – pottery, jewelry, wood, painting, and a variety of goods.

**International Festival-** For 15 years, thousands of people have come together to celebrate the diversity that makes Greenville the jewel of North Carolina. This open-air festival takes place on the Town Common and features international costumes, music, dance, fine art exhibits, crafts, foods, and business expositions with a global theme.



### Pitt-Greenville Convention Center-

From the moment you enter the open, airy lobby with its cathedral glass ceiling and streaming natural light, you know you have made the right choice for your event.

The Greenville Convention Center facility is the largest, most fully-equipped meeting space east of I-95. It is built around a 30,000 square foot exhibit hall with 28' ceilings. The space can be subdivided into five individual sections, including 12,000 square-feet of pre-function space and breakout meeting rooms. It can accommodate 160 10' x 10' trade show booths, groups of up to 3,000 and serve banquets for up to 2,450. The facility adjoins two full-service hotels with 333 guestrooms. An additional 35,000 square

feet of flexible meeting and banquet space and 1700 additional guestrooms are nearby. In 2009, the Center will host the States's largest governmental conference, *North Carolina League of Municipalities*.





**Libraries-** Sheppard Memorial Library is Greenville's public library. It extends 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. Primary funding for the public library system comes from the City of Greenville and County of Pitt.

**Sports-** ECU's sports teams, nicknamed the Pirates, compete in North Carolina Athletic Association (NCAA) Football Bowl Subdivision (FBS) as a full-member of the 12 team Conference USA. Facilities include the 43,000 seat Dowdy-Ficklen Stadium for football, the third largest in North Carolina. The stadium is also the site of Spring Commencement exercises for the University.



The Clark-LeClair (baseball) Stadium, the newest gem on ECU campus was named after Pirate alumnus and key contributor Bill Clark and former Pirate skipper Keith Le-Clair.



The stadium has a seating capacity of 3,000 (max capacity of 6,000 + when including the outfield "Jungle" areas ) for baseball. The construction of this project was estimated at \$11 million. The Clark-LeClair Stadium nearly doubles Harrington Field's capacity of approximately 1,750 (excluding outfield areas).



## Education

**Pitt County Public School System-** 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. 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 more than 22,950 students from kindergarten through twelfth grade and is experiencing continued growth in its student population. Approximately 400 new students enter the system each year. Pitt County Schools will open Ridgewood Elementary School on Thomas Langston Road in August of 2008 to address rapid growth in Pitt County.

The public school system is also one of the largest employers in Pitt County. With nearly 3,000 full-time employees, Pitt County Schools continues to explore new ways to retain solid teachers, administrators and support personnel.

**Pitt Community College (PCC)-** In March, 1961, Pitt Community College was chartered and designated by the State Board of Education as an industrial education center. Today, with enrollment averaging about 6,000 per semester with another 7,500 continuing education participants per semester, Pitt Community College offers 44 associate degree programs, numerous certificate programs, 22 diploma programs, and 18 University Transfer programs. The College has expanded its instruction to include more than 200 classes via the internet, classes via the NC Information Highway, telecourses, and community-based classes.

PCC administrators recently announced that they will build an addition to the school's health sciences facility. At a cost of \$6.5 million, PCC is adding 34,000 square feet to the current home of its allied health programs, the William Fulford Building, in order to meet rising demand for health care training. To pay for the construction of the health sciences addition, which will be named in honor of PCC supporter Herman Simon, the PCC Foundation launched an \$8 million capital campaign in February, called Futures First. It is the first such endeavor in the college's 47-year history. In June, Foundation officials reported that Futures First had met 78% of its objective through gifts and grants.



**East Carolina University-** For a century, ECU has grown to become an emerging, national research university with a Fall 2008 enrollment of 27,947 students, it is the fastest-growing campus in the University of North Carolina system.

Today, East Carolina is a constituent institution of the University of North Carolina and offers 106 bachelor's degree programs, 74 master's degree programs, 4 specialist degree programs, 1 first-professional MD program, and 16 doctoral programs in our professional colleges and schools, the Thomas Harriot College of Arts and Sciences, and the Brody School of Medicine, which is recognized as one of the top medical schools in rural and primary care medicine in the nation.



ECU combines the rich tradition of college life with the energy and innovation of a doctoral research university. This combination allows students and faculty to enjoy the benefits and resources of a large research university in an atmosphere more typical of a smaller college. The university attracts many outstanding individuals and provides a high level of interaction between faculty and students at all levels, from undergraduate to graduate and professional. Many graduates of the university attribute their collegiate and personal success to ECU's combination of academic rigor and individual support.

East Carolina is separated into three distinct campuses: Main Campus, Health Sciences Campus, and West Research Campus. It has three libraries: J.Y. Joyner Library, The Music Library, and Laupus Library.

**Main Campus-** 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.

**Health Sciences Campus-** The Health Sciences campus is situated at Pitt County Memorial Hospital (PCMH) and serves as an academic medical center for the Brody School of Medicine.

**West Research Campus-** West Research Campus lies on approximately 600 acres four 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. It is also the home of the North Carolina Institute for Health and Safety in Agriculture, Forestry, and Fisheries with an administrative and several support buildings.



**J.Y. Joyner Library-** Holds nearly 1.3 million bound volumes, 2.5 million pieces of microform, 532,000 government documents, more than 24,000 journal subscriptions.

**The Music Library-** The Music Library is a branch of Joyner housing almost 78,000 items.

**Laupus Library-** The Laupus Library holds 158,457 volumes (print and non-print) and 8,712 current print, non-print, and electronic serial titles.

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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, 2007

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.



*Charles S. Cox*

President

*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, 2007**. This is the **19<sup>th</sup>** consecutive year that the government has achieved 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 only. 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.

The City of Greenville, North Carolina

*Financial Services Department*



## *City Council Members*



Mayor  
Patricia C. (Pat) Dunn



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



Council Member  
Rose H. Glover  
District 2



Council Member  
Larry Spell  
District 3



Max Joyner, Jr.  
Council Member  
District 4



Calvin Mercer  
Council Member  
District 5



Bryant Kittrell  
Council Member  
At-Large

## *City Officials*



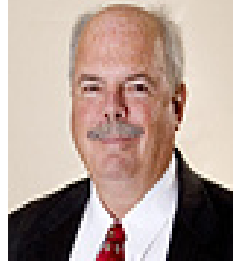
Wayne Bowers  
City Manager

Thomas T. 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

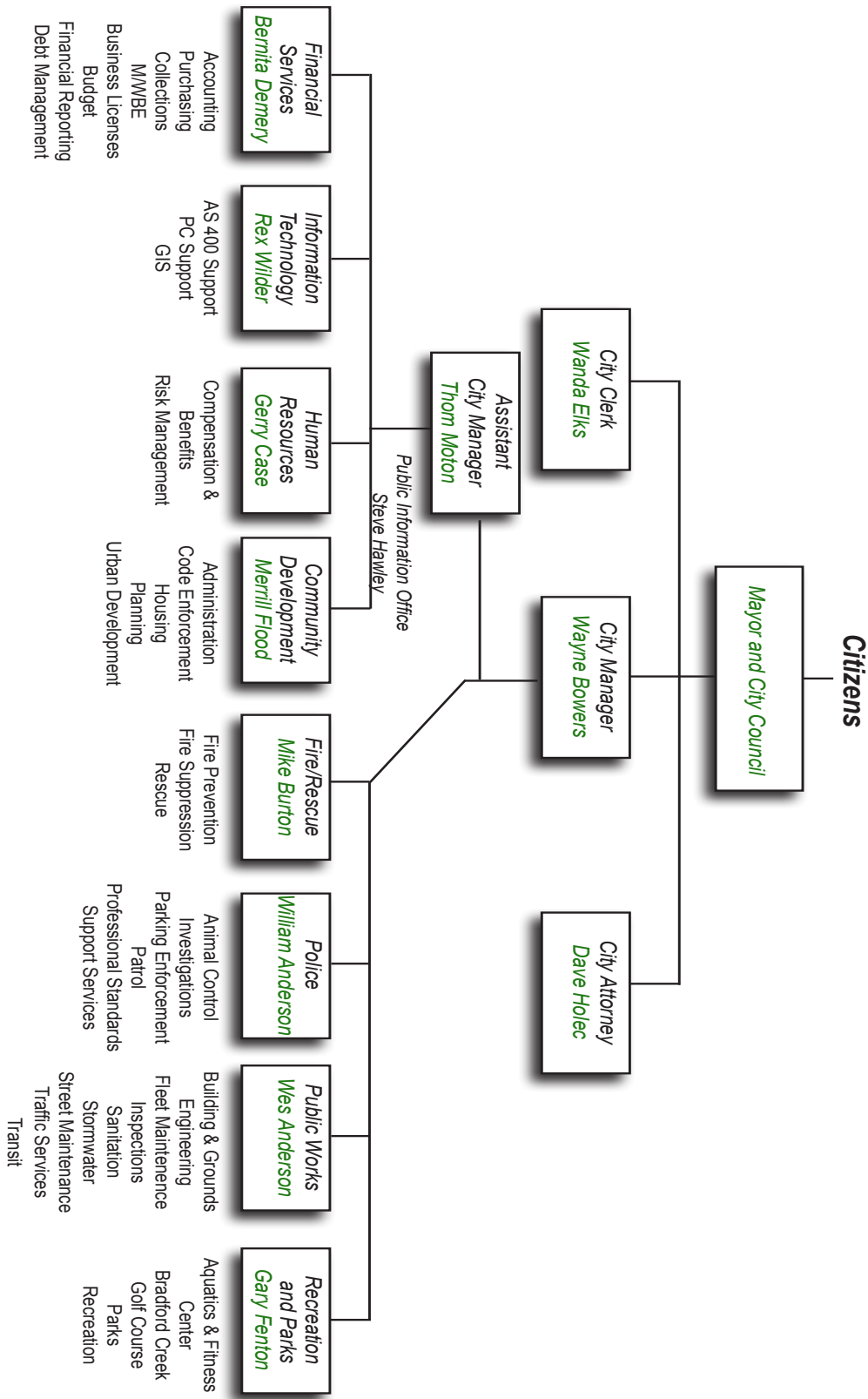


Wayne Bowers  
Greenville's City Manager  
Commissioner since 2004



Julie Carlson  
Commissioner since 2006

## CITY OF GREENVILLE ORGANIZATIONAL CHART





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INDEPENDENT AUDITOR'S REPORT

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## Martin Starnes & Associates, CPAs, P.A.

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

### INDEPENDENT AUDITORS' REPORT

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, 2008, 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, 2008, 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 18, 2008, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over final reporting or on compliance. 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.

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13 South Center Street • Taylorsville, North Carolina 28681 • Phone 828-632-9025 • Fax 828-632-9085  
Toll Free Both Locations 800-948-0585 • Web Site: [www.martinstarnes.com](http://www.martinstarnes.com)

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 thereon.

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 18, 2008

## MANAGEMENT 'S DISCUSSION AND 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, 2008. We encourage readers to read the information presented in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### Financial Highlights

Highlights of the City's fiscal year ended June 30, 2008, include:

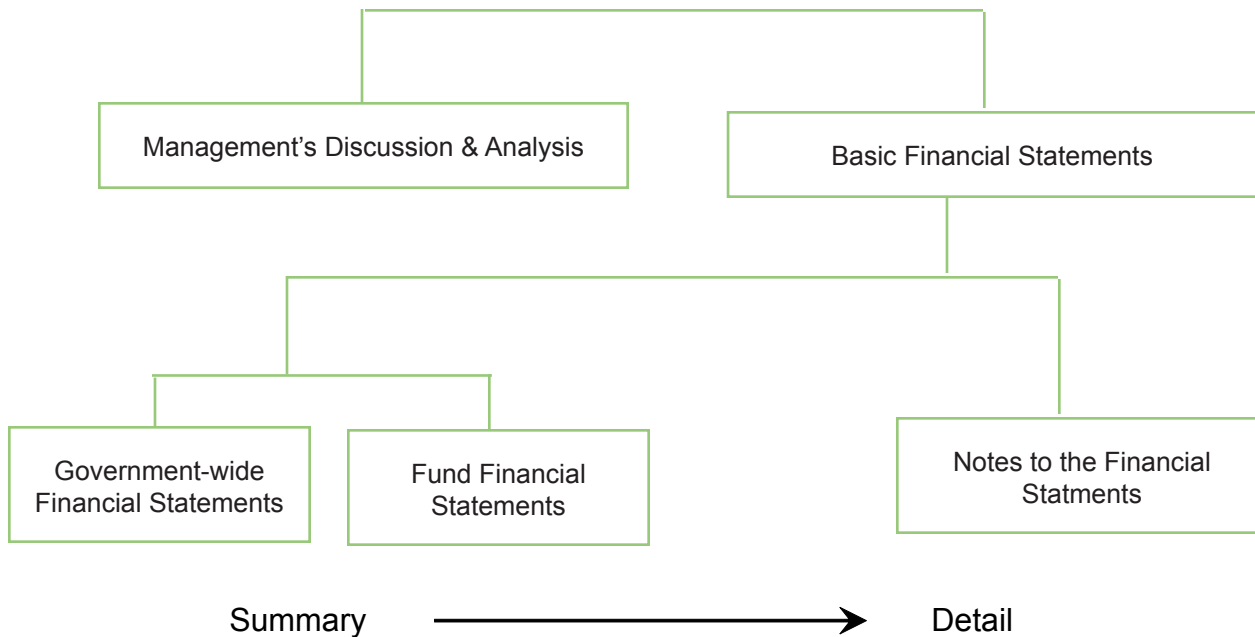
- The assets of the City of Greenville exceeded its liabilities at the close of the fiscal year by \$428,775,031 (net assets). Of this amount, \$107,108,602 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$13,542,480, primarily due to increases in business-type activities. The City's net assets of governmental activities increased by \$1,536,369.
- The City of Greenville's governmental funds reported combined ending fund balances of \$46,609,003 a decrease of \$1,492,211 in comparison with the prior year. A significant part of this decrease was caused by activity in the General Fund and the Debt Service Fund. The General Fund's fund balance decreased due to unexpected Worker's Compensation and Property & Casualty Loss costs. The Debt Service decrease was due to the pay off of some loans, using the remaining cash after equipment purchases. Approximately 75.5% of the total fund balance, or \$35,186,532, is available for spending at the government's discretion (unreserved fund balance).
- Unreserved fund balance for the General Fund was \$15,657,328 or 25.6% of total general fund expenditures (excluding other financing uses) for the fiscal year. Overall, the fund balance for the General Fund decreased by \$486,724, when compared to prior year, due to transfers made to cover a Worker's Compensation and Property & Casualty Loss costs.
- Excluding compensated absences, the City of Greenville's total debt had a net increase of \$25 million during the current fiscal year. The key factor for this 16.7% increase was Greenville Utility Commission's (the Commission) issuance of revenue bonds (\$51.45 million), \$21.45 million of which refunded two earlier bond issues and \$30 million to provide funding for new projects. These issuances were offset by the retirement of lease purchase agreements, general obligation and revenue bonds.
- Property and sales taxes are the two largest sources of revenues within the City's governmental funds and make up 62.8% of the total revenues (excluding other financing sources) in 2008.
- The City maintained a tax rate of \$.56 per \$100 of assessed value for the fourth year.
- The City has achieved the Certificate of Achievement for Excellence in Financial Reporting for the 19th consecutive year.
- Beginning in fiscal year 2007 – 2008, all Phase I governments are required to disclose in their financial statements their annually 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 disclosed \$6,259,019, of OPEB liability as of June 30, 2008. Through the end of the fiscal year management decided to continue with the pay-as-you-go system.



## 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 I) 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary 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 also can 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, aquatics and fitness, 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 two categories: governmental funds and proprietary 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. 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, aquatics and fitness, 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.

### 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 I 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, 2008 (as shown in Exhibit A) with comparative data for June 30, 2007.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 58,384,129	\$ 59,943,334	\$ 120,612,488	\$ 92,596,887	\$ 178,996,617	\$ 152,540,221
Capital assets, non depreciable	42,926,514	39,427,551	17,291,327	21,378,432	60,217,841	60,805,983
Capital assets, net	85,261,110	85,473,783	312,577,219	296,112,455	397,838,329	381,586,238
<b>Total Assets</b>	<b>\$ 186,571,753</b>	<b>\$ 184,844,668</b>	<b>\$ 450,481,034</b>	<b>\$ 410,087,774</b>	<b>\$ 637,052,787</b>	<b>\$ 594,932,442</b>
Long-term liabilities outstanding	\$ 41,093,156	\$ 41,481,426	\$ 123,413,887	\$ 97,886,181	\$ 164,507,043	\$ 139,367,607
Other liabilities	10,527,461	9,948,475	33,243,252	30,383,809	43,770,713	40,332,284
<b>Total Liabilities</b>	<b>\$ 51,620,617</b>	<b>\$ 51,429,901</b>	<b>\$ 156,657,139</b>	<b>\$ 128,269,990</b>	<b>\$ 208,277,756</b>	<b>\$ 179,699,891</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	\$ 89,238,526	\$ 81,844,350	\$ 229,538,484	\$ 219,967,618	\$ 318,777,010	\$ 301,811,968
Restricted	2,889,419	1,571,891	-	-	2,889,419	1,571,891
Unrestricted	42,823,191	49,998,526	64,285,411	61,850,166	107,108,602	111,848,692
<b>Total Net Assets</b>	<b>\$ 134,951,136</b>	<b>\$ 133,414,767</b>	<b>\$ 293,823,895</b>	<b>\$ 281,817,784</b>	<b>\$ 428,775,031</b>	<b>\$ 415,232,551</b>

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 \$428,775,031 (net assets). Of this amount, \$107,108,602 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 \$1,536,369 as compared to the prior year. 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 97.1%, along with overall 6.25% increase in receipts.
- Increased sales tax revenue of approximately 4.85% due to economic growth in the City.
- Increased capital assets due to completion of projects. The Commission's assets increased \$12.5 million or 4.1% over prior year.

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.

**City of Greenville's Changes in Net Assets  
Figure 3**

	Governmental Activities		Business-Type		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 13,948,835	\$ 13,560,015	\$ 242,521,472	\$ 232,606,815	\$ 256,470,307	\$ 246,166,830
Operating grants and contributions	3,101,412	4,578,121	698,747	929,701	3,800,159	5,507,822
Capital grants and contributions	3,691,058	3,022,465	5,073,962	12,349,704	8,765,020	15,372,169
General revenues:						
Ad valorem taxes	26,033,436	24,053,784	-	-	26,033,436	24,053,784
Other taxes	14,321,873	13,559,138	-	-	14,321,873	13,559,138
Other	9,095,717	8,914,612	2,377,062	3,088,362	11,472,779	12,002,974
<b>Total Revenues</b>	<b>\$ 70,192,331</b>	<b>\$ 67,688,135</b>	<b>\$ 250,671,243</b>	<b>\$ 248,974,582</b>	<b>\$ 320,863,574</b>	<b>\$ 316,662,717</b>
Expenses:						
General governmental	16,289,865	18,143,635	-	-	16,289,865	18,143,635
Public safety	29,719,485	28,365,797	-	-	29,719,485	28,365,797
Transportation	9,703,310	3,190,454	-	-	9,703,310	3,190,454
Environmental protection	4,365,615	4,294,652	-	-	4,365,615	4,294,652
Cultural and recreation	5,138,945	3,528,160	-	-	5,138,945	3,528,160
Economic and physical developme	6,690,411	4,926,306	-	-	6,690,411	4,926,306
Interest and fees	1,787,506	1,937,270	-	-	1,787,506	1,937,270
Electric	-	-	163,118,681	157,151,142	163,118,681	157,151,142
Water	-	-	13,169,650	11,835,547	13,169,650	11,835,547
Sewer	-	-	12,972,247	12,800,441	12,972,247	12,800,441
Gas	-	-	38,147,951	37,068,528	38,147,951	37,068,528
Public transportation	-	-	1,411,626	1,388,561	1,411,626	1,388,561
Aquatics and fitness center	-	-	1,559,812	1,521,227	1,559,812	1,521,227
Bradford Creek Golf Course	-	-	878,597	871,280	878,597	871,280
Stormwater utility	-	-	2,367,393	1,847,958	2,367,393	1,847,958
<b>Total Expenses</b>	<b>\$ 73,695,137</b>	<b>\$ 64,386,274</b>	<b>\$ 233,625,957</b>	<b>\$ 224,484,684</b>	<b>\$ 307,321,094</b>	<b>\$ 288,870,958</b>
Increase in net assets before transfers:	(3,502,806)	3,301,861	17,045,286	24,489,898	13,542,480	27,791,759
Transfers	5,039,175	4,469,282	(5,039,175)	(4,469,282)	-	-
<b>Increase in net assets</b>	<b>\$ 1,536,369</b>	<b>\$ 7,771,143</b>	<b>\$ 12,006,111</b>	<b>\$ 20,020,616</b>	<b>\$ 13,542,480</b>	<b>\$ 27,791,759</b>
Net assets, July 1	133,414,767	125,407,991	281,817,784	261,797,168	415,232,551	387,205,159
Prior period adjustment	-	235,633	-	-	-	235,633
<b>Net assets, July 1, restated</b>	<b>\$ 133,414,767</b>	<b>\$ 125,643,624</b>	<b>\$ 281,817,784</b>	<b>\$ 261,797,168</b>	<b>\$ 415,232,551</b>	<b>\$ 387,440,792</b>
Net assets, June 30	\$ 134,951,136	\$ 133,414,767	\$ 293,823,895	\$ 281,817,784	\$ 428,775,031	\$ 415,232,551

### Governmental Activities

Governmental activities increased the City's net assets by \$1,536,369. Of total net assets, governmental activities accounted for \$134,951,136 or 11.3% of growth. The growth in overall city revenues, particularly property and sales tax, and the capitalization of assets, were key elements of the increase.

### Business-type Activities

The Greenville Utilities Commission has net assets of \$278,908,247 as of June 30, 2008. This represents 94.9% of the total business-type activities net assets amount. Of this amount, \$57,729,964 (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 \$12,006,111 accounting for 89% 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:

- Fee increases implemented within the Water Fund increased revenues 10.9%.
- Fee increases implemented within the Sewer Fund increased revenues 1.6%.
- GUC net capital assets increased \$12,573,650.
- GUC issued revenue bonds totaling \$51,455,000 in June 2008. Of this amount, \$21,450,000 re funded two earlier bond issues and \$30,005,000 will provide funding for new projects. This increase was offset by the payoff of some bonds outstanding.

### 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 \$15,657,328, while total fund balance was \$26,971,916. 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 25.6% of total General Fund expenditures, while total fund balance represents 41.6% of that same amount. At June 30, 2008, the governmental funds of City of Greenville reported a combined fund balance of \$46,609,003, a 3.1% decrease over last year. Approximately, one-third of this decrease was due to a Worker's Compensation and Property & Casualty costs in the General Fund. The net balance of this decrease occurred in Other Governmental Funds, primarily within the Debt Service Fund. The Debt Service Fund experienced a decrease, in fund balance, of approximately \$949K during the fiscal year. This decrease was partly due to the transfer of funds, held by the City, to the Greenville Convention Center and Visitors Authority (CVA) in the amount of \$286,000. These funds were transferred to CVA as a reimbursement payment for historical occupancy tax proceeds that were not needed to pay down debt service. Additionally, within the Debt Service Fund, the City paid off some lease purchases that were complete; in some cases prior to the maturity of the loans. Since there was no funds transferred into the Debt Service Fund, expenditures exceeded revenues, decreasing fund balance.

### 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 \$5,794,973. When compared to the adjustments proposed last year, this is a less than 1% decrease. The majority of this increase is due to appropriations made to transfer \$3.175 million to the Capital Reserve Fund.



Part of this transfer is an annual transfer that is approved by City Council based on audited fund balance levels at the end of the fiscal year. The remaining portion of the transfer included proceeds from the sale of the Pepsi and Keel warehouses, which were designated for a future capital project. The City also appropriated funds for approved grant funding and a \$250,000 transfer to pay the City's share of a highway widening project.

General Fund expenditures exceeded revenues by \$486,724, decreasing more than 60% from the deficit experienced in 2007. This was largely due to the decrease in the Transfer to the Vehicle Replacement Fund (VRF). During fiscal year 2007, \$2,659,000 was transferred from the General Fund in order to establish the VRF. Despite an uncertain economy, General Fund operating revenues increased 6.25% over the prior year, exceeding budget estimates by two percent. In contrast, while operating expenditures increased 9.3% over prior year, they fell short of expected budget appropriations by 9%. Fiscal Year 2008 operations were more efficient than expected. As a result, of the \$8,014,260 earmarked as an Appropriation of Fund Balance, in the budget to cover expenditures not off-set by known revenue sources, the City of Greenville only had to utilize \$486,724 to cover unexpected/additional costs.

Better than expected growth helped Property Taxes increase 10%, which was twice its estimated increase. The slowing economy did not affect Sales Tax as much as expected. Sales Tax increased 5.6%, over three percent above its budget estimate. Sales and Services revenue increased 14.3%. There was a concerted effort in 2008 to collect Rescue Fees which is the major revenue source in this category. Despite numerous interest rate cuts by the Federal Reserve in 2008, Investment Earnings managed a 10.1% increase over the prior year, and surpassing its budget estimate by 37%. 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.

The major increases in expenditures in the General Fund were Fleet Service Fixed-Costs (payments made by departments to the Vehicle Replacement Fund to off-set future vehicle purchases), Permanent Salaries, Utility and Energy costs, and Workers' Compensation and Insurance costs. Overall, there was no unusual or significant activity noted within this fund's expenditures during 2008. All department activity remained within approved budgeted amounts. Energy costs were most affected by the changing economic conditions.

### **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, 2008, totals \$458,056,170 (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 the land purchased for the Dickinson Avenue Project for approximately \$1.36 million.
- The capitalization of River Park North assets for approximately \$1.18 million.
- The Commission also had several capital projects underway; net additions to the Electric Fund included improvements and capital projects totaling \$7.3 million.

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	
	2008	2007	2008	2007	2008	2007
Land	\$ 36,256,842	\$ 34,646,994	\$ 6,329,138	\$ 6,329,138	\$ 42,585,980	\$ 40,976,132
Construction in Progress	6,669,672	4,780,557	10,962,189	15,049,294	17,631,861	19,829,851
Buildings	47,028,421	46,725,291	120,136,630	119,247,583	167,165,051	165,972,874
Improvements other than Buildings	6,778,922	4,848,727	692,759	708,615	7,471,681	5,557,342
Infrastructure	54,366,550	53,848,289	-	-	54,366,550	53,848,289
Machinery and equipment	25,676,144	26,423,774	3,679,157	3,684,107	29,355,301	30,107,881
Land rights	-	-	368,768	368,768	368,768	368,768
Furniture and office equipment	-	-	7,673,236	7,094,063	7,673,236	7,094,063
Vehicles and equipment	2,258,474	364,581	17,638,703	16,550,616	19,897,177	16,915,197
Distribution Systems	-	-	348,902,609	327,166,498	348,902,609	327,166,498
Transmission Systems	-	-	28,181,876	20,509,648	28,181,876	20,509,648
Subtotal	\$ 179,035,025	\$ 171,638,213	\$ 544,565,065	\$ 516,708,330	\$ 723,600,090	\$ 688,346,543
Accumulated Depreciation	(50,847,401)	(46,736,879)	(214,696,519)	(199,217,443)	(265,543,920)	(245,954,322)
Capital assets, net	\$ 128,187,624	\$ 124,901,334	\$ 329,868,546	\$ 317,490,887	\$ 458,056,170	\$ 442,392,221

### Long-term Debt

As of June 30, 2008, the City of Greenville had total debt outstanding of \$179,047,453 (including compensated absences and Law Enforcement Officer (LEO) Separation Allowance). Of this, \$38,949,098 is debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds) or building (i.e. certificates of participation) and equipment (i.e. installment purchase contracts and loans), which is outlined below.

## City of Greenville's Outstanding Debt General Obligation and Revenue Bonds

### Figure 5

	Governmental Activities		Business-type		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 12,150,248	\$ 12,990,000	\$ 8,459,752	\$ 9,665,000	\$ 20,610,000	\$ 22,655,000
State Revolving Loan, Lease, Purchase & COPS	21,718,850	24,701,984	19,809,480	21,279,511	41,528,330	45,981,495
Revenue Bonds	5,080,000	5,365,000	99,842,087	74,136,332	104,922,087	79,501,332
Total	\$ 38,949,098	\$ 43,056,984	\$ 128,111,319	\$ 105,080,843	\$ 167,060,417	\$ 148,137,827

Total debt (excluding compensated absences and LEO separation allowance) has increased by \$25M (17%) during the current fiscal year. The key factor for this increase was GUC's issuance of revenue bonds (\$30 million). These issuances were partially offset by the retirement of lease purchase agreements, general obligation and revenue bonds.

As of June 30, 2008 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 and receive a rating upgrade from "A2" to "A1" from Moody's Investor Services.

North Carolina General Statutes restrict the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that units boundaries. The legal debt margin for City of Greenville is \$341,050,902.

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>	<u>1990</u>	<u>2008</u>
35,740	46,305	76,058

- Growth in assessed values. The assessed valuation of property for fiscal year 2007-2008 was \$4,689,329,733 up approximately 4% from the previous year. A significant portion of the increase in property taxes is attributed to the increase in new construction and renovations.
- Interest rates. Although the General Fund shows an increase in Investment Earnings of 10%, overall, as a result of declining rates, Government-wide investment earnings decreased 13%. As of June 30, 2008 the 91-day T-Bill rate was 1.84% as compared to 4.63% on June 30, 2007.

## BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2009

### Governmental Activities

Adopted budgeted expenditures in the General Fund are expected to increase to \$71,163,881. This amount represents a 14.7% increase over the original budget adopted for the prior fiscal year. While this seems a large increase, the fiscal year 2009 original budget is actually a 1.6% decrease over fiscal year 2008 actuals. Salaries and benefits represent 62.4% of the total General Fund budget, which is consistent with historical patterns. These expenditures are expected to increase 7.9% over fiscal year 2008 actuals. This change results from a market salary adjustment, merit raises, increased benefit costs, and new positions. The fiscal year 2009 original budget was diligently crafted to incorporate the rising operational costs, such as fuel and utility costs, already being experienced at the end of fiscal year 2008. Therefore, operational and capital improvement costs are expected to decrease by approximately 9.5%. This decline in capital improvements is justifiable as the City continues to spend down funding from the bond proceeds that were received beginning in October 2006.

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

### Property Taxes:

The City of Greenville recently underwent the property revaluation process and set current property values on January 1, 2008. Therefore, property taxes in the City of Greenville should be relatively unaffected by the current economic crisis. The next revaluation will not occur for another four years. The increase in fiscal year 2009 property taxes over fiscal year 2008 was estimated using two factors, an increase due to the revaluation and an average growth estimate. These two factors were approximately the same, so the City stands to breakeven for the fiscal year 2009. The property tax rate was calculated and approved at the revenue-neutral rate of 52 cents per one hundred dollars (\$100) valuation. Based on historical patterns we have included a 7.77% growth rate for the 2009 projection.

### Sales Tax:

The North Carolina League of Municipalities estimates fiscal year 2009 Sales Tax revenue to remain flat or decline when compared to fiscal year 2008 actuals. Over the past five years, sales tax has had an average growth rate of 11%; however, due to recent economic impact of the credit crunch, increased fuel, and lowered consumer spending; management anticipates a minimal growth in the area outside of normal inflation. Therefore, City of Greenville's projections for the next two year's have included a moderate increase of two percent (2%) to account for a continued conservative growth factor. First quarter fiscal year 2009 Sales Tax receipts were unexpectedly strong with a 16% increase over fiscal year 2008 first quarter results. This \$199,212 increase is 41.5% of the total fiscal year 2009 estimated increase, providing the City a solid cushion should Sales Tax revenues decrease later in the fiscal year as expected.

### Powell Bill:

There was some concern with the increase in the price of gasoline and the corresponding decrease in demand that this revenue would decrease as well. Therefore, revenue projections for fiscal year 2009 included a 7.3% decrease from the previous year's actual. However, the decrease is not probable.

### Investment Income:

During the recent years of higher interest rates the City experienced significant growth in investment earnings. The cut in interest rates that started last September will preclude the significant growth that the City has recognized during the past three years from continuing. Projected General Fund interest income for 2008-2009 represents only a 2% increase over the previous year. One factor that has assisted the City from experiencing a more direct impact from the economic downturn has been investments that were locked in prior to the turnaround that pay strong fixed periodic coupon payments. The City believes the projections for the next two years remain conservative based on increased cash levels in conjunction with the leveling out of rates.

As a result of the crisis in the financial markets, ratings of different bonds and Certificates of Participation held by the City have been downgraded by both Moody's and Standard and Poor's. These downgrades are solely based 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. When the City of Greenville issues new debt during fiscal year 2009, the City's rating will be reviewed and determined as of that time.

### 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). Based on recommendations from a recent rate study on water and sewer, the Commission, is implementing capacity fees to recover a proportional share of the cost of capital facilities constructed to provide service capacity for new development. The Commission has been awarded \$1,203,000 in grants from the U.S. Economic Development Administration and the N.C. Rural Center which will provide funding for an Aquifer Storage and Recovery project. The Commission is also adding 16.125 full-time equivalent positions, nine of these are in construction and maintenance, three in engineering, and the remaining 4.125 are in support departments. The Commission does not foresee that the current economic conditions will negatively impact their operations.

### 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](mailto: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, 2008

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 49,909,063	\$ 62,151,398	\$ 112,060,461
Taxes and licenses receivable, net	1,321,027	-	1,321,027
Accounts receivable, net	2,503,147	25,679,109	28,182,256
Interest receivable	11,308	-	11,308
Loans receivable	378,505	-	378,505
Due from other governments	3,104,563	1,092,421	4,196,984
Inventories	70,122	5,004,917	5,075,039
Prepaid items and deposits	95,729	17,288	113,017
Internal balances	990,665	(990,665)	-
Cash and cash equivalents, restricted	-	27,658,020	27,658,020
Total current assets	<u>58,384,129</u>	<u>120,612,488</u>	<u>178,996,617</u>
Land, improvements and construction in progress	42,926,514	17,291,327	60,217,841
Other capital assets, net of depreciation	85,261,110	312,577,219	397,838,329
Total non-current assets	<u>128,187,624</u>	<u>329,868,546</u>	<u>458,056,170</u>
Total assets	<u>186,571,753</u>	<u>450,481,034</u>	<u>637,052,787</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	3,738,961	19,528,126	23,267,087
Customer deposits	-	2,777,702	2,777,702
Accrued interest payable	-	837,130	837,130
Other liabilities	1,223,116	-	1,223,116
Unearned revenue	407,965	717,303	1,125,268
Current portion of compensated absences	1,912,889	1,376,074	3,288,963
Current portion of long-term debt	3,244,530	8,006,917	11,251,447
Total current liabilities	<u>10,527,461</u>	<u>33,243,252</u>	<u>43,770,713</u>
<b>Long-Term Liabilities:</b>			
Noncurrent portion of long-term debt	41,093,156	123,413,887	164,507,043
Total liabilities	<u>51,620,617</u>	<u>156,657,139</u>	<u>208,277,756</u>
<b>Net Assets:</b>			
Investments in capital assets, net of related debt	89,238,526	229,538,484	318,777,010
Restricted for streets	2,889,419	-	2,889,419
Unrestricted	42,823,191	64,285,411	107,108,602
Total net assets	<u>\$ 134,951,136</u>	<u>\$ 293,823,895</u>	<u>\$ 428,775,031</u>

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, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 16,289,865	\$ 4,111,672	\$ 238,305	\$ 371,028
Public safety	29,719,485	3,708,956	508,314	-
Transportation	9,703,310	209,881	-	3,320,030
Environmental protection	4,365,615	4,633,961	-	-
Cultural and recreational	5,138,945	768,419	858,125	-
Economic and physical development	6,690,411	515,946	1,496,668	-
Interest and fees	1,787,506	-	-	-
Total governmental activities	<u>73,695,137</u>	<u>13,948,835</u>	<u>3,101,412</u>	<u>3,691,058</u>
<b>Business-Type Activities:</b>				
Electric	163,118,681	168,993,316	-	24,200
Water	13,169,650	13,714,000	-	1,653,599
Sewer	12,972,247	14,110,845	-	3,376,983
Gas	38,147,951	41,109,509	-	-
Public transportation	1,411,626	184,566	698,747	-
Aquatics and fitness center	1,559,812	599,859	-	19,180
Bradford Creek Golf Course	878,597	876,662	-	-
Stormwater utility	2,367,393	2,932,715	-	-
Total business-type activities	<u>233,625,957</u>	<u>242,521,472</u>	<u>698,747</u>	<u>5,073,962</u>
Total primary government	<u>\$ 307,321,094</u>	<u>\$ 256,470,307</u>	<u>\$ 3,800,159</u>	<u>\$ 8,765,020</u>

**General Revenues:**

Ad valorem taxes  
Sales and use taxes  
Other taxes  
Investment earnings  
Transfers  
Total general revenues and transfers

Change in net assets

Net assets, beginning of year

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**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (11,568,860)	\$ -	\$ (11,568,860)
(25,502,215)	-	(25,502,215)
(6,173,399)	-	(6,173,399)
268,346	-	268,346
(3,512,401)	-	(3,512,401)
(4,677,797)	-	(4,677,797)
(1,787,506)	-	(1,787,506)
<u>(52,953,832)</u>	<u>-</u>	<u>(52,953,832)</u>
-	5,898,835	5,898,835
-	2,197,949	2,197,949
-	4,515,581	4,515,581
-	2,961,558	2,961,558
-	(528,313)	(528,313)
-	(940,773)	(940,773)
-	(1,935)	(1,935)
-	565,322	565,322
-	<u>14,668,224</u>	<u>14,668,224</u>
<u>(52,953,832)</u>	<u>14,668,224</u>	<u>(38,285,608)</u>
26,033,436	-	26,033,436
14,321,873	-	14,321,873
6,390,264	-	6,390,264
2,705,453	2,377,062	5,082,515
5,039,175	(5,039,175)	-
<u>54,490,201</u>	<u>(2,662,113)</u>	<u>51,828,088</u>
<u>1,536,369</u>	<u>12,006,111</u>	<u>13,542,480</u>
133,414,767	281,817,784	415,232,551
<u>\$ 134,951,136</u>	<u>\$ 293,823,895</u>	<u>\$ 428,775,031</u>

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



## CITY OF GREENVILLE, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 25,349,459	\$ 20,477,186	\$ 45,826,645
Taxes receivable, net	1,321,027	-	1,321,027
Accounts receivable, net	2,461,773	41,374	2,503,147
Interest receivable	-	11,308	11,308
Loans receivable	-	378,505	378,505
Due from other funds	2,001,863	90,459	2,092,322
Due from other governments	2,762,291	342,272	3,104,563
Inventories	70,122	-	70,122
Prepaid items and deposits	33,455	62,274	95,729
Total assets	<u>\$ 33,999,990</u>	<u>\$ 21,403,378</u>	<u>\$ 55,403,368</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 2,121,084	\$ 420,870	\$ 2,541,954
Due to other funds	95,674	952,435	1,048,109
Other liabilities	1,223,116	-	1,223,116
Deferred revenue	3,588,200	392,986	3,981,186
Total liabilities	<u>7,028,074</u>	<u>1,766,291</u>	<u>8,794,365</u>
<b>Fund Balances:</b>			
Reserved by State Statute	5,366,719	45,609	5,412,328
Reserved for encumbrances	2,954,873	-	2,954,873
Reserved for prepaid items and inventories	103,577	62,274	165,851
Reserved for Streets - Powell Bill	2,889,419	-	2,889,419
Unreserved designated for subsequent year's expenditures	1,525,202	-	1,525,202
Unreserved designated for catastrophic losses	3,321,321	-	3,321,321
Unreserved designated for NC League of Municipalities	100,000	-	100,000
Unreserved, undesignated fund balance	10,710,805	-	10,710,805
<b>Unreserved Fund Balance Reported In:</b>			
Special revenue	-	6,900,643	6,900,643
Debt service	-	806,119	806,119
Capital projects	-	11,822,442	11,822,442
Total fund balance	<u>26,971,916</u>	<u>19,637,087</u>	<u>46,609,003</u>
Total liabilities and fund balances	<u>\$ 33,999,990</u>	<u>\$ 21,403,378</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.	126,222,845
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.	3,573,221
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.	4,796,643
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.	<u>(46,250,576)</u>
Net assets of governmental activities	<u>\$ 134,951,136</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, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 26,295,736	\$ -	\$ 26,295,736
Other taxes	15,036,375	757,827	15,794,202
Unrestricted intergovernmental	4,917,935	-	4,917,935
Restricted intergovernmental	3,361,167	3,148,204	6,509,371
Licenses, permits and fees	7,741,941	-	7,741,941
Sales and services	4,818,855	654,792	5,473,647
Investment earnings	2,073,793	611,319	2,685,112
Other revenues	442,498	283,099	725,597
	<u>64,688,300</u>	<u>5,455,241</u>	<u>70,143,541</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	8,843,197	-	8,843,197
Public safety	29,552,650	-	29,552,650
Public works	8,892,820	-	8,892,820
Environmental protection	4,161,636	-	4,161,636
Cultural and recreational	1,846,465	2,377,211	4,223,676
Economic and physical development	5,049,747	1,683,184	6,732,931
Capital outlay	2,708,575	5,545,051	8,253,626
Debt Service:			
Principal retirement	-	4,107,886	4,107,886
Interest and fees	-	1,787,506	1,787,506
	<u>61,055,090</u>	<u>15,500,838</u>	<u>76,555,928</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,633,210</u>	<u>(10,045,597)</u>	<u>(6,412,387)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	6,104,217	16,943,988	23,048,205
Transfers to other funds	<u>(10,224,151)</u>	<u>(7,903,878)</u>	<u>(18,128,029)</u>
Total other financing sources (uses)	<u>(4,119,934)</u>	<u>9,040,110</u>	<u>4,920,176</u>
Net change in fund balances	(486,724)	(1,005,487)	(1,492,211)
Fund balance, beginning of year	<u>27,458,640</u>	<u>20,642,574</u>	<u>48,101,214</u>
Fund balances, end of year	<u>\$ 26,971,916</u>	<u>\$ 19,637,087</u>	<u>\$ 46,609,003</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, 2008

Net change in fund balances - total governmental funds	\$ (1,492,211)
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.	8,277,886
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(5,214,507)
There are differences in the revenues in the Statement of Activities and revenues in the funds for:	
Property tax	(262,300)
Sales and services and other revenues	186,560
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.	(3,046,199)
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.	4,107,886
Gain (loss) on disposal of capital assets is reported in the Statement of Activities but not the funds statement.	(1,390,967)
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>370,221</u>
Change in net assets of governmental activities	<u>\$ 1,536,369</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, 2008

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 25,820,168	\$ 25,820,168	\$ 26,295,736	\$ 475,568
Other taxes	14,636,643	14,882,894	15,036,375	153,481
Unrestricted intergovernmental	4,912,588	4,912,588	4,917,935	5,347
Restricted intergovernmental	2,796,936	3,729,528	3,361,167	(368,361)
Licenses, permits and fees	8,036,800	7,822,051	7,741,941	(80,110)
Sales and services	3,928,942	4,399,153	4,818,855	419,702
Investment earnings	1,514,793	1,514,793	2,073,793	559,000
Other revenues	392,971	399,786	442,498	42,712
Total revenues	<u>62,039,841</u>	<u>63,480,961</u>	<u>64,688,300</u>	<u>1,207,339</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	9,526,815	10,169,221	8,843,197	1,326,024
Public safety	29,303,337	30,681,915	29,552,650	1,129,265
Public works	8,938,204	9,189,909	8,892,820	297,089
Environmental protection	4,297,663	4,322,061	4,161,636	160,425
Economic development	1,763,055	2,049,555	1,846,465	203,090
Cultural and recreational	5,223,872	5,337,312	5,049,747	287,565
Capital outlay	2,580,605	5,321,125	2,708,575	2,612,550
Contingency	183,500	17,318	-	17,318
Total expenditures	<u>61,817,051</u>	<u>67,088,416</u>	<u>61,055,090</u>	<u>6,033,326</u>
<b>Revenues over (under) expenditures</b>	<u>222,790</u>	<u>(3,607,455)</u>	<u>3,633,210</u>	<u>7,240,665</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	5,048,302	6,137,685	6,104,217	(33,468)
Transfers to other funds	(6,783,836)	(10,544,490)	(10,224,151)	320,339
Appropriated fund balance	1,512,744	8,014,260	-	(8,014,260)
Total other financing sources (uses)	<u>(222,790)</u>	<u>3,607,455</u>	<u>(4,119,934)</u>	<u>(7,727,389)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(486,724)</u>	<u>\$ (486,724)</u>
Fund balance, beginning of year			<u>27,458,640</u>	
Fund balance, end of year			<u>\$ 26,971,916</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, 2008

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 38,205,274	\$ 4,382,271	\$ 7,707,660	\$ 4,943,928
Investments	-	-	-	-
Accounts receivable, net	19,052,659	1,718,270	1,605,216	2,957,109
Due from other governments	781,622	184,146	43,201	70,942
Due from other funds	94,097	-	-	-
Intrafund loans	-	(2,847,367)	2,847,367	-
Inventories	3,437,079	872,400	83,254	597,987
Prepaid items and deposits	4,555	3,724	2,918	5,841
Cash and cash equivalents, restricted	<u>7,699,014</u>	<u>11,357,325</u>	<u>6,841,587</u>	<u>1,760,094</u>
Total current assets	<u>69,274,300</u>	<u>15,670,769</u>	<u>19,131,203</u>	<u>10,335,901</u>
<b>Noncurrent Assets:</b>				
Land improvements and construction in progress	2,557,533	4,615,564	3,434,176	752,018
Other capital assets, net	<u>83,588,014</u>	<u>82,614,735</u>	<u>109,232,784</u>	<u>28,898,890</u>
Total noncurrent assets	<u>86,145,547</u>	<u>87,230,299</u>	<u>112,666,960</u>	<u>29,650,908</u>
Total assets	<u>155,419,847</u>	<u>102,901,068</u>	<u>131,798,163</u>	<u>39,986,809</u>
<b>Liabilities and Net Assets:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	14,412,266	1,322,804	514,191	3,129,764
Customer deposits	2,323,736	249,610	100	204,256
Accrued interest payable	204,653	258,452	247,331	126,694
Due to other funds	991,566	5,283	5,283	5,283
Deferred revenue	-	-	118,649	-
Current portion of compensated absences	594,024	328,377	190,977	210,229
Current maturities of long-term debt	<u>1,498,985</u>	<u>2,018,507</u>	<u>3,367,976</u>	<u>784,847</u>
Total current liabilities	<u>20,025,230</u>	<u>4,183,033</u>	<u>4,444,507</u>	<u>4,461,073</u>
<b>Noncurrent Liabilities:</b>				
Compensated absences payable	190,779	100,941	47,568	19,893
Deferred revenue	-	-	403,008	-
Noncurrent portion of other postemployment benefits	1,347,502	691,752	333,737	445,481
Noncurrent portion of long-term debt	<u>28,563,123</u>	<u>35,971,567</u>	<u>37,983,871</u>	<u>11,984,575</u>
Total noncurrent liabilities	<u>30,101,404</u>	<u>36,764,260</u>	<u>38,768,184</u>	<u>12,449,949</u>
Total liabilities	<u>50,126,634</u>	<u>40,947,293</u>	<u>43,212,691</u>	<u>16,911,022</u>
<b>Net Assets:</b>				
Investment in capital assets, net of related debt	63,782,453	60,597,550	78,156,700	18,641,580
Unrestricted net assets	<u>41,510,760</u>	<u>1,356,225</u>	<u>10,428,772</u>	<u>4,434,207</u>
Total net assets	<u>\$ 105,293,213</u>	<u>\$ 61,953,775</u>	<u>\$ 88,585,472</u>	<u>\$ 23,075,787</u>

**Exhibit G**

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Combined Internal Service Funds</u>
\$ 6,912,265	\$ 62,151,398	\$ 4,082,418
-	-	-
345,855	25,679,109	-
12,510	1,092,421	-
854,170	948,267	-
-	-	-
14,197	5,004,917	-
250	17,288	-
-	27,658,020	-
<u>8,139,247</u>	<u>122,551,420</u>	<u>4,082,418</u>
5,932,036	17,291,327	-
<u>8,242,796</u>	<u>312,577,219</u>	<u>1,964,780</u>
<u>14,174,832</u>	<u>329,868,546</u>	<u>1,964,780</u>
<u>22,314,079</u>	<u>452,419,966</u>	<u>6,047,198</u>
149,101	19,528,126	1,197,007
-	2,777,702	-
-	837,130	-
931,517	1,938,932	53,548
195,646	314,295	-
52,467	1,376,074	-
<u>336,602</u>	<u>8,006,917</u>	<u>-</u>
<u>1,665,333</u>	<u>34,779,176</u>	<u>1,250,555</u>
41,064	400,245	-
-	403,008	-
214,005	3,032,477	-
<u>5,478,029</u>	<u>119,981,165</u>	<u>-</u>
<u>5,733,098</u>	<u>123,816,895</u>	<u>-</u>
<u>7,398,431</u>	<u>158,596,071</u>	<u>1,250,555</u>
8,360,201	229,538,484	1,964,780
<u>6,555,447</u>	<u>64,285,411</u>	<u>2,831,863</u>
<u>\$ 14,915,648</u>	<u>\$ 293,823,895</u>	<u>\$ 4,796,643</u>



CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 168,182,252	\$ 13,556,446	\$ 13,144,903	\$ 40,966,051
Other operating revenues	<u>432,762</u>	<u>72,586</u>	<u>77,379</u>	<u>85,080</u>
Total operating revenues	<u>168,615,014</u>	<u>13,629,032</u>	<u>13,222,282</u>	<u>41,051,131</u>
<b>Operating Expenses:</b>				
Administrative and general	8,327,432	1,735,102	1,662,004	2,071,138
Operations and maintenance	12,752,592	7,401,315	6,305,185	4,571,198
Purchased power and gas	134,451,922	-	-	29,607,578
Depreciation and amortization	6,675,308	2,971,826	3,780,795	1,381,942
Claims	-	-	-	-
Total operating expenses	<u>162,207,254</u>	<u>12,108,243</u>	<u>11,747,984</u>	<u>37,631,856</u>
<b>Operating income (loss)</b>	<u>6,407,760</u>	<u>1,520,789</u>	<u>1,474,298</u>	<u>3,419,275</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment earnings	1,587,771	166,155	350,520	107,601
Restricted intergovernmental revenues	-	-	-	-
Other revenue	378,302	84,968	888,563	58,378
Interest expense	<u>(911,427)</u>	<u>(1,061,407)</u>	<u>(1,224,263)</u>	<u>(516,095)</u>
Total nonoperating revenue (expenses)	<u>1,054,646</u>	<u>(810,284)</u>	<u>14,820</u>	<u>(350,116)</u>
<b>Income (loss) before transfers and contributions</b>	7,462,406	710,505	1,489,118	3,069,159
<b>Transfers In (Out) and Capital Contributions:</b>				
Capital Contributions	24,200	1,653,599	3,376,983	-
Transfers from other funds	-	-	-	-
Transfers to other funds	<u>(3,973,326)</u>	<u>-</u>	<u>-</u>	<u>(1,041,307)</u>
Total transfers in (out) and capital contributions:	<u>(3,949,126)</u>	<u>1,653,599</u>	<u>3,376,983</u>	<u>(1,041,307)</u>
<b>Change in net assets</b>	3,513,280	2,364,104	4,866,101	2,027,852
<b>Net Assets:</b>				
Beginning of year - July 1st	<u>101,779,933</u>	<u>59,589,671</u>	<u>83,719,371</u>	<u>21,047,935</u>
End of year - June 30th	<u>\$ 105,293,213</u>	<u>\$ 61,953,775</u>	<u>\$ 88,585,472</u>	<u>\$ 23,075,787</u>

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

**Exhibit H**

<b>Other Nonmajor Enterprise</b>	<b>Total Enterprise Funds</b>	<b>Combined Internal Service Funds</b>
\$ 4,592,715	\$ 240,442,367	\$ 1,968,241
<u>1,087</u>	<u>668,894</u>	<u>104,189</u>
<u>4,593,802</u>	<u>241,111,261</u>	<u>2,072,430</u>
21,101	13,816,777	-
4,685,329	35,715,619	1,326,808
-	164,059,500	-
1,225,915	16,035,786	280,016
<u>-</u>	<u>-</u>	<u>234,726</u>
<u>5,932,345</u>	<u>229,627,682</u>	<u>1,841,550</u>
<u>(1,338,543)</u>	<u>11,483,579</u>	<u>230,880</u>
165,015	2,377,062	20,341
698,747	698,747	-
-	1,410,211	-
<u>(285,083)</u>	<u>(3,998,275)</u>	<u>-</u>
<u>578,679</u>	<u>487,745</u>	<u>20,341</u>
(759,864)	11,971,324	251,221
19,180	5,073,962	-
379,158	379,158	119,000
<u>(403,700)</u>	<u>(5,418,333)</u>	<u>-</u>
<u>(5,362)</u>	<u>34,787</u>	<u>119,000</u>
(765,226)	12,006,111	370,221
<u>15,680,874</u>	<u>281,817,784</u>	<u>4,426,422</u>
<u>\$ 14,915,648</u>	<u>\$ 293,823,895</u>	<u>\$ 4,796,643</u>

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
<b>Operating Activities:</b>				
Cash received from customers	\$ 167,629,453	\$ 13,315,300	\$ 13,375,080	\$ 40,716,862
Other operating receipts	856,935	2,884,917	(2,712,323)	117,514
Cash paid to vendors	(144,903,518)	(3,629,204)	(4,354,825)	(32,288,782)
Cash paid to employees	(8,732,884)	(4,481,399)	(3,188,849)	(3,036,831)
Other operating payments	(80,407)	4,484	5,017	4,826
Net cash provided by (used in) operating activities	<u>14,769,579</u>	<u>8,094,098</u>	<u>3,124,100</u>	<u>5,513,589</u>
<b>Noncapital Financing Activities:</b>				
Transfer from (to) other funds	(3,973,326)	-	-	(1,041,307)
Change in due from other funds	-	-	-	-
Noncapital contributions	-	-	430,438	-
Net cash provided by (used in) noncapital financing activities	<u>(3,973,326)</u>	<u>-</u>	<u>430,438</u>	<u>(1,041,307)</u>
<b>Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(14,018,665)	(3,946,150)	(2,820,506)	(1,859,989)
Capital grants	24,200	57,371	235,000	-
Proceeds from issuance of long-term debt	9,396,177	10,038,638	9,529,607	1,691,226
Premium received from issuance of long-term debt	-	-	-	-
Principal repayments of long-term debt	(1,434,787)	(1,605,478)	(3,302,144)	(744,913)
Interest and other debt related expenses	(894,393)	(1,051,285)	(1,188,949)	(510,726)
Net cash provided by (used in) capital and related financing activities	<u>(6,927,468)</u>	<u>3,493,096</u>	<u>2,453,008</u>	<u>(1,424,402)</u>
<b>Investing Activities:</b>				
Proceeds from sale and maturity of investments	5,199,861	561,579	1,154,782	438,780
Unrealized investment gain (loss)	(19,492)	(2,105)	(4,329)	(1,645)
Interest received on investments	<u>1,588,383</u>	<u>166,222</u>	<u>350,663</u>	<u>107,629</u>
Net cash provided by (used in) investing activities	<u>6,768,752</u>	<u>725,696</u>	<u>1,501,116</u>	<u>544,764</u>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	10,637,537	12,312,890	7,508,662	3,592,644
<b>Cash and Cash Equivalents/Investments</b>				
Beginning of year - July 1st	<u>35,266,751</u>	<u>3,426,706</u>	<u>7,040,585</u>	<u>3,111,378</u>
End of year - June 30th	<u>\$ 45,904,288</u>	<u>\$ 15,739,596</u>	<u>\$ 14,549,247</u>	<u>\$ 6,704,022</u>

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

**Exhibit I  
Page 1 of 2**

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Combined Internal Service Funds</u>
\$ 4,189,056	\$ 239,225,751	\$ 2,072,430
-	1,147,043	-
(2,386,853)	(187,563,182)	(364,528)
(2,140,656)	(21,580,619)	-
-	(66,080)	-
<u>(338,453)</u>	<u>31,162,913</u>	<u>1,707,902</u>
(24,542)	(5,039,175)	129,794
248,786	248,786	-
-	430,438	-
<u>224,244</u>	<u>(4,359,951)</u>	<u>129,794</u>
(1,029,924)	(23,675,234)	(1,893,893)
718,194	1,034,765	-
-	30,655,648	-
-	-	-
(277,775)	(7,365,097)	-
(285,083)	(3,930,436)	-
<u>(874,588)</u>	<u>(3,280,354)</u>	<u>(1,893,893)</u>
-	7,355,002	-
-	(27,571)	-
165,015	2,377,912	20,343
<u>165,015</u>	<u>9,705,343</u>	<u>20,343</u>
(823,782)	33,227,951	(35,854)
<u>7,736,047</u>	<u>56,581,467</u>	<u>4,118,271</u>
<u>\$ 6,912,265</u>	<u>\$ 89,809,418</u>	<u>\$ 4,082,417</u>

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 6,407,760	\$ 1,520,789	\$ 1,474,298	\$ 3,419,275
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation	6,675,308	2,971,826	3,780,795	1,381,942
Miscellaneous income (expense) adjustments	378,302	84,968	458,125	58,378
<b>Change in Assets and Liabilities:</b>				
Accounts receivable	(466,756)	(314,830)	(186,684)	(345,072)
Due from other governments	55,781	(59,993)	(10,748)	5,927
Due from other funds	16,134	-	-	-
Intrafund balances	(145,563)	2,850,666	(2,760,090)	54,987
Inventories	(283,113)	(468,839)	(8,830)	(77,876)
Prepaid expense and deposits	21,796	(2,272)	(1,466)	134,840
Accounts payable and accrued expenses	781,043	952,896	190,398	428,120
Customer deposits	33,479	10,375	(50)	9,025
Accrued interest payable	(40,057)	(155,336)	(94,425)	(27,601)
Due from other governments	(6,011)	(799)	(266)	(457)
Due to other funds	(74,396)	5,283	5,283	5,283
Compensated absences	68,370	7,612	4,101	21,337
Other postemployment benefits accrual	1,347,502	691,752	333,737	445,481
Deferred revenues	-	-	(60,078)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 14,769,579</u>	<u>\$ 8,094,098</u>	<u>\$ 3,124,100</u>	<u>\$ 5,513,589</u>
<b>Other Disclosures:</b>				
Interest incurred	\$ 888,333	\$ 1,045,226	\$ 1,182,889	\$ 505,916
Interest paid	928,390	1,200,562	1,277,314	533,517
Interest capitalized	-	-	-	1,249
<b>Noncash Capital and Related Financing Activities:</b>				
Contributions of capital assets	<u>\$ -</u>	<u>\$ 1,596,228</u>	<u>\$ 3,141,983</u>	<u>\$ -</u>

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

**Exhibit I  
Page 2 of 2**

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
\$ (1,338,543)	\$ 11,483,579	\$ 230,880
1,225,915	16,035,786	280,016
-	979,773	-
(314,436)	(1,627,778)	-
-	(9,033)	-
-	16,134	-
-	-	-
-	(838,658)	-
-	152,898	-
(51,898)	2,300,559	1,197,006
-	52,829	-
-	(317,419)	-
-	(7,533)	-
-	(58,547)	-
18,210	119,630	-
214,005	3,032,477	-
(91,706)	(151,784)	-
<u>\$ (338,453)</u>	<u>\$ 31,162,913</u>	<u>\$ 1,707,902</u>
\$ 285,083	\$ 3,907,447	\$ -
285,083	4,224,866	-
-	1,249	-
<u>\$ -</u>	<u>\$ 4,738,211</u>	<u>\$ -</u>



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NOTE DISCLOSURES STATEMENTS



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**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 76,058. 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.

The accounting policies of the City of Greenville, North Carolina, conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies:

**Reporting Entity**

The City of Greenville is a municipal corporation which is governed by an elected mayor and a six-member council. As required by accounting principles generally accepted in the United States of America, the City’s financial statements include the operations of all funds, account groups, agencies, boards, commissions and authorities for which the City is financially accountable. The City has no component units.

**Basis of Presentation**

**Government-wide Statements:** The statement of net assets and the statement of activities report information about the City. 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, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 1) fees and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the City’s funds. Separate statements for each fund category - governmental and proprietary - 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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

The City reports the following major governmental fund:

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

**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 five special revenue funds: the Community Development Fund, Capital Reserve Fund, Sheppard Memorial Library, Housing Trust Fund, and Small Business Loan Fund.

**Capital Projects Funds** – The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). As of June 30, 2008, the City has twenty capital project funds that remain open, covering various construction projects: Cemetery Development, Affordable Housing Project, Computerized Traffic Signal Project, West 3<sup>rd</sup> Street Project, 2005 COPS Various City Projects, City Hall Facility, 45 Block Revitalization, Center City Revitalization, Stantonsburg Road/10<sup>th</sup> Street Connector, South Tar River Greenway, Sidewalk Construction Project, Reade/Hodges Parking Lot Improvement Project, 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, and Public Works Beatty Street 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**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.

**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 and Proprietary Fund Financial Statements.* The government-wide and proprietary 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. Nonexchange 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. 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. Internally dedicated resources are reported as general revenues, therefore, all taxes are reported as general revenues.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a 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



## CITY OF GREENVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

County, including the City of Greenville. For 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 2007 through February 2008 apply to the fiscal year ended June 30, 2008. 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 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.

#### **Budgetary Procedures and Budgetary Accounting**

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 four of the five 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 City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance them.
- 2) Public hearings are conducted by the City to obtain citizen comments.
- 3) Prior to June 30, the budget is legally enacted through passage of an ordinance. During the year ended June 30, 2008, several amendments to the original budget were necessary.
- 4) The City Manager is authorized to transfer funds from one appropriation to another within any fund in an amount not to exceed \$10,000. Any such transfers shall be reported to the City Council at its next regular meeting and shall be entered in the minutes. Any revisions to transfer budgeted amounts over \$10,000 or that alter the total expenditures of any fund must be approved by the City Council before being recorded.
- 5) Formal budgetary integration is employed as a management control device during the year for all funds of the City except the Sheppard Memorial Library Trust Fund.

## CITY OF GREENVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Budgetary amounts are presented as originally adopted, or as amended, in accordance with the procedures enumerated above, as of June 30, 2008. The annual budget ordinance creates appropriations, by department, for governmental funds, with the exception of the Debt Service Fund, which is adopted at the “fund name” level which is similar for all proprietary funds. Expenditures may not legally exceed appropriations at the departmental/fund level for all annually budgeted funds.

Individual amendments were not material in relation to the original appropriations.

#### **Encumbrances**

As required by North Carolina General Statutes, the City maintains encumbrance accounts under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the governmental funds in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end represent the estimated amounts for the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Open encumbrances at the end of the year are reported as reservations of fund balances. Encumbrances do not constitute expenditures or liabilities.

#### **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, an 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 valued at fair value.

## CITY OF GREENVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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.

#### **Cash and Cash Equivalents**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

#### **Restricted Assets**

The City issues general obligation and revenue bonds for capital projects. The amount of unspent bond proceeds is shown as a restricted asset. This is because the 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.

#### **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 North Carolina General Statutes 105-347 and 159-13(a), the City levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due September 1; however, interest and penalties do not accrue until the following January 6. These taxes are based on the assessed values as of January 1. Uncollected taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

#### **Utility Service Revenues - Unbilled Usage**

An estimated amount has been recorded for utility services provided but not billed as of the end of the year, and is included in accounts receivable, net of uncollectible amounts.

#### **Allowance for Doubtful Accounts**

An allowance for doubtful accounts is maintained for ad valorem taxes receivable, refuse fees and rescue fees receivable, 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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Inventories**

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.

**Prepaid Items**

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. 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:

Land improvements	10 years
Buildings	30 years
Equipment	3 to 20 years
Distribution systems	20 to 50 years
Infrastructure	50 years

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

Plant and structures	30 years
Buses	10 years
Furniture, fixtures, machinery and equipment	5 to 8 years

The Greenville Aquatics and Fitness Center Fund assets were purchased with Aquatics and Fitness Center Fund revenues. The assets are depreciated using the straight-line method over estimated useful lives of 5-8 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.

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**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 government 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 effective interest method. Bonds payable are reported net of the applicable bond premium 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.

**Deferred Revenue**

In the fund financial statements, ad valorem taxes receivable are not accrued as a 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**Net Assets/Fund Balances**

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.

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** - represents the 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.

**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 2008-2009 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.



**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

*The following detail footnotes relate to funds controlled by the City. Footnotes related to the enterprise funds owned by the City, but managed by the Greenville Utilities Commission, are presented separately within this report.*

**2. Stewardship, Compliance, and Accountability**

**Excess of expenditures over appropriations in individual funds:**

The City has overextended its budget authority at the legal level of control as of June 30, 2008 as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General Fund:</b>			
Library - Allotment	\$ -	\$ (9,984)	\$ (9,984)
<b>Capital Project Fund:</b>			
City Hall Project	12,798,520	12,869,831	(71,311)
River Park North Capital Project	1,690,022	1,818,455	(128,433)
<b>Nonmajor Enterprise Funds:</b>			
Aquatic and Fitness Center	660,498	731,304	(70,806)
Bradford Creek Golf Course	933,868	972,283	(38,415)
<b>Debt Service Fund:</b>			
Debt service expenditures	5,957,316	6,180,992	(223,676)

**Deficit Fund Balance or Net Assets of Individual Funds:**

The following individual funds had a deficit fund balance at June 30, 2008:

<u>Nonmajor Capital Projects:</u>		<u>Management Plans to Address Deficit</u>
South Tar River Greenway	\$ 4,630	Grant funds open to be applied for
Thomas Langston Road Extension	51,912	Long-term debt to be issued
<b>Internal Service Fund:</b>		
Dental Reimbursement Fund	51,718	Combination of fee increase and transfer

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase during periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2008, the carrying amount of the City's deposits was \$11,147,612 and the bank balance was \$5,052,934. Of the bank balance, \$100,000 was covered by federal depository insurance and \$4,952,934 was covered by collateral held under the Pooling Method.

**Investments**

At June 30, 2008, the investments and maturities of the City were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than Six</u>			
		<u>Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>	<u>3+ Years</u>
NC Capital Management Trust - Cash Portfolio	\$ 32,281,740	\$ 32,281,740	\$ -	\$ -	\$ -
Government Agency -FHLB	2,333,700	-	-	1,548,000	785,700
Government Agency -FHLMC	4,178,010	-	-	843,623	3,334,387
Government Agency - FNMA	<u>6,880,266</u>	-	-	<u>154,425</u>	<u>6,725,841</u>
Total investments	<u>\$ 45,673,716</u>	<u>\$ 32,281,740</u>	<u>\$ -</u>	<u>\$ 2,546,048</u>	<u>\$ 10,845,928</u>

*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.

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

*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 AAAM by Standard & Poor’s as of June 30, 2008. 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 places no limit on the amount that the City may invest in any one issuer. Investments making up more than 5% of the City’s investments are as follows:

<u>Issuer</u>	<u>Amount</u>	<u>% of Investments</u>
Federal Home Loan Mortgage Corporation	4,178,010	8%
Federal National Mortgage Association	6,880,266	13%

**Receivables**

Disaggregate information regarding receivables at June 30, 2008, was as follows:

<u>Governmental Activities:</u>	<u>Amount</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Receivable</u>
Taxes receivable	\$ 1,939,122	\$ 618,095	\$ 1,321,027
Accounts Receivable:			
Refuse fees receivable	843,759	330,068	513,691
Rescue fees receivable	2,370,004	1,185,002	1,185,002
Lot cutting fees receivable	409,533	-	409,533
Parking violations receivable	162,115	-	162,115
Other receivables	232,806	-	232,806
Total governmental activities	\$ 4,018,217	\$ 1,515,070	\$ 2,503,147

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Capital Assets**

A summary of changes in the City's capital assets used in governmental activities follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 34,646,995	\$ 1,856,846	\$ (246,999)	\$ 36,256,842
Construction in progress	4,780,557	4,808,868	(2,919,753)	6,669,672
Total capital assets not being depreciated	<u>39,427,552</u>	<u>6,665,714</u>	<u>(3,166,752)</u>	<u>42,926,514</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	46,725,290	1,688,096	(1,384,965)	47,028,421
Improvements other than buildings	4,848,727	1,930,195	-	6,778,922
Infrastructure	53,848,289	518,261	-	54,366,550
Machinery and equipment	26,423,774	642,373	(1,390,003)	25,676,144
Total capital assets being depreciated	<u>131,846,080</u>	<u>4,778,925</u>	<u>(2,774,968)</u>	<u>133,850,037</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings	11,956,426	1,447,458	(26,658)	13,377,226
Improvements other than buildings	2,689,207	385,731	-	3,074,938
Infrastructure	11,737,574	1,087,331	-	12,824,905
Machinery and equipment	20,339,994	2,293,987	(1,357,343)	21,276,638
Total accumulated depreciation	<u>46,723,201</u>	<u>5,214,507</u>	<u>(1,384,001)</u>	<u>50,553,707</u>
Total capital assets being depreciated, net	<u>85,122,879</u>			<u>83,296,330</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 124,550,431</u>			<u>\$ 126,222,844</u>
<b>Internal Service Fund:</b>				
<b>(Reported in Governmental Activities)</b>				
Vehicles	\$ 364,581	\$ 1,893,893	\$ -	\$ 2,258,474
Less: accumulated depreciation	13,678	280,016	-	293,694
Capital assets, net	<u>\$ 378,259</u>	<u>\$ 1,613,877</u>	<u>\$ -</u>	<u>\$ 1,964,780</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

General government	\$ 1,276,762
Public safety	1,157,165
Cultural and recreational	1,047,962
Environmental protection	223,673
Transportation - related to infrastructure	421,614
Infrastructure	<u>1,087,331</u>
Total	<u>\$ 5,214,507</u>
General government - Internal Service Fund	<u>\$ 280,016</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.

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
<b>Business-Type Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 2,866,390	\$ -	\$ -	\$ 2,866,390
Construction in progress	2,031,969	1,033,677	-	3,065,646
Total capital assets not being depreciated	<u>4,898,359</u>	<u>1,033,677</u>	<u>-</u>	<u>5,932,036</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	8,178,023	14,594	-	8,192,617
Improvements other than buildings	708,615	-	(15,856)	692,759
Machinery and equipment	3,684,107	-	(4,950)	3,679,157
Total capital assets being depreciated	<u>12,570,745</u>	<u>14,594</u>	<u>(20,806)</u>	<u>12,564,533</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings	633,630	786,126	-	1,419,756
Improvements other than buildings	527,048	16,585	-	543,633
Machinery and equipment	1,937,603	441,551	(20,806)	2,358,348
Total accumulated depreciation	<u>3,098,281</u>	<u>1,244,262</u>	<u>(20,806)</u>	<u>4,321,737</u>
Total capital assets being depreciated, net	<u>9,472,464</u>			<u>8,242,796</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 14,370,823</u>			<u>\$ 14,174,832</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Liabilities**

**Pension Plan Obligations**

**Local Government Employees' Retirement System**

**Plan Description.** The City of Greenville contributes 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, 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 4.88% 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, 2008, 2007 and 2006 were \$1,658,268, \$1,552,237, and \$1,535,849, respectively. The contributions made by the City equaled the required contributions for each year.

**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.



**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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, 2008 were \$1,009,010, which consisted of \$550,880 from the City and \$458,130 from the law enforcement officers.

**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 plan, which 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.

The Separation Allowance covers all full-time City law enforcement officers. At December 31, 2006, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to, but not yet receiving, benefits	18
Active plan members	<u>165</u>
Total	<u>183</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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 fiscal year ended June 30, 2008 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, 2008. The City made benefit payments to eighteen retirees in the amount of \$271,451, which has been charged to salaries and wages expense in the General Fund. The net pension obligation of \$1,342,237 is reflected in the financial statements as a long-term liability.

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

**Annual Pension Cost and Net Pension Obligation**

Employer annual required contribution	\$ 320,219
Interest on net pension obligation	92,751
Adjustment to annual required contribution	<u>(78,613)</u>
Annual pension cost	334,357
Employer contributions made for fiscal year ending June 30, 2008	<u>271,451</u>
Increase (decrease) in net pension obligation	62,906
Net pension obligation:	
Beginning of year - July 1	<u>1,279,331</u>
End of year - June 30	<u><u>\$ 1,342,237</u></u>

**Three-Year Trend Information**

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2006	\$ 323,248	68.68%	\$ 1,240,118
6/30/2007	301,524	87.00%	1,279,331
6/30/2008	334,357	81.19%	1,342,237

## CITY OF GREENVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

*Funded Status and Funding Progress* - As of December 31, 2007 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 \$3,448,808. The covered payroll (annual payroll of active employees covered by the plan) was \$8,584,240, and the ratio of the UAAL to the covered payroll was 40.18 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.

#### **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 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, 145 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the City made payments for post-retirement health benefit premiums of \$841,032. The City purchases insurance from a private carrier for health care coverage. A separate report was not issued for the plan.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Membership of the Plan consisted of the following at December 31, 2005, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	145	N/A
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	<u>513</u>	<u>171</u>
Total	<u>658</u>	<u>171</u>

**Funding Policy.** 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 has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 14.22% of annual covered payroll. For the current year, the City contributed \$841,032, or 2.80% 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 14.22% and 14.22% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$153,722. The City's obligation to contribute to the Plan is established and may be amended by the City Board.

**Summary of Significant Accounting Policies**

Post-employment expenditures are made from the General Fund, which is maintained on the modified 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 Obligation**

The City'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 City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>Governmental Activities</b>	<b>Business -Type Activities</b>	<b>Total</b>
Annual required contribution	\$ 3,998,995	\$ 282,584	\$ 4,281,579
Interest on net OPEB obligation	-	-	-
Adjustments to annual required contribution	-	-	-
Annual OPEB cost (expense)	3,998,995	282,584	4,281,579
Contributions made	<u>(772,453)</u>	<u>(68,579)</u>	<u>(841,032)</u>
Increase (decrease) in net OPEB obligation	3,226,542	214,005	3,440,547
Net OPEB obligation, beginning of year	-	-	-
Net OPEB obligation, end of year	<u>\$ 3,226,542</u>	<u>\$ 214,005</u>	<u>\$ 3,440,547</u>

Note: Business-type activities only represent nonmajor enterprises funds. OPEB related to the GUC presented in subsequent note.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

<b>Year Ended June 30</b>	<b>Annual OBEP Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2008	\$ 4,281,579	19.6%	\$ 3,440,547

**Fund Status and Funding Progress**

As of December 31, 2005, 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 \$47,415,875. The covered payroll (annual payroll of active employees covered by the plan) was \$29,022,160, and the ratio of the UAAL to the covered payroll was 163.4 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 multiyear trend information about whether 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.

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

In the December 31, 2005 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 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 12.00 to 6.00 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, 2005, was 30 years.

As of June 30, 2008, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the City Council.

**Other Employment Benefits**

**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 his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. 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 0.09 % and 0.10 % covered payroll, respectively. The contributions to the Death Trust Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Deferred/Unearned Revenue**

	<u>Deferred Revenue</u>		<u>Unearned Revenue</u>
	<u>General Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Governmental Activities</u>
Ad valorem taxes receivable	\$ 1,065,182	\$ -	\$ -
Prepaid business licenses	407,963	-	407,963
Community development receivables	-	266,445	-
Capital project misc. receivables	-	126,541	-
Rescue fees	1,185,002	-	-
Refuse fees	334,184	-	-
Lot cutting/cleaning fees	410,948	-	-
Miscellaneous	184,921	-	-
<b>Total</b>	<b>\$ 3,588,200</b>	<b>\$ 392,986</b>	<b>\$ 407,963</b>

NOTE DISCLOSURES  
STATEMENTS

**Long-Term Obligations**

**Changes in Long-Term Debt**

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

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 12,990,000	\$ -	\$ (839,752)	\$ 12,150,248	\$ 834,752
Certificates of participation	22,180,000	-	(1,465,000)	20,715,000	1,465,000
Special obligation revenue bonds	5,365,000	-	(285,000)	5,080,000	295,000
Installment purchase contracts	2,521,984	-	(1,518,134)	1,003,850	649,778
LEO separation allowance	1,279,331	320,219	(257,313)	1,342,237	-
OPEB accrued liability	-	3,998,995	(772,453)	3,226,542	-
Compensated absences	2,975,947	2,529,555	(2,772,804)	2,732,698	1,912,889
<b>Total</b>	<b>\$ 47,312,262</b>	<b>\$ 6,848,769</b>	<b>\$ (7,910,456)</b>	<b>\$ 46,250,575</b>	<b>\$ 5,157,419</b>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 5,100,000	\$ -	\$ (90,248)	\$ 5,009,752	\$ 90,248
Installment purchase contracts	992,406	-	(187,527)	804,879	246,354
OPEB accrued liability	-	214,005	-	214,005	-
Compensated absences	75,321	64,023	(45,813)	93,531	52,467
<b>Total</b>	<b>\$ 6,167,727</b>	<b>\$ 278,028</b>	<b>\$ (323,588)</b>	<b>\$ 6,122,167</b>	<b>\$ 389,069</b>



**CITY OF GREENVILLE, NORTH CAROLINA**  
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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.

**General Fund Obligation Bonds**

	<b>Governmental Funds</b>	<b>Nonmajor Enterprise Funds</b>
1998 Public Improvement, Series 1998, due in annual installments of \$100,000 to \$300,000 through 2017, plus interest from 4.3 to 4.5%	\$ 2,150,000	\$ -
2001 Public Building, Series 2001, due in annual installments of \$35,000 to \$125,000 through 2011, plus interest at 4.0%	285,000	-
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%	1,335,000	-
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%	900,000	-
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%	7,480,248	5,009,752
Total serviced by the City's governmental funds	\$ 12,150,248	\$ 5,009,752

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

Year Ended June 30	Governmental Funds			Nonmajor Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 834,752	\$ 510,370	\$ 1,345,122	\$ 90,248	\$ 217,630	\$ 307,878
2010	830,000	479,388	1,309,388	90,000	213,805	303,805
2011	730,000	448,499	1,178,499	90,000	210,092	300,092
2012	804,000	420,876	1,224,876	166,000	206,492	372,492
2013	799,000	389,726	1,188,726	1,038,000	907,362	1,945,362
2014-2018	3,181,000	1,473,068	4,654,068	1,722,000	599,790	2,321,790
2019-2023	2,825,000	809,336	3,634,336	1,813,504	229,050	2,042,554
2024-2028	2,146,496	229,500	2,375,996	-	-	-
Totals	<u>\$ 12,150,248</u>	<u>\$ 4,760,763</u>	<u>\$ 16,911,011</u>	<u>\$ 5,009,752</u>	<u>\$ 2,584,222</u>	<u>\$ 7,593,974</u>

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**Certificates of Participation**

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

Amount	Original Issue		Payment Information Period	Amount	Outstanding Balance
	Date	Rate			
\$ 14,600,000	September 1998	3.5% - 5%	Annual	\$615,000- 850,000	\$ 7,705,000
15,985,000	October 2004	3.0% - 5.25%	Annual	\$810,000- 815,000	<u>13,010,000</u>
Total certificates of participation					<u>\$ 20,715,000</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Annual debt service requirements to maturity for the City's Certificates of Participation are as follows:

Year Ended June 30	Principal	Interest	Total
2009	\$ 1,465,000	\$ 911,196	\$ 2,376,196
2010	1,465,000	858,146	2,323,146
2011	1,465,000	804,446	2,269,446
2012	1,465,000	748,059	2,213,059
2013	1,465,000	688,984	2,153,984
2014-2018	7,300,000	2,493,931	9,793,931
2019-2023	5,280,000	862,763	6,142,763
2024-2028	810,000	35,640	845,640
Total	<u>\$ 20,715,000</u>	<u>\$ 7,403,165</u>	<u>\$ 28,118,165</u>

NOTE DISCLOSURES  
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**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 2023, plus interest from 4.0 to 5.0%	<u>\$ 5,080,000</u>
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Annual debt service requirements to maturity for the City's special obligation revenue bonds are as follows:

Year Ended June 30	Principal	Interest	Total
2009	\$ 295,000	\$ 251,815	\$ 546,815
2010	285,000	240,415	525,415
2011	310,000	228,246	538,246
2012	320,000	215,226	535,226
2013	335,000	201,466	536,466
2014-2018	1,920,000	763,798	2,683,798
2019-2023	<u>1,615,000</u>	<u>243,250</u>	<u>1,858,250</u>
Total	<u>\$ 5,080,000</u>	<u>\$ 2,144,216</u>	<u>\$ 7,224,216</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The City has pledged net occupancy tax revenues and other replacement revenues to repay revenue bonds, of which \$5,080,000 is currently outstanding. Proceeds from the bonds provided financing for the constructing, furnishing, and equipping of an Exhibit Hall. 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 \$6,972,400. Principal and interest paid for the current year, debt service revenues from occupancy tax, and total Occupancy Tax were \$536,815, \$757,827 and \$1,469,467, respectively.

**Installment Purchase Contracts**

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

<u>Original Issue</u>		<u>Payment Information</u>		<u>Outstanding</u>	
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>	<u>Security</u>
<b>Governmental Funds:</b>					
June 2004	3.12%	Quarterly	137,455	\$ 506,907	Equipment
September 2005	3.89%	Semi-annual	92,866	<u>496,943</u>	Equipment
Total				<u>\$ 1,003,850</u>	
<b>Enterprise Funds:</b>					
November 2003	3.02%	Semi-annual	72,053	\$ 750,055	Equipment
September 2004	3.12%	Quarterly	7,797	<u>54,824</u>	Equipment
Total				<u>\$ 804,879</u>	

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

<u>Year Ended</u>	<u>Governmental Funds</u>			<u>Enterprise Funds</u>			
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$	649,778	\$ 26,382	\$ 676,160	\$ 246,354	\$ 21,271	\$ 267,625
2010		200,732	8,879	209,611	168,338	16,620	184,958
2011		153,340	1,347	154,687	144,105	11,968	156,073
2012		-	-	-	144,105	7,616	151,721
2013		-	-	-	101,977	3,264	105,241
Total	\$	<u>1,003,850</u>	<u>\$ 36,608</u>	<u>\$ 1,040,458</u>	<u>\$ 804,879</u>	<u>\$ 60,739</u>	<u>\$ 865,618</u>

The City is subject to the Municipal Finance Law of North Carolina which limits the amount of net bonded debt the City may have outstanding to 8 percent of the appraised value of property subject to taxation. At June 30, 2008, net debt outstanding subject to the limit was \$38,949,098. The statutory limit at that date was \$380,000,000 providing a debt margin of \$341,050,902.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Accounts Payable Disaggregate Information**

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Trade payables	\$ 1,541,584	\$ 68,253
Internal service trade payables	1,197,007	-
Accrued salaries and fringes	1,000,370	80,848
Other accrued expenses	1,223,116	-
<b>Total</b>	<b>\$ 4,962,077</b>	<b>\$ 149,101</b>

**Interfund Balances and Activity**

The composition of internal balances as of June 30, 2008 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 2,001,863	\$ 95,674
Nonmajor Special Revenue Funds:		
Community Development Fund	-	374,009
Capital Reserve Fund	-	130,726
Small Business Loan Program	-	5,732
Sheppard Memorial Library	-	25,395
Nonmajor Capital Project Funds:		
Cemetery Development Funds	-	327,694
Technology for Public Safety Project	88,879	
South River Tar Greenway		4,630
Thomas Langston Road Extension Project		51,912
Intermodal Transportation Center Project		32,337
Affordable Housing Project	1,580	-
Nonmajor Enterprise Funds:		
Aquatic and Fitness Center Fund	-	567,104
Public Transportation Fund	9,980	-
Bradford Creek Golf Course Fund	-	330,095
Storm Water Fund	844,190	34,318
Internal Service Fund:		
Dental Reimbursement Fund	-	53,547
Greenville Utilities Commission (blended component unit)	94,097	1,007,416
	<u>\$ 3,040,589</u>	<u>\$ 3,040,589</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**  
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**Transfers**

Interfund transfers are summarized as follows:

<u>Fund Name</u>	<u>Transfer Out</u>	<u>Transfer In</u>	<u>Purpose</u>
General Fund	\$ 10,224,151	\$ 6,104,217	
Debt Service Fund		4,870,490	Annual debt service
Special Revenue Funds:			
Capital Reserve	6,698,061	4,301,832	Annual capital reserve transfer
Sheppard Library		1,029,655	Local contribution
Community Development		282,625	Local contribution
Nonmajor Enterprise Funds:			
Aquatic and Fitness Center		40,000	Offset certain expenses from donation
Public Transportation Fund		339,158	Local contribution
Stormwater Utility	403,700		
Internal Service Fund			
Vehicle Replacement Fund		119,000	Carryover funds
Capital Projects Funds			
Convention Center Project	1,126,025		Close project
River Park North	20,041		Close project
Greene Street	59,751		Close project
South Tar River Greenway		1,000	Survey payment
Dickinson Avenue Relocatio		1,829,055	Establish project
Convention Center Expansion		80,000	Establish project
Community Oriented Policing Service		661,631	Establish project
Technology for Public Safety		3,484,000	Establish project
Public Works Beatty Street		403,700	Establish project
Greenville Utility Commission:			
Electric	3,403,110		General transfer
Electric	570,216		Street lighting reimbursement
Gas	<u>1,041,307</u>	-	
Total Transfer	<u>\$ 23,546,363</u>	<u>\$ 23,546,363</u>	

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**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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. During the last three fiscal years, there have been no insurance settlements that exceeded insurance coverage. Property and liability coverages are provided through third party insurance. The City’s retention is on a per claim basis as follows:

Buildings and contents	\$	10,000
Public officials' liability		25,000
Excess liability		250,000

<u>Coverages</u>	<u>Liability Coverage</u>
	<u>Limits</u>
Blanket property and personal property	\$ 65,131,554
Excess liability (general, auto, public officials*, law enforcement, firefighters, errors and omission, employer's liability)	5,000,000
Workers' compensation	Statutory
Public officials' legal liability	250,000
Public employees' blanket bond	500,000
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.

**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. The reserves or IBNR was calculated by the third party administrator as \$64,549 for workers compensation and \$12,229 for general liability. Total reserves are \$76,778.



**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
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Changes in the balances of claims liabilities during the past fiscal year are as follows:

	<u>2008</u>	<u>2007</u>
Unpaid claims, beginning	\$ 49,830	\$ 137,225
Incurred claims	261,674	134,978
Claim payments	<u>(234,726)</u>	<u>(222,373)</u>
Unpaid claims, ending	<u>\$ 76,778</u>	<u>\$ 49,830</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.

**5. 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.

**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, 2008 was \$415 million.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 made \$73,531 in contributions to the Authority during the fiscal year ended June 30, 2008. 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, 2008. 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.

**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 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. 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 Greenville Utilities Commission's long-term debt footnote.

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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.

*The following detail footnotes relate to funds owned by the City and managed by the Greenville Utilities Commission (GUC).*

**11. Summary of Significant Accounting and Reporting Policies (GUC)**

The accounting policies of Greenville Utilities Commission (the "Commission") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**Reporting Entity**

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. The Commission's financial data is incorporated into the Comprehensive Annual Financial Report of the City of Greenville and is an integral part of the City's financial statements.

The Commission provides electric, water, sewer, and gas utilities to the City and residents of surrounding areas. The electric and gas funds are distribution systems. Electricity is purchased from North Carolina Eastern Municipal Power Agency and gas is purchased from Piedmont Natural Gas Corporation and gas marketers.

**Basis of Presentation**

*Government-Wide Statements:* The Statement of Net Assets displays information about the primary government (the Commission). This statement includes the financial activities of the overall government, except fiduciary activities. Business-type activities are financed in whole or in part by fees charged to external parties.

*Fund Financial Statements:* The fund financial statements provide information about the Commission's funds, including its fiduciary funds. Separate statements for each fund category – proprietary and fiduciary – are presented.

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

**CITY OF GREENVILLE, NORTH CAROLINA**  
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The Commission reports the following major enterprise funds:

*Electric, Water, Sewer and Gas.* These funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the Commission reports the following fund type:

*Fiduciary Funds.* Fiduciary funds are custodial in nature and do not involve the measurement of operating results. Fiduciary funds are used to account for assets the Commission holds on behalf of others. The Commission holds two fiduciary funds: the Refuse Collection Fund and the Stormwater Fund, which account for refuse and storm water fees that are billed and collected by the Commission for the City.

**Measurement Focus, Basis of Accounting**

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

*Government-Wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting and the economic resources measurement focus, except for the agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All enterprise funds of the Commission follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principals Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Budgetary Data**

The Commission's budgets are adopted as required by the North Carolina General Statutes. The Commission operates under an annual budget ordinance that provides for revenues and appropriations of the electric operation, water operation, sewer operation, and gas operation. All annual appropriations lapse at the fiscal year-end. The budget ordinance must be adopted 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.

Budgetary control is exercised over aggregated funds at the department level. The budgets are prepared on the modified accrual basis as required by North Carolina law, except that bad debt expense and changes in accrued vacation are also budgeted. Amendments are required for any revisions that alter total expenditures of any department. All amendments must be approved by the governing board and the City Council. During the year, one amendment to the original budget was necessary.

For budgeting purposes, the Commission adopts project ordinances for capital projects funds in the enterprise funds to segregate monies used for the construction of capital assets, if funding is from external sources (bond proceeds, federal and State grants), or if the project construction period will extend over multiple fiscal years. The capital projects funds are consolidated with the enterprise operating funds for reporting purposes.

**Assets, Liabilities, and Fund Equity**

**Deposits and Investments**

All deposits of the Commission are made in board-designated official depositories and are secured as required by G.S. 159-31. The Commission may designate as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Commission 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 Commission 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), an SEC-registered money market mutual fund. The Commission's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

**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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Restricted Assets**

The Commission issues Revenue Bonds to fund capital projects. The proceeds from these issuances are placed with a trustee for safekeeping and dispersion as needed. The amount of unspent bond proceeds, including interest earnings, is shown as a restricted asset because their use is completely restricted to the purpose for which the bonds were originally issued.

**Allowance for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The Commission provides allowances for uncollectible utility receivables for all balances outstanding more than 150 days.

**Inventories and Prepaid Expenses**

Inventories of materials, supplies and natural gas stored for future resale are reported on the weighted-average cost basis, which approximates the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets purchased or constructed are recorded at cost. Contributed assets are recorded at estimated fair market value at the time the asset is received. Maintenance and repairs are charged to expense as incurred and renewals and betterments are capitalized if costs are greater than \$5,000 and the useful life is at least 2 years. All capital 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 interest income.

Capitalized assets of the Commission are depreciated over the following estimated useful lives:

Land improvements	10 years
Buildings	33 years
Equipment	3 to 20 years
Distribution systems	20 to 50 years

**Long-Term Obligations**

In the government-wide financial statements and the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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.

## CITY OF GREENVILLE, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

#### Compensated Absences

The vacation policy of the Commission provides for accumulation of earned vacation leave to full-time and designated part-time employees based upon the number of years of service with such leave being fully vested when earned. The cost of vacation leave is recorded when earned. Compensated absences are accounted for on a first-in, first-out (FIFO) basis and are liquidated in the enterprise funds.

The Commission's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Commission has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

#### Net Assets

Net assets in the government-wide and fund financial statements are classified as invested in capital assets, net of related debt; restricted and unrestricted.

#### 12. Stewardship, Compliance, and Accountability (GUC)

For the fiscal year ended June 30, 2008, the expenditures made in the Human Resources Department exceeded the authorized appropriations made by the governing board by \$63,377. This over-expenditure occurred primarily due to expenditures for health insurance benefits for employees that retired during the year. Management will more closely review budget reports to ensure compliance in future years.

#### 13. Detail Notes on All Funds (GUC)

##### Assets

##### Deposits

All the deposits of the Commission are either insured or collateralized under the pooling method. The pooling method is a collateral pool under which 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 Commission, these deposits are considered to be held by the Commission's agent in the its 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 Commission or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Commission under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions and monitors them for compliance. The Commission complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Commission's investment policy specifies that deposit-type securities (i.e. certificates of deposit and checking accounts) are 100% collateralized as required by North Carolina General Statutes.



**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

At June 30, 2008, the Commission's deposits had a carrying amount of \$46,544,347 and a bank balance of \$46,056,622. Of the bank balance, \$200,000 was covered by federal depository insurance, and \$45,856,622 was covered by collateral held under the Pooling Method. The Commission's cash on hand at June 30, 2008 consisted of various petty cash funds totaling \$3,400.

**Investments**

At June 30, 2008, the Commission had \$36,349,406 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard & Poor's.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Commission's investment policy limits investments with maturities exceeding three years to US Treasuries, US Agencies and Instrumentalities. Also, the Commission's investment policy advocates purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

*Credit Risk.* The Commission's investment policy limits the securities available for purchase to the following: US Treasuries; US Agencies; NC Capital Management Trust; Certificates of Deposit; Banker's Acceptances; Commercial Paper; and NC and Local Government Securities with AAA rating or better. The Commission's investment policy expressly prohibits investment in repurchase agreements; commingled investment pools established by GS 160-A-464; participating shares in a mutual fund for local government; and evidences of ownership of future interest and principal payments of direct obligations of the US government. The Commission's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2008. The Commission did not hold any investments in US Agencies on June 30, 2008.

*Custodial Credit Risk.* For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission's investment policy does not allow investment in any security that would not be held in the Commission's name.

*Concentration of Credit Risk.* 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 in any one agency, institution, or entity.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Receivables**

Receivables at the government-wide level for the business-type activities at June 30, 2008, were as follows:

Billed customer accounts	\$19,935,993
Estimated unbilled customer services	11,642,701
Other receivables	<u>300,540</u>
Total accounts receivable	<u>31,879,234</u>
Allowance for uncollectible accounts	<u>(6,545,980)</u>
Net accounts receivable	<u>\$25,333,254</u>

The allowance for uncollectible accounts is a cumulative amount of all utility balances outstanding more than 150 days regardless of the original billing date. During fiscal year 2008 the allowance increased by \$429,825 to a total outstanding amount of \$6,545,980.

The due from other governments that is owed to the Commission consists of the following:

Sales tax refund	<u>\$1,079,911</u>
Total due from other governments	<u>\$1,079,911</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

A summary of capital assets, by fund, at June 30, 2008 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Total</u>
Land	\$ 1,023,831	\$ 548,301	\$ 1,633,795	\$ 256,821	\$ 3,462,748
Landrights	189,535	71,580	80,285	27,368	368,768
Buildings	5,306,245	47,100,886	47,377,788	12,159,094	111,944,013
Furniture and office equipment	4,626,791	1,073,951	1,137,675	834,819	7,673,236
Vehicles and equipment	8,660,711	2,757,143	4,085,330	2,135,519	17,638,703
Distribution systems	151,460,090	67,477,624	100,543,738	29,421,157	348,902,609
Transmission systems	28,181,876	-	-	-	28,181,876
	<u>199,449,079</u>	<u>119,029,485</u>	<u>154,858,611</u>	<u>44,834,778</u>	<u>518,171,953</u>
Less accumulated depreciation	<u>(114,837,234)</u>	<u>(35,866,449)</u>	<u>(43,992,032)</u>	<u>(15,679,067)</u>	<u>(210,374,782)</u>
	84,611,845	83,163,036	110,866,579	29,155,711	307,797,171
Construction in progress	<u>1,533,702</u>	<u>4,067,263</u>	<u>1,800,381</u>	<u>495,197</u>	<u>7,896,543</u>
Net capital assets	<u>\$ 86,145,547</u>	<u>\$ 87,230,299</u>	<u>\$ 112,666,960</u>	<u>\$ 29,650,908</u>	<u>\$ 315,693,714</u>

NOTE DISCLOSURES  
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**Construction Commitments**

The Commission has active construction projects as of June 30, 2008. At year-end, the Commission's commitments with contractors are as follows:

<u>Project Name</u>	<u>Spent-to-date</u>	<u>Remaining Commitments</u>
Electric distribution system	\$ 1,454,251	\$ 1,879,712
Water treatment and distribution system	3,874,623	3,101,587
Sewer treatment and collection system	1,448,546	2,673,470
Natural gas distribution system	479,171	394,559
Totals	<u>\$ 7,256,591</u>	<u>\$ 8,049,328</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Capital Assets**

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Capital assets not being depreciated:					
Land	\$ 3,462,748	\$ -	\$ -	\$ -	\$ 3,462,748
Construction in progress	13,017,325	7,238,657	-	(12,359,439)	7,896,543
Total	<u>16,480,073</u>	<u>7,238,657</u>	<u>-</u>	<u>(12,359,439)</u>	<u>11,359,291</u>
Capital assets being depreciated:					
Land rights	368,768	-	-	-	368,768
Buildings	111,069,560	412,693	-	461,760	111,944,013
Furniture and office equipment	7,094,063	174,634	-	404,539	7,673,236
Vehicles and equipment	16,550,616	1,615,949	(527,862)	-	17,638,703
Distribution systems	327,166,498	17,902,385	-	3,833,726	348,902,609
Transmission systems	20,509,648	12,814	-	7,659,414	28,181,876
Total	<u>482,759,153</u>	<u>20,118,475</u>	<u>(527,862)</u>	<u>12,359,439</u>	<u>514,709,205</u>
Less accumulated depreciation for:					
Land rights	368,768	-	-	-	368,768
Buildings	31,949,830	3,435,202	-	-	35,385,032
Furniture and office equipment	5,476,382	414,425	-	-	5,890,807
Vehicles and equipment	13,778,567	998,244	(554,251)	-	14,222,560
Distribution systems	131,262,001	9,099,295	-	-	140,361,296
Transmission systems	13,283,614	862,705	-	-	14,146,319
Total	<u>196,119,162</u>	<u>14,809,871</u>	<u>(554,251)</u>	<u>-</u>	<u>210,374,782</u>
Total capital assets being depreciated, net	<u>286,639,991</u>				<u>304,334,423</u>
Net capital assets	<u>\$ 303,120,064</u>				<u>\$ 315,693,714</u>

Depreciation expense is charged to the electric, water, sewer, and gas funds. Amounts charged to the four funds for the year ended June 30, 2008 totaled \$6,675,308, \$2,971,826, \$3,780,795, and \$1,381,942, respectively.

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Liabilities**

**Payables**

Payables at the government-wide level at June 30, 2008, were as follows:

	<b>Salaries and Benefits</b>	<b>Other</b>	<b>Total</b>
<b>Business type activities:</b>			
Electric Fund	\$14,010,190	\$399,381	\$ 14,412,266
Water Fund	1,174,642	147,901	1,322,804
Sewer Fund	445,138	69,053	514,191
Gas Fund	3,037,821	91,909	3,129,764
<b>Total</b>	<b>\$18,667,791</b>	<b>\$708,244</b>	<b>\$19,379,025</b>

**Long-Term Obligations**

**Debt Serviced by Electric Fund:**

**Revenue Bonds**

1998 Revenue Bonds, due in annual installments of \$91,801 to \$96,056 with varying interest rates from 4.2% to 4.3%; final payment due September 1, 2009	\$187,857
2000A Revenue Bonds, due in annual installments of \$36,959 to \$38,891 with an interest rate of 5%; final payment due September 1, 2009	75,850
2001 Revenue Bonds due in annual installments of \$374,087 to \$704,097 with varying interest rates from 4.25% to 5.5%; final payment due September 1, 2021	7,254,769
2003A Revenue Bonds, due in semi-annual installments of \$204,365 to \$216,801 with an interest rate of 2.95%; final payment due November 14, 2010	1,052,995
2003B Revenue Bonds, due in semi-annual installments of \$18,975 to \$26,904 with an interest rate of 3.67%; final payment due May 1, 2018	455,073
2005 Revenue Bonds, due in annual installments of \$99,427 to \$177,664 with an interest rate of 3.43%; final payment due September 1, 2025	2,418,835

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

2007 Revenue Bonds, due in annual installments of \$336,485 to \$471,757 with an interest rate of 3.79%; final payment due May 11, 2027	7,610,078
2008A Revenue Bonds, due in annual installments of \$6,422 to \$475,000 with varying interest rates from 3.5% to 5.3%; final payment due November 1, 2033	6,914,930
2008B Taxable Revenue Bonds, due in annual installments of \$320,000 to \$525,000 with an interest rate of 5.78%; final payment due November 1, 2018	<u>4,130,000</u>
Total	<u>\$30,100,387</u>

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$1,498,985	\$1,256,804	\$2,755,789
2010	1,857,308	1,273,889	3,131,197
2011	1,705,315	1,195,468	2,900,783
2012	1,553,120	1,121,463	2,674,583
2013	1,621,071	1,047,729	2,668,800
2014-2018	8,876,238	3,995,588	12,871,826
2019-2023	6,479,883	2,106,620	8,586,503
2024-2028	3,973,467	1,021,878	4,995,345
2029-2033	2,060,000	385,439	2,445,439
2034	<u>475,000</u>	<u>11,875</u>	<u>486,875</u>
Total	<u>\$30,100,387</u>	<u>\$13,416,753</u>	<u>\$43,517,140</u>

The Commission has pledged future electric customer revenues and other unrestricted revenues, net of specified operating expenses, to repay revenue bonds of which \$30,100,387 is currently outstanding. Proceeds from the bonds provided financing for various extension, expansion, and improvement projects within the Electric Fund. The bonds are payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt are expected to require less than 22 percent of net revenues, or less than 3 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$43,517,140. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$2,363,177, \$14,846,903 and \$170,384,908, respectively.

**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

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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, 2008 was \$415 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.

**Debt Serviced by Water Fund:**

**Revenue Bonds**

1998 Revenue Bonds, due in annual installments of \$201,298 to \$210,630 with varying interest rates from 4.2% to 4.3%; final payment due September 1, 2009	\$ 411,928
2000A Revenue Bonds, due in annual installments of \$728,041 to \$766,109 with an interest rate of 5%; final payment due September 1, 2009	1,494,150
2001 Revenue Bonds, due in annual installments of \$162,556 to \$343,246 with varying interest rates from 4.25% to 5.5%; final payment due September 1, 2021	3,424,264
2003B Revenue Bonds, due in semi-annual installments of \$9,487 to \$13,452 with an interest rate of 3.67%; final payment due May 1, 2018	227,537
2005 Revenue Bonds, due in annual installments of \$51,699 to \$92,379 with an interest rate of 3.43%; final payment due September 1, 2025	1,257,717
2008A Revenue Bonds, due in annual installments of \$159,324 to \$1,826,832 with varying interest rates from 3.5% to 5.3%; final payment due November 1, 2033	<u>23,982,903</u>
	<u>\$30,798,499</u>

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 1,387,007	\$ 1,183,536	\$ 2,570,543
2010	1,580,193	1,273,350	2,853,543
2011	1,644,332	1,206,088	2,850,420
2012	1,706,671	1,142,364	2,849,035
2013	1,771,087	1,076,238	2,847,325
2014-2018	9,844,140	4,199,400	14,043,540
2019-2023	6,973,101	1,986,427	8,959,528
2024-2028	2,461,968	1,126,157	3,588,125
2029-2033	2,785,000	522,399	3,307,399
2034	645,000	16,125	661,125
Total	<u>\$ 30,798,499</u>	<u>\$ 13,732,084</u>	<u>\$ 44,530,583</u>



**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The Commission has pledged future water customer revenues and other unrestricted revenues, net of specified operating expenses, to repay revenue bonds, of which \$30,798,499 is currently outstanding. Proceeds from the bonds provided financing for various extension, expansion, and improvement projects within the Water Fund. The bonds are payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt are expected to require less than 62 percent of net revenues, or less than 22 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$44,530,583. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$2,265,053, \$4,709,014 and \$13,851,490, respectively.

**Other Types of Debt**

2.55% State Revolving Fund Loan, \$3 million authorized and \$3 million drawn to date, annual installments of \$230,769, issued in 1997, final payment due May 1, 2015	\$ 1,615,385
2.87% State Revolving Fund Loan, \$3 million authorized and \$3 million drawn to date, annual installments of \$200,000, issued in 1998, final payment due May 1, 2018	2,000,000
2.305% State Revolving Fund Loan, \$4,014,597 authorized and \$3,697,463 drawn to date, annual installments of \$200,730, issued in 2004, final payment due May 1, 2027	<u>3,697,463</u>
<b>Total</b>	<u>\$ 7,312,848</u>

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 615,642	\$ 294,380	\$ 910,022
2010	615,642	167,933	783,575
2011	615,642	152,047	767,689
2012	615,642	136,161	751,803
2013	615,642	120,275	735,917
2014-2018	2,385,905	380,740	2,766,645
2019-2023	924,365	170,453	1,094,818
2024-2028	924,368	63,920	988,288
<b>Total</b>	<u>\$ 7,312,848</u>	<u>\$1,485,909</u>	<u>\$8,798,757</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Debt Serviced by Sewer Fund:**

**General Obligation Indebtedness**

All general obligation bonds serviced by the Commission are collateralized by the full faith, credit, and taxing power of the City of Greenville. Principal and interest payments are appropriated when due.

The Commission's general obligation bonds payable at June 30, 2008, were comprised of the following individual issues:

2003 GO Refunding Bonds due in annual installments of \$230,000 to \$1,095,000 with varying interest rates from 3.0% to 3.4%, final payment due March 1, 2012	<u>\$3,450,000</u>
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Annual debt service requirements to maturity for the Commission's Sewer Fund general obligation bonds are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$1,095,000	\$107,045	\$ 1,202,045
2010	1,075,000	74,195	1,149,195
2011	1,050,000	41,945	1,091,945
2012	230,000	7,820	237,820
Total	<u>\$3,450,000</u>	<u>\$231,005</u>	<u>\$ 3,681,005</u>

**Revenue Bonds**

1998 Revenue Bonds, due in annual installments of \$357,183 to \$373,741 with varying interest rates from 4.2% to 4.3%; final payment due September 1, 2009	\$ 730,924
2001 Revenue Bonds, due in annual installments of \$208,282 to \$402,527 with varying interest rates from 4.25% to 5.5%; final payment due September 1, 2021	4,115,845
2003A Revenue Bonds, due in semi-annual installments of \$113,014 to \$119,891 with an interest rate of 2.95%; final payment due November 14, 2010	582,306
2003B Revenue Bonds, due in semi-annual installments of \$149,378 to \$211,804 with an interest rate of 3.67%; final payment due May 1, 2018	3,582,569
2005 Revenue Bonds, due in annual installments of \$153,875 to \$274,957 with an interest rate of 3.43%; final payment due September 1, 2025	3,743,448
2008A Revenue Bonds, due in annual installments of \$37,847 to \$851,419 with varying interest rates from 3.5% to 5.3%, final payment due November 1, 2033	13,529,963
	<u>\$26,285,055</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 1,346,275	\$ 1,014,873	\$ 2,361,148
2010	1,585,803	1,049,555	2,635,358
2011	1,518,524	987,942	2,506,466
2012	1,455,614	930,122	2,385,736
2013	1,512,058	871,471	2,383,529
2014-2018	8,344,343	3,354,868	11,699,211
2019-2023	4,322,838	1,854,167	6,177,005
2024-2028	2,899,600	1,110,411	4,010,011
2029-2033	2,680,000	502,051	3,182,051
2034	620,000	15,500	635,500
<b>Total</b>	<b>\$ 26,285,055</b>	<b>\$ 11,690,960</b>	<b>\$ 37,976,015</b>

The Commission has pledged future sewer customer revenues and other unrestricted revenues, net of specified operating expenses, to repay revenue bonds, of which \$26,285,055 is currently outstanding. Proceeds from the bonds provided financing for various extension, expansion and improvement projects within the sewer fund. The bonds are payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt are expected to require less than 45 percent of net revenues, or less than 20 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$37,976,015. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,013,312, \$6,008,457 and \$13,981,705, respectively.

**Other Types of Debt**

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 due May 1, 2020	\$ 9,303,826
Bethel Inter-local Agreement with an effective interest rate of 5.53%, annual installments of \$151,382; final principal payment due May 1, 2023	<u>2,270,724</u>
<b>Total</b>	<u>\$ 11,574,550</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

Year Ending June 30	Principal	Interest	Total
2009	\$ 926,700	\$ 360,332	\$ 1,287,032
2010	926,700	336,714	1,263,414
2011	926,700	313,096	1,239,796
2012	926,700	289,478	1,216,178
2013	926,700	265,861	1,192,561
2014-2018	4,633,504	975,037	5,608,541
2019-2023	2,307,546	466,365	2,773,911
Total	<u>\$ 11,574,550</u>	<u>\$ 3,006,883</u>	<u>\$ 14,581,433</u>

**Debt Serviced by Gas Fund:**

**Revenue Bonds**

1998 Revenue Bonds, due in annual installments of \$104,719 to \$109,573 with varying interest rates from 4.2% to 4.3%; final payment due September 1, 2009	\$ 214,292
2001 Revenue Bonds, due in annual installments of \$310,075 to \$570,140 with varying interest rates from 4.25% to 5.5%; final payment due September 1, 2021	5,915,122
2003B Revenue Bonds, due in semi-annual installments of \$75,105 to \$106,492 with an interest rate of 3.67%; final payment due May 1, 2018	1,801,256
2007 Revenue Bonds, due in annual installments of \$80,927 to \$113,460 with an interest rate of 3.79% final payment due May 11, 2027	1,830,272
2008A Revenue Bonds, due in annual installments of \$11,096 to \$215,199 with varying interest rates from 3.5% to 5.3%; final payment due November 1, 2033	<u>2,897,204</u>
	<u>\$ 12,658,146</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 727,266	\$ 548,709	\$ 1,275,975
2010	787,128	536,871	1,323,999
2011	817,879	501,945	1,319,824
2012	852,150	463,898	1,316,048
2013	893,275	424,138	1,317,413
2014-2018	4,799,624	1,459,505	6,259,129
2019-2023	2,379,486	565,024	2,944,510
2024-2028	816,338	231,524	1,047,862
2029-2033	475,000	89,224	564,224
2034	110,000	2,750	112,750
<b>Total</b>	<b>\$ 12,658,146</b>	<b>\$ 4,823,588</b>	<b>\$ 17,481,734</b>

NOTE DISCLOSURES  
STATEMENTS

The Commission has pledged future gas customer revenues and other unrestricted revenues, net of specified operating expenses, to repay revenue bonds, of which \$12,658,146 is currently outstanding. Proceeds from the bonds provided financing for various extension, expansion and improvement projects within the gas fund. The bonds are payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt are expected to require less than 28 percent of net revenues, or less than 4 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$17,481,734. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,217,497, \$4,942,557 and \$41,198,530, respectively.

**Other Types of Debt**

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; final payment due June 1, 2010 \$ 117,203

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 57,580	\$ 3,352	\$ 60,932
2010	59,623	1,310	60,933
<b>Total</b>	<b>\$ 117,203</b>	<b>\$ 4,662</b>	<b>\$ 121,865</b>

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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, 2008 is as follows:

Operating revenues	\$236,517,459
Operating expenses (1)	<u>208,885,466</u>
Operating income	27,631,993
Non-operating revenues (expenses)	
Interest income (2)	1,909,174
Miscellaneous revenue (2)	990,000
Bond service charges	<u>(24,236)</u>
Income available for debt service	<u>\$ 30,506,931</u>
Parity debt service (principal and interest paid)	\$ 7,859,039
Parity debt service coverage ratio	388%
Subordinate and other debt service (principal and interest paid)	\$ 3,168,063
Subordinate and other debt service coverage ratio	715%

(1) Excludes depreciation expense of \$14,809,871 in accordance with rate covenants.

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

The following is a summary of changes in long-term liabilities for the year ended June 30, 2008:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2008</u>	<u>Current Portion</u>
Business-type activities:					
Revenue bonds	\$ 74,136,332	\$ 51,455,000	\$ (25,749,245)	\$ 99,842,087	\$ 4,959,534
General obligation bonds	4,565,000	-	(1,115,000)	3,450,000	1,095,000
Other types of debt	20,287,105	130,574	(1,413,078)	19,004,601	1,615,781
Discounts and premiums	(451,151)	149,054	178,860	(123,237)	-
Compensated absences	1,581,368	1,368,029	(1,266,609)	1,682,788	1,323,607
Other post-employment benefits	-	3,229,052	(410,580)	2,818,472	-
Unearned revenue	<u>581,735</u>	<u>-</u>	<u>(60,078)</u>	<u>521,657</u>	<u>118,649</u>
Total	<u>\$ 100,700,389</u>	<u>\$ 56,331,709</u>	<u>\$ (29,835,730)</u>	<u>\$ 127,196,368</u>	<u>\$ 9,112,571</u>

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

On June 25, 2008, the Commission defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account's assets and the liability for the defeased bonds are not included in the Commission's financial statements. On June 30, 2008, \$21,190,000 of bonds outstanding are considered defeased.

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 Sewer Fund totaling \$521,657 reflects a portion of the \$2,000,000 tapping fee received from the Town of Bethel. The agreement between the Commission and the Town of Bethel stipulates that \$1,000,000 of the tapping fee be refunded over a period of 10 years through a discounted utility rate. The discounts given to the Town of Bethel in this manner will be recognized as revenue by the Commission at the time the discount is given.

**14. Pension Plan Obligations(GUC)**

**Local Government Employees' Retirement System**

All permanent, full-time and designated part-time Greenville Utilities Commission employees participate in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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 North Carolina General Assembly. The LGERS 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 Commission is required to contribute at an actuarially determined rate. For the Commission, the current rate for employees is 4.87% of annual covered payroll. The contribution requirements of members and of the Commission are established and may be amended by the North Carolina General Assembly. The Commission's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$1,097,303, \$1,045,204, and \$1,016,749, respectively. The contributions made by the Commission equaled the required contributions for the year.

**15. Supplemental Retirement Income Plan (GUC)**

All permanent, full-time and certain designated part-time employees of the Commission are eligible to participate in the Supplemental Retirement Income Plan, a defined contribution pension plan. Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employer contributions must be approved by the Board of Commissioners.



**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The Commission's contributions for the years ended June 30, 2008, 2007 and 2006 were \$430,360, \$373,855, and \$370,825, respectively. These contributions represent 1.9%, 1.8%, and 1.8%, respectively, of covered payroll.

**16. Other Post-Employment Benefits (GUC)**

**Plan Description**

The Commission administers a single-employer defined benefit plan for post-retirement healthcare and life insurance benefits for retired or disabled employees. An employee is eligible for retirement when he/she reaches 50 years of age and has completed 20 years of service or reaches age 60 and has completed five years of service. Also, an employee is eligible for disability retirement when he/she has completed five years of service. Upon service, early or disability retirement as approved by the North Carolina Local 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. Healthcare and prescription drugs are provided in the Commission's retiree healthcare plan. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The Commission obtains healthcare and life insurance coverage through a private insurer.

Membership of the post-retirement benefit plan consisted of the following at December 31, 2005, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	84
Active members	416
	<hr/>
	500
	<hr/>

**Funding Policy**

For members that retire with at least 20 years of service, the Commission pays 95% of the blended rate for pre-65 healthcare coverage for the retiree, and those who elect to have dependent healthcare 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 15.97% of annual covered payroll. For fiscal year 2008, the Commission contributed \$410,580, or 2.1% of annual covered payroll. Contributions by employees for the year ended June 30, 2008 were \$128,225.21 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.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 30 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:

Annual required contribution	\$3,229,052
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	3,229,052
Contributions made	410,580
Increase (decrease) in net OPEB obligation	2,818,472
Net OPEB obligation:	
Beginning of year - July 1	-
End of year - June 30	\$2,818,472

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$3,229,052	12.715%	\$2,818,472

**Funded Status and Funding Progress**

As of December 31, 2005, 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 \$35,860,373. The covered payroll (annual payroll of active employees covered by the plan) was \$19,489,354, and the ratio of the UAAL to the covered payroll was 184.0%. 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.

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**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, 2005 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 12.00% - 6.00% medical cost trend rate with 2010 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, 2005 was 30 years.

**17. Other Employment Benefits (GUC)**

The Commission has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death, are eligible for death benefits.

Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit is no less than \$25,000 but no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The Commission has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Commission considers these contributions to be immaterial.

**18. Interfund Activity with the City of Greenville (GUC)**

Balances due to the City of Greenville at June 30, 2008 consist of the following:

Refuse fees collected	\$ 389,751
Stormwater fees collected	221,972
Street lighting reimbursement	97,588
Transfer to General Fund	207,712
Street repairs	68,545
Landfill user fees	717
M/WBE Program	21,130
	<hr/>
Total	\$1,007,415

Balances due from the City of Greenville at June 30, 2008 consist of the following:

Street light service	<hr/>
	\$94,097

**CITY OF GREENVILLE, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Transfers to/from the City of Greenville**

Transfers to the City of Greenville's General Fund at June 30, 2008 consist of the following:

Electric Fund -general transfer	\$3,403,110
Gas Fund - general transfer	1,041,307
Electric Fund - street lighting reimbursement	<u>570,216</u>
Total	<u>\$5,014,633</u>

The transfers to the City's General Fund of \$5,014,633 included the general and street lighting reimbursement transfers. The general transfers were computed based on 6% of the Electric Fund and Gas Fund fixed assets, net of related debt. The street lighting reimbursement represents 50% of current fiscal year street lighting revenues. The computation of the transfers is consistent with the method specified in Chapter 861 of Senate Bill 1069, An Act to Amend and Restate the Charter of the Greenville Utilities Commission of the City of Greenville.

**19. Risk Management (GUC)**

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 \$191 million for real and personal property, workers' compensation coverage up to the statutory limits, and umbrella liability of \$10 million.

The Commission carries flood insurance on certain properties considered to be at risk for loss due to flooding. This coverage is underwritten by the National Flood Insurance Program.

In accordance with G.S. 159-29, the Commission's employees that have access to \$100 or more at any given time of the Commission's funds are bonded under a blanket bond for \$500,000. The Chief Financial Officer is individually bonded for \$50,000.

The City of Greenville and Greenville Utilities contract with CIGNA Healthcare of North Carolina, Inc. to provide group medical insurance under a fully insured plan. The medical benefit plan is a Point of Service Open Access (POSOA) fully-insured product. The Open Access (OA) feature allows covered employees and their covered dependents to seek care directly from any provider, so there is no referral authorization needed from Primary Care Physicians (PCP) to access care from Specialists.

**20. Summary Disclosure of Significant Commitments and Contingencies (GUC)**

**Federal and State Assisted Programs**

The Commission 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 refund of grant monies.

**CITY OF GREENVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Natural Gas Contracts**

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.

**Litigation**

The Commission is presently involved in certain litigation matters that have arisen in the normal course of conducting its operations. Management of the Commission believes these cases are not expected to result in a material adverse financial impact to the Commission.

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REQUIRED SUPPLEMENTAL INFORMATION  
STATEMENTS





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## CITY OF GREENVILLE, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2008

## 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
12/31/2007	\$ -	\$ 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%
12/31/2002	-	2,389,580	2,389,580	0.00%	6,251,285	38.23%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
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%
2003	241,194	87,762	36.39%

## 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	12/31/2007	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	24 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, 2008

## 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)
12/31/2005	\$ -	\$ 47,415,875	\$ 47,415,875	0%	\$ 29,022,160	163.4%

## Schedule of Employer Contributions

Year Ending June 30, 2008	Annual Required Contribution	Percentage Contributed
	\$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	12/31/2005	
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	6% - 12%	
Year of Ultimate trend rate	2010	

## GREENVILLE UTILITIES COMMISSION

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2008

## 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)
12/31/2005	\$ -	\$ 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
2008	\$3,229,052	12.72%

## 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	12/31/2005	
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	6% - 12%	
Year of Ultimate trend rate	2010	

## CITY OF GREENVILLE, NORTH CAROLINA

## SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2008

<u>Fiscal Year</u>	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2008</u>
2008-2007	\$ -	\$ 26,650,553	\$ 25,866,384	\$ 784,169
2007-2006	881,665	-	670,627	211,038
2006-2005	177,559	-	60,417	117,142
2005-2004	117,253	-	21,602	95,651
2004-2003	108,611	-	10,285	98,326
2003-2002	103,376	-	8,310	95,066
2002-2001	83,021	-	4,765	78,256
2001-2000	79,661	-	4,186	75,475
2000-1999	81,795	-	3,240	78,555
1999-1998	70,837	-	4,305	66,532
1998-1997	50,868	-	50,868	-
	<u>\$ 1,754,646</u>	<u>\$ 26,650,553</u>	<u>\$ 26,704,989</u>	<u>1,700,210</u>
Less: Allowance for uncollectible accounts - General Fund				(618,096)
Plus: Other taxes for 2008				<u>238,913</u>
Ad Valorem Taxes Receivable Net - General Fund				<u>\$ 1,321,027</u>
<b><u>Reconciliation with Revenues:</u></b>				
Ad Valorem Taxes - General Fund				\$ 26,295,736
Reconciling Items:				
Amount written off per statute				50,868
Interest Collected				(170,450)
Tax Refunds				581
Discounts				264,169
Miscellaneous				<u>264,085</u>
Total Collections and Credits				<u>\$ 26,704,989</u>

REQUIRED SUPPLEMENTAL  
INFORMATION STATEMENTS

## CITY OF GREENVILLE, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
CITY - WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2008

	City - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 4,243,333,104	0.56	\$ 23,762,665	\$ 22,903,986	\$ 858,679
Penalties	-		2,526	2,526	-
Total	<u>4,243,333,104</u>		<u>23,765,191</u>	<u>22,906,512</u>	<u>858,679</u>
<b>Discoveries:</b>					
Current year taxes	598,714,639	0.56	3,352,802	872,682	2,480,120
Penalties	-		9,012	9,012	-
Total	<u>598,714,639</u>		<u>3,361,814</u>	<u>881,694</u>	<u>2,480,120</u>
<b>Abatements</b>	<u>(85,080,750)</u>		<u>(476,452)</u>	<u>(476,452)</u>	<u>-</u>
Total property valuation	<u>\$ 4,756,966,993</u>				
Net Levy			26,650,553	23,311,754	3,338,799
Uncollected taxes as of June 30, 2008			<u>(784,169)</u>	<u>(226,183)</u>	<u>(557,986)</u>
Current year's taxes collected			<u>\$ 25,866,384</u>	<u>\$ 23,085,571</u>	<u>\$ 2,780,813</u>
Current levy collection percentage			<u>97.06%</u>	<u>99.03%</u>	<u>83.29%</u>
Prior year collection percentage			<u>96.51%</u>	<u>98.61%</u>	<u>81.27%</u>

REQUIRED SUPPLEMENTAL  
INFORMATION STATEMENTS

Note: The Motor Vehicle abatements are not separable in the tax system utilized in fiscal year ending June 30, 2008. 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 is established to account 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 and other governmental service functions.

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year operations		\$ 25,864,366		\$ 23,854,110
Prior year		525,670		97,044
Interest and penalties		170,450		206,378
Tax discounts		(264,169)		(250,294)
Tax refunds		(581)		(11,048)
Total Ad Valorem Taxes	25,820,168	26,295,736	\$ 475,568	23,896,190
<b>Other Taxes:</b>				
Local options sales tax		5,818,532		5,503,515
Cable TV franchise tax		611,234		679,553
One-half percent sales tax		8,503,341		8,055,623
Rental vehicle - gross receipts		103,268		101,441
Total Other Taxes	14,882,894	15,036,375	153,481	14,340,132
<b>Unrestricted Intergovernmental:</b>				
Other unrestricted revenues		5,584		5,597
Utilities franchise tax		4,579,617		4,389,335
Beer and wine tax		332,734		311,689
Total Unrestricted Intergovernmental	4,912,588	4,917,935	5,347	4,706,621
<b>Restricted Intergovernmental:</b>				
NC DOT traffic control lights		179,068		148,534
Pitt County Fire contribution		10,000		10,000
Housing Authority Drug Grant		110,623		81,975
Special Federal, State and Local Grants		49,534		5,320
Section 104F Planning Grant		179,071		180,210
Law enforcement block grant		338,157		306,137
Other restricted intergovernmental revenue		238,305		559,789
Powell Bill - State allocation payment		2,256,409		1,948,928
Total Restricted Intergovernmental	3,729,528	3,361,167	(368,361)	3,240,893

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>Licenses, Permits and Fees:</b>				
Privilege licenses		556,782		545,657
Auto licenses		-		807,764
Inspection fees		1,467,288		1,560,829
State fire protection		356,706		318,995
Planning department fees		242,884		257,379
Police department fees		227,214		141,976
Fire and rescue department fees		150,209		133,556
Refuse fees		4,633,961		4,003,982
Other permits and fees		106,897		157,302
<b>Total Licenses, Permits and Fees</b>	<u>7,822,051</u>	<u>7,741,941</u>	<u>(80,110)</u>	<u>7,927,440</u>
<b>Sales and Services:</b>				
Rescue fees		2,529,460		2,207,750
Recreation department programs and fees		629,573		556,487
Utilities street cuts		209,881		275,160
Rents and concessions		140,459		148,530
Other sales and services		1,099,144		817,911
Pitt County Board of Education		210,338		210,338
<b>Total Sales and Services</b>	<u>4,399,153</u>	<u>4,818,855</u>	<u>419,702</u>	<u>4,216,176</u>
<b>Investment earnings</b>	<u>1,514,793</u>	<u>2,073,793</u>	<u>559,000</u>	<u>1,883,014</u>
<b>Other Revenues:</b>				
Parking violation penalty		235,029		241,953
Other revenues		207,469		429,247
<b>Total Other Revenues</b>	<u>399,786</u>	<u>442,498</u>	<u>42,712</u>	<u>671,200</u>
<b>Total Revenues</b>	<u>63,480,961</u>	<u>64,688,300</u>	<u>1,207,339</u>	<u>60,881,666</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Mayor and City Council:</b>				
Salaries and benefits		51,464	7,460	50,017
Operating expenses		228,905	50,611	206,484
Fees paid to elected officials		58,783	(1,983)	56,800
<b>Total Mayor and City Council</b>	<u>395,240</u>	<u>339,152</u>	<u>56,088</u>	<u>313,301</u>

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>City Manager:</b>				
Salaries and benefits		670,759	17,417	810,596
Operating expenses		266,219	69,704	272,590
Total City Manager	1,024,099	936,978	87,121	1,083,186
<b>City Clerk:</b>				
Salaries and benefits		216,560	(1,903)	201,829
Operating expenses		15,670	10,687	15,173
Total City Clerk	241,014	232,230	8,784	217,002
<b>City Attorney:</b>				
Salaries and benefits		354,971	(4,152)	332,505
Operating expenses		37,338	20,055	35,182
Total City Attorney	408,212	392,309	15,903	367,687
<b>Human Resources</b>				
Salaries and benefits		1,276,327	19,836	1,106,467
Operating expenses		497,878	150,958	440,238
Total Human Resources	1,944,999	1,774,205	170,794	1,546,705
<b>Financial Services:</b>				
Salaries and benefits		1,225,172	33,028	1,058,842
Operating expenses		625,276	82,300	690,432
Total Financial Services	1,965,776	1,850,448	115,328	1,749,274
<b>Information Technology:</b>				
Salaries and benefits		1,451,319	220,725	1,436,360
Operating expenses		1,870,965	646,872	1,792,368
Total Information Technology	4,189,881	3,322,284	867,597	3,228,728
<b>Airport (reimbursed services):</b>				
Salaries and benefits		(3,034)	3,034	(21,882)
Allotment		(1,375)	1,375	(33,130)
Total Airport	-	(4,409)	4,409	(55,012)
Total General Government	10,169,221	8,843,197	1,326,024	8,450,871

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, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>Public Safety:</b>				
<b>Fire and Rescue:</b>				
Salaries and benefits		9,541,568	409,413	9,150,039
Operating expenses		1,435,065	287,956	1,268,890
Total Fire and Rescue	11,674,002	10,976,633	697,369	10,418,929
<b>Police:</b>				
Salaries and benefits		15,395,578	(323,784)	14,181,302
Operating expenses		3,180,439	755,680	2,762,836
Total Police	19,007,913	18,576,017	431,896	16,944,138
Total Public Safety	30,681,915	29,552,650	1,129,265	27,363,067
<b>Public Works</b>				
<b>Other Public Works</b>				
Salaries and benefits		4,691,190	338,886	4,404,378
Operating expenses		3,108,799	97,146	2,901,538
Total Public Works	8,236,021	7,799,989	436,032	7,305,916
<b>Streets</b>				
Salaries and benefits		718,483	(104,284)	691,521
Operating expenses		374,348	(34,659)	388,298
Total Streets	953,888	1,092,831	(138,943)	1,079,819
Total Public Works	9,189,909	8,892,820	297,089	8,385,735
<b>Environmental Protection:</b>				
<b>Sanitation:</b>				
Salaries and benefits		3,218,161	154,942	3,081,842
Operating expenses		943,475	5,483	867,817
Total Sanitation	4,322,061	4,161,636	160,425	3,949,659
<b>Economic and Physical Development:</b>				
<b>Community Development</b>				
Salaries and benefits		1,668,999	(132,479)	1,464,707
Operating expenses		177,466	335,569	134,452
Total Community Development	2,049,555	1,846,465	203,090	1,599,159

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>Cultural and Recreational:</b>				
<b>Recreation and Parks</b>				
Salaries and benefits		3,478,692	53,107	3,275,930
Operating expenses		1,561,071	244,442	1,432,719
Total Recreation	5,337,312	5,039,763	297,549	4,708,649
<b>Library:</b>				
Salaries and benefits		17,587	(17,587)	(43,438)
Allotment		(7,603)	7,603	12,368
Total Library	-	9,984	(9,984)	(31,070)
Total Cultural and Recreational	5,337,312	5,049,747	287,565	4,677,579
<b>Capital outlay</b>	5,321,125	2,708,575	2,612,550	1,427,598
Total expenditures	67,071,098	61,055,090	6,016,008	55,853,668
<b>Revenues over (under) expenditures</b>	(3,590,137)	3,633,210	7,223,347	5,027,998
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
Greenville Utilities Commission turnover		4,444,417	(63,885)	4,410,559
Greenville Utilities Commission, lighting reimbursement		570,216	30,216	579,235
Other funds		1,089,584	201	362,806
Transfers out		(10,224,151)	320,339	(11,600,296)
Contingency		-	17,318	-
Appropriated fund balance		-	(8,014,260)	-
Total other financing sources (uses)	3,590,137	(4,119,934)	(7,710,071)	(6,247,696)
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ -	(486,724)	\$ (486,724)	(1,219,698)
Fund balance, Beginning of year - July 1st		27,458,640		28,678,338
Fund balance, End of year - June 30th		\$ 26,971,916		\$ 27,458,640



## CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,342,976	\$ 806,119	\$ 12,328,091	\$ 20,477,186
Accounts receivable, net	793	-	40,581	41,374
Interest receivable	11,308	-	-	11,308
Loans receivable	251,964	-	126,541	378,505
Due from other funds	-	-	90,459	90,459
Due from other governments	33,156	-	309,116	342,272
Prepaid items and deposits	62,274	-	-	62,274
	<u>7,702,471</u>	<u>806,119</u>	<u>12,894,788</u>	<u>21,403,378</u>
Total assets	<u>\$ 7,702,471</u>	<u>\$ 806,119</u>	<u>\$ 12,894,788</u>	<u>\$ 21,403,378</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ (108,362)	\$ -	\$ 529,232	\$ 420,870
Due to other funds	535,862	-	416,573	952,435
Deferred revenue	266,445	-	126,541	392,986
	<u>693,945</u>	<u>-</u>	<u>1,072,346</u>	<u>1,766,291</u>
Total liabilities	<u>693,945</u>	<u>-</u>	<u>1,072,346</u>	<u>1,766,291</u>
<b>Fund Balances:</b>				
Reserved by State statute	45,609	-	-	45,609
Reserved for prepaid items and inventories	62,274	-	-	62,274
Fund balance - unreserved, undesignated	6,900,643	806,119	11,822,442	19,529,204
	<u>7,008,526</u>	<u>806,119</u>	<u>11,822,442</u>	<u>19,637,087</u>
Total fund balances	<u>7,008,526</u>	<u>806,119</u>	<u>11,822,442</u>	<u>19,637,087</u>
Total liabilities and fund balances	<u>\$ 7,702,471</u>	<u>\$ 806,119</u>	<u>\$ 12,894,788</u>	<u>\$ 21,403,378</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, 2008

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
<b>Revenues:</b>				
Other taxes	\$ -	\$ 283,102	\$ 474,725	\$ 757,827
Restricted	1,892,623	-	1,255,581	3,148,204
Sales and services	170,200	-	484,592	654,792
Investment earnings	208,920	77,645	324,754	611,319
Other revenues	44,132	-	238,967	283,099
Total revenues	<u>2,315,875</u>	<u>360,747</u>	<u>2,778,619</u>	<u>5,455,241</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Cultural and recreational	2,091,611	285,600	-	2,377,211
Economic and physical development	1,683,184	-	-	1,683,184
Capital outlay	-	-	5,545,051	5,545,051
Principal retirement	-	4,107,886	-	4,107,886
Interest and fees	-	1,787,506	-	1,787,506
Total expenditures	<u>3,774,795</u>	<u>6,180,992</u>	<u>5,545,051</u>	<u>15,500,838</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,458,920)</u>	<u>(5,820,245)</u>	<u>(2,766,432)</u>	<u>(10,045,597)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	5,614,112	4,870,490	6,459,386	16,943,988
Transfers out	(6,698,061)	-	(1,205,817)	(7,903,878)
Total other financing sources (uses)	<u>(1,083,949)</u>	<u>4,870,490</u>	<u>5,253,569</u>	<u>9,040,110</u>
<b>Net change in fund balances</b>	<u>(2,542,869)</u>	<u>(949,755)</u>	<u>2,487,137</u>	<u>(1,005,487)</u>
<b>Fund Balances:</b>				
Fund balances, beginning of year	<u>9,551,395</u>	<u>1,755,874</u>	<u>9,335,305</u>	<u>20,642,574</u>
Fund balances, end of year - June 30th	<u>\$ 7,008,526</u>	<u>\$ 806,119</u>	<u>\$ 11,822,442</u>	<u>\$ 19,637,087</u>

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## NONMAJOR 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 accumulate 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.

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008

	<u>Community Development Fund</u>	<u>Capital Reserve Fund</u>	<u>Sheppard Memorial Library</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 617,262	\$ 5,852,918	\$ 678,098
Accounts receivable, net	-	-	793
Interest receivable	-	-	11,308
Loans receivable	147,988	-	-
Due from other governments	2,159	-	30,824
Prepaid items and deposits	-	-	59,413
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 767,409</u>	<u>\$ 5,852,918</u>	<u>\$ 780,436</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ (117,231)	\$ -	\$ 8,869
Due to other funds	374,009	130,726	25,395
Deferred revenue	162,821	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>419,599</u>	<u>130,726</u>	<u>34,264</u>
<b>Fund Balances:</b>			
Reserved by State statute	2,159	-	42,925
Reserved for prepaid items and inventories	-	-	59,413
Fund balance - unreserved, undesignated	345,651	5,722,192	643,834
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>347,810</u>	<u>5,722,192</u>	<u>746,172</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 767,409</u>	<u>\$ 5,852,918</u>	<u>\$ 780,436</u>

Schedule C-1

<b>Housing Trust Fund</b>	<b>Small Business Loan Program</b>	<b>Total</b>
\$ 50,764	\$ 143,934	\$ 7,342,976
-	-	793
-	-	11,308
13,169	90,807	251,964
173	-	33,156
-	2,861	62,274
<u>\$ 64,106</u>	<u>\$ 237,602</u>	<u>\$ 7,702,471</u>
\$ -	\$ -	\$ (108,362)
-	5,732	535,862
<u>12,817</u>	<u>90,807</u>	<u>266,445</u>
<u>12,817</u>	<u>96,539</u>	<u>693,945</u>
525	-	45,609
-	2,861	62,274
<u>50,764</u>	<u>138,202</u>	<u>6,900,643</u>
<u>51,289</u>	<u>141,063</u>	<u>7,008,526</u>
<u>\$ 64,106</u>	<u>\$ 237,602</u>	<u>\$ 7,702,471</u>

**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, 2008**

	<u>Community Development Fund</u>	<u>Capital Reserve Fund</u>	<u>Sheppard Memorial Library</u>
<b>Revenues:</b>			
Restricted	\$ 988,396	\$ -	\$ 902,22
Sales and services	-	-	118,44
Investment earnings	15,792	164,525	26,18
Other revenues	<u>-</u>	<u>-</u>	<u>43,05</u>
 Total revenues	 <u>1,004,188</u>	 <u>164,525</u>	 <u>1,089,91</u>
 <b>Expenditures:</b>			
<b>Current:</b>			
Cultural and recreational	-	-	2,091,61
Economic and physical development	<u>1,626,784</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>1,626,784</u>	 <u>-</u>	 <u>2,091,61</u>
 <b>Excess (deficiency) of revenues over (under) expenditures</b>	 <u>(622,596)</u>	 <u>164,525</u>	 <u>(1,001,70)</u>
 <b>Other Financing Sources (Uses):</b>			
Transfers from other funds	282,625	4,301,832	1,029,65
Transfers to other funds	<u>-</u>	<u>(6,698,061)</u>	<u>-</u>
Total other financing sources (uses)	<u>282,625</u>	<u>(2,396,229)</u>	<u>1,029,65</u>
 <b>Net change in fund balances</b>	 <u>(339,971)</u>	 <u>(2,231,704)</u>	 <u>27,95</u>
 <b>Fund Balances:</b>			
Fund balances, beginning of year	<u>687,781</u>	<u>7,953,896</u>	<u>718,21</u>
 Fund balances, end of year	 <u>\$ 347,810</u>	 <u>\$ 5,722,192</u>	 <u>\$ 746,17</u>



Schedule C-2

<u>Housing Trust Fund</u>	<u>Small Business Loan Program</u>	<u>Total</u>
\$ 2,000	\$ -	\$ 1,892,623
-	51,755	170,200
1,690	730	208,920
<u>1,077</u>	<u>-</u>	<u>44,132</u>
<u>4,767</u>	<u>52,485</u>	<u>2,315,875</u>
-	-	2,091,611
<u>6,132</u>	<u>50,268</u>	<u>1,683,184</u>
<u>6,132</u>	<u>50,268</u>	<u>3,774,795</u>
<u>(1,365)</u>	<u>2,217</u>	<u>(1,458,920)</u>
-	-	5,614,112
<u>-</u>	<u>-</u>	<u>(6,698,061)</u>
<u>-</u>	<u>-</u>	<u>(1,083,949)</u>
<u>(1,365)</u>	<u>2,217</u>	<u>(2,542,869)</u>
<u>52,654</u>	<u>138,846</u>	<u>9,551,395</u>
<u>\$ 51,289</u>	<u>\$ 141,063</u>	<u>\$ 7,008,526</u>

## 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, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
<b>CDBG &amp; Home Entitlement Program:</b>				
Property owners matching fund	\$ 156,139	\$ 222,379	\$ -	\$ 218,276
Federal grant - HUD	20,624,516	16,262,207	953,308	17,215,515
Consortium members	-	11,676	1,990	13,666
Loan payments	329,948	427,752	30,192	457,944
Interest income	134,792	181,073	15,792	200,968
Sale of acquired property	147,930	159,402	2,906	162,308
Total CDBG entitlement program	<u>21,393,325</u>	<u>17,264,489</u>	<u>1,004,188</u>	<u>18,268,677</u>
<b>Expenditures:</b>				
<b>CDBG &amp; Home Entitlement Program:</b>				
Administration	3,008,610	2,423,970	427,093	2,851,063
Rehab - third party owned dwellings	8,046,306	6,322,523	475,549	6,798,072
Rehab - rental	152,716	152,716	-	152,716
Outside agency funding	1,467,851	1,084,285	232,645	1,327,872
Acquisition dilapidated	828,158	531,267	1,622	532,889
Code enforcement	310,815	301,757	-	290,815
Conversion program	253,000	244,302	-	244,302
Small area revitalization	787,830	787,851	-	787,851
Demolition grants	218,910	134,430	-	90,985
Secondary mortgage	766,205	480,917	13,255	537,617
Econom. Dev. Study - West Grn./Meadowbrook	69,255	40,993	-	40,993
Neighborhood input grants	2,964	2,963	-	2,963
Concentrated needs	1,772,299	1,818,767	8,929	1,827,696
Sewer Oakgrove	25,482	15,130	-	15,130
Other expenses	58,010	58,010	-	58,010
Contribution to other consortium members	4,809,473	3,074,413	467,691	3,542,104
Capital outlay	12,403	11,834	-	11,834
Total CDBG entitlement program	<u>22,590,287</u>	<u>17,486,128</u>	<u>1,626,784</u>	<u>19,112,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,196,962)</u>	<u>(221,639)</u>	<u>(622,596)</u>	<u>(844,235)</u>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers In (Out):</b>				
Transfers in	1,864,462	1,576,920	282,625	1,859,545
Transfers out	(667,500)	(667,500)	-	(667,500)
Total other financing sources (uses)	<u>1,196,962</u>	<u>909,420</u>	<u>282,625</u>	<u>1,192,045</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 687,781</u>	<u>\$ (339,971)</u>	<u>\$ 347,810</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 164,525	\$ 164,525
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	6,698,061	4,301,832	(2,396,229)
Transfers to other funds	(6,698,061)	(6,698,061)	-
Appropriated fund balance	-	-	-
Total other financing sources (uses)	-	(2,396,229)	(2,396,229)
Total revenues and other financing sources (uses)	<u>\$ -</u>	<u>(2,231,704)</u>	<u>\$ (2,231,704)</u>
<b>Fund Balances:</b>			
Fund balances, beginning of year		<u>7,953,896</u>	
Fund balances, end of year		<u>\$ 5,722,192</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Restricted Intergovernmental:</b>			
County of Pitt	\$ 514,828	\$ 514,828	\$ -
Town of Bethel	24,313	24,313	-
Town of Winterville	118,866	118,866	-
State aid	207,748	208,320	572
Housing Authority	9,900	9,900	-
Other miscellaneous grants	25,000	26,000	1,000
Total restricted intergovernmental revenue	<u>900,655</u>	<u>902,227</u>	<u>1,572</u>
<b>Other Revenues:</b>			
Fines and fees	114,952	114,195	(757)
Photocopies	4,429	4,250	(179)
Interest earnings	13,164	26,183	13,019
Miscellaneous	41,459	43,055	1,596
Total other revenues	<u>174,004</u>	<u>187,683</u>	<u>13,679</u>
Total revenues	<u>1,074,659</u>	<u>1,089,910</u>	<u>15,251</u>
<b>Expenditures:</b>			
<b>Cultural and Recreational:</b>			
Salaries and benefits	1,404,598	1,354,193	50,405
Capital outlay	271,972	242,787	29,185
Maintenance and repairs	147,183	131,407	15,776
Other operating expenditures	383,056	363,224	19,832
Total expenditures	<u>2,206,809</u>	<u>2,091,611</u>	<u>115,198</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,132,150)</u>	<u>(1,001,701)</u>	<u>130,449</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	1,029,655	1,029,655	-
Appropriated fund balance	102,495	-	(102,495)
Total other financing sources (uses)	<u>1,132,150</u>	<u>1,029,655</u>	<u>(102,495)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>27,954</u>	<u>\$ 27,954</u>
Fund Balance, beginning of year		<u>718,218</u>	
Fund Balance, end of year		<u>\$ 746,172</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, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
Grants	\$ 320,500	\$ 170,476	\$ 2,000	\$ 172,476
<b>Other Revenues:</b>				
Bank contribution				
Investment earnings	4,265	10,296	1,690	11,986
Application fees				
Loan payments	7,210	22,429	1,077	23,506
Total other revenues	<u>11,475</u>	<u>32,725</u>	<u>2,767</u>	<u>35,492</u>
Total revenues	<u>331,975</u>	<u>203,201</u>	<u>4,767</u>	<u>207,968</u>
<b>Expenditures:</b>				
Small area revitalization	19,332	19,408	570	19,978
Rehabilitation	221,113	215,374	-	215,374
Loans made	212,530	36,765	5,562	42,327
Total expenditures	<u>452,975</u>	<u>271,547</u>	<u>6,132</u>	<u>277,679</u>
<b>Revenues over (under) expenditures</b>	(121,000)	(68,346)	(1,365)	(69,711)
<b>Other Financing Sources (Uses):</b>				
<b>Transfers From:</b>				
Community Development Fund	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 52,654</u>	<u>\$ (1,365)</u>	<u>\$ 51,289</u>

## CITY OF GREENVILLE, NORTH CAROLINA

**SMALL BUSINESS LOAN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
<b>Other Revenues:</b>				
Bank contribution	\$ 475,000	\$ 448,243	\$ -	\$ 448,243
Loan payments	253,552	359,280	51,755	411,035
Application fees	2,000	1,550	-	1,550
Investment earnings	1,706	4,827	730	5,557
Total revenues	<u>732,258</u>	<u>813,900</u>	<u>52,485</u>	<u>866,385</u>
<b>Expenditures:</b>				
Administration	2,000	7	-	7
Payments to banks	255,258	363,891	50,463	414,354
Loans made	475,000	448,242	-	448,242
Loan loss reserve	142,500	5,414	(195)	5,219
Total expenditures	<u>874,758</u>	<u>817,554</u>	<u>50,268</u>	<u>867,822</u>
<b>Revenues over (under) expenditures</b>	<u>(142,500)</u>	<u>(3,654)</u>	<u>2,217</u>	<u>(1,437)</u>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers From:</b>				
Community Development Fund	142,500	142,500	-	142,500
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 138,846</u>	<u>\$ 2,217</u>	<u>\$ 141,063</u>

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## CAPITAL PROJECTS FUNDS

The purpose of the Capital Projects Funds is to account for the financial resources segregated for 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. At June 30, 2008, the City had the following projects 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.

### CONVENTION CENTER PROJECT

The Convention Center Project is established to account for the funds used in the final construction stages of the Convention Center. This fund was closed during the fiscal year.

### 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.

### RIVER PARK NORTH PROJECT

The River Park North Project is established to account for the funds that will be used to perform a state mandated environmental study at River Park North. This project was closed during the fiscal year.

### GREENE STREET BRIDGE RELOCATION AND STREETScape IMPROVEMENTS PROJECT

The Greene Street Bridge Relocation and Streetscape Improvements Project is established to account for the funds that will be used in the relocation of Greene Street Bridge and Streetscape Improvements. This project was closed this fiscal year.

### 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 include a Performing Arts Center, a hotel/alumni center, land acquisitions for joint university/city projects, infrastructure improvements and joint use parking structures.

#### STANTONSBURG ROAD / 10TH STREET CONNECTOR

The Stantonburg Road / 10th Street Connector Project involves the extension of Tenth Street on new location to Stantonburg 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

#### READE / HODGES PARKING LOT IMPROVEMENTS PROJECT

The Reade/ Hodges Parking Lot Improvements Project uses funds to make enhancements to the Hodges parking lot (landscaping, etc.), and streetscape improvements along Reade Street from its intersection with Co-tanche Street up to East 5th Street.

#### 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.

#### 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 is considered an enterprise fund capital project.

#### 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 the addition of 150 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 drain-pipe located on the Public Works yard.

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CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008

	Cemetery Development Fund	Affordable Housing Project	Computerized Traffic Signal System	West 3rd Street Project	2005 COPS Various City Projects	City Hall Facility	45 Block Revitalization	Center City Revitalization	Stantonsburg Road / 10th St Connector
<b>Assets:</b>									
Cash and cash equivalents	\$ 354,839	\$ 1,358,926	\$ 78,471	\$ 107,297	\$ 548,933	\$ 434,409	\$ 621,854	\$ 3,014,291	\$ 24,340
Accounts receivable	-	-	-	-	-	-	-	-	-
Loans receivable	-	126,541	-	-	-	-	-	-	-
Due from other funds	-	1,580	-	-	-	-	-	-	-
Due from other governments	-	2,283	117	-	(31,055)	(16,487)	2,072	-	350,000
Total assets	<u>\$ 354,839</u>	<u>\$ 1,489,330</u>	<u>\$ 78,588</u>	<u>\$ 107,297</u>	<u>\$ 517,878</u>	<u>\$ 417,922</u>	<u>\$ 623,926</u>	<u>\$ 3,014,291</u>	<u>\$ 374,340</u>
<b>Liabilities and Fund Balances:</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ -	\$ 33,804	\$ -	\$ -	\$ -	\$ -	\$ 6,693	\$ -	\$ -
Due to other funds	327,694	-	-	-	-	-	-	-	-
Deferred revenue	-	126,541	-	-	-	-	-	-	-
Total liabilities	<u>327,694</u>	<u>160,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,693</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>									
Fund balance	<u>27,145</u>	<u>1,328,985</u>	<u>78,588</u>	<u>107,297</u>	<u>517,878</u>	<u>417,922</u>	<u>617,233</u>	<u>3,014,291</u>	<u>374,340</u>
Total fund balance	<u>27,145</u>	<u>1,328,985</u>	<u>78,588</u>	<u>107,297</u>	<u>517,878</u>	<u>417,922</u>	<u>617,233</u>	<u>3,014,291</u>	<u>374,340</u>
Total liabilities and fund balances	<u>\$ 354,839</u>	<u>\$ 1,489,330</u>	<u>\$ 78,588</u>	<u>\$ 107,297</u>	<u>\$ 517,878</u>	<u>\$ 417,922</u>	<u>\$ 623,926</u>	<u>\$ 3,014,291</u>	<u>\$ 374,340</u>

Schedule D-1

South Tar River Greenway	Sidewalk Construction Project	Reade/Hodges Parking Lot Improvement Project	Thomas Langston Road Extension Project	Intermodal Transportation Center Project	Employee Parking Lot Expansion Project	Dickerson Avenue Relocation Project	Convention Center Expansion Project	Community Oriented Policing Service Project	Technology for Public Safety Project	Public Works Beatty Street Project	Total
\$ -	\$ 81,095	\$ 257,775	\$ -	\$ -	\$ 194,831	\$ 258,939	\$ 437,463	\$ 805,831	\$ 3,345,097	\$ 403,700	\$ 12,328,091
-	-	-	-	40,581	-	-	-	-	-	-	40,581
-	-	-	-	-	-	-	-	-	-	-	126,541
-	-	-	-	-	-	-	-	-	88,879	-	90,459
-	6	-	-	-	-	-	-	-	-	2,180	309,116
<u>\$ -</u>	<u>\$ 81,101</u>	<u>\$ 257,775</u>	<u>\$ -</u>	<u>\$ 40,581</u>	<u>\$ 194,831</u>	<u>\$ 258,939</u>	<u>\$ 437,463</u>	<u>\$ 805,831</u>	<u>\$ 3,433,976</u>	<u>\$ 405,880</u>	<u>\$ 12,894,788</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,480	\$ -	\$ 348,389	\$ 138,866	\$ 529,232
4,630	-	-	51,912	32,337	-	-	-	-	-	-	416,573
-	-	-	-	-	-	-	-	-	-	-	126,541
4,630	-	-	51,912	32,337	-	-	1,480	-	348,389	138,866	1,072,346
(4,630)	81,101	257,775	(51,912)	8,244	194,831	258,939	435,983	805,831	3,085,587	267,014	11,822,442
(4,630)	81,101	257,775	(51,912)	8,244	194,831	258,939	435,983	805,831	3,085,587	267,014	11,822,442
<u>\$ -</u>	<u>\$ 81,101</u>	<u>\$ 257,775</u>	<u>\$ -</u>	<u>\$ 40,581</u>	<u>\$ 194,831</u>	<u>\$ 258,939</u>	<u>\$ 437,463</u>	<u>\$ 805,831</u>	<u>\$ 3,433,976</u>	<u>\$ 405,880</u>	<u>\$ 12,894,788</u>

GOVERNMENTAL FUND  
FINANCIAL STATEMENTS

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, 2008

	Cemetery Development Fund	Affordable Housing Project	Convention Center Project	Computerized Traffic Signal System	River Park North Project	Greene Street Bridge & Streetscape Improvements	West Third Street Project	2005 COPS Various City Projects	City Hall Facility	45 Block Revitalization	Center City Revitalization
<b>Revenues:</b>											
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,622	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-	-
Sales and services	-	-	-	-	-	-	-	-	-	382,025	-
Investment earnings	1,841	8,652	-	5,589	102	189	30,832	9,308	111,023	29,869	121,637
Other revenues	-	21,648	-	-	335	-	-	-	-	216,984	-
<b>Total revenues</b>	<b>1,841</b>	<b>30,300</b>	<b>-</b>	<b>5,589</b>	<b>437</b>	<b>501,811</b>	<b>30,832</b>	<b>9,308</b>	<b>111,023</b>	<b>628,878</b>	<b>121,637</b>
<b>Expenditures:</b>											
Current:											
Capital outlay	6,758	255,437	-	46,436	-	17,367	786,788	2,395	528,670	1,331,839	94,697
<b>Total expenditures</b>	<b>6,758</b>	<b>255,437</b>	<b>-</b>	<b>46,436</b>	<b>-</b>	<b>17,367</b>	<b>786,788</b>	<b>2,395</b>	<b>528,670</b>	<b>1,331,839</b>	<b>94,697</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,917)</b>	<b>(225,137)</b>	<b>-</b>	<b>(40,847)</b>	<b>437</b>	<b>484,444</b>	<b>(755,956)</b>	<b>6,913</b>	<b>(417,647)</b>	<b>(702,961)</b>	<b>26,940</b>
<b>Other Financing Sources (Uses):</b>											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,126,025)	-	(20,041)	(59,751)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,126,025)</b>	<b>-</b>	<b>(20,041)</b>	<b>(59,751)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,917)</b>	<b>(225,137)</b>	<b>(1,126,025)</b>	<b>(40,847)</b>	<b>(19,604)</b>	<b>424,693</b>	<b>(755,956)</b>	<b>6,913</b>	<b>(417,647)</b>	<b>(702,961)</b>	<b>26,940</b>
<b>Fund Balances:</b>											
Fund balances, beginning of year	32,062	1,554,122	1,126,025	119,435	19,604	(424,693)	863,253	510,965	835,569	1,320,194	2,987,351
Fund balances, end of year	\$ 27,145	\$ 1,328,985	\$ -	\$ 78,588	\$ -	\$ -	\$ 107,297	\$ 517,878	\$ 417,922	\$ 617,233	\$ 3,014,291

Stantonsburg Road / 10th St Connector	South Tar River Greenway	Sidewalk Construction Project	Reade/Hodges Parking Lot Improvement Project	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	Total
\$ 350,000	\$ 156,034	\$ 31,089	\$ -	\$ -	\$ 72,268	\$ -	\$ -	\$ -	\$ 144,568	\$ -	\$ -	\$ 1,255,581
-	-	-	-	-	-	-	-	474,725	-	-	-	474,725
-	-	-	-	102,567	-	-	-	-	-	-	-	484,592
220	-	354	1,332	-	19	1,006	1,215	-	657	909	-	324,754
-	-	-	-	-	-	-	-	-	-	-	-	238,967
<u>350,220</u>	<u>156,034</u>	<u>31,443</u>	<u>1,332</u>	<u>102,567</u>	<u>72,287</u>	<u>1,006</u>	<u>1,215</u>	<u>474,725</u>	<u>145,225</u>	<u>909</u>	<u>-</u>	<u>2,778,619</u>
<u>52,758</u>	<u>26,345</u>	<u>(1,880)</u>	<u>-</u>	<u>90,037</u>	<u>80,298</u>	<u>-</u>	<u>1,571,331</u>	<u>118,742</u>	<u>1,025</u>	<u>399,322</u>	<u>136,686</u>	<u>5,545,051</u>
<u>52,758</u>	<u>26,345</u>	<u>(1,880)</u>	<u>-</u>	<u>90,037</u>	<u>80,298</u>	<u>-</u>	<u>1,571,331</u>	<u>118,742</u>	<u>1,025</u>	<u>399,322</u>	<u>136,686</u>	<u>5,545,051</u>
<u>297,462</u>	<u>129,689</u>	<u>33,323</u>	<u>1,332</u>	<u>12,530</u>	<u>(8,011)</u>	<u>1,006</u>	<u>(1,570,116)</u>	<u>355,983</u>	<u>144,200</u>	<u>(398,413)</u>	<u>(136,686)</u>	<u>(2,766,432)</u>
-	1,000	-	-	-	-	-	1,829,055	80,000	661,631	3,484,000	403,700	6,459,386
-	-	-	-	-	-	-	-	-	-	-	-	(1,205,817)
-	1,000	-	-	-	-	-	1,829,055	80,000	661,631	3,484,000	403,700	5,253,569
<u>297,462</u>	<u>130,689</u>	<u>33,323</u>	<u>1,332</u>	<u>12,530</u>	<u>(8,011)</u>	<u>1,006</u>	<u>258,939</u>	<u>435,983</u>	<u>805,831</u>	<u>3,085,587</u>	<u>267,014</u>	<u>2,487,137</u>
<u>76,878</u>	<u>(135,319)</u>	<u>47,778</u>	<u>256,443</u>	<u>(64,442)</u>	<u>16,255</u>	<u>193,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,335,305</u>
<u>\$ 374,340</u>	<u>\$ (4,630)</u>	<u>\$ 81,101</u>	<u>\$ 257,775</u>	<u>\$ (51,912)</u>	<u>\$ 8,244</u>	<u>\$ 194,831</u>	<u>\$ 258,939</u>	<u>\$ 435,983</u>	<u>\$ 805,831</u>	<u>\$ 3,085,587</u>	<u>\$ 267,014</u>	<u>\$ 11,822,442</u>

GOVERNMENTAL FUND FINANCIAL STATEMENTS

## 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, 2008**

	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<b>Revenues:</b>				
Special Federal/State/Local grants	\$ 105,000	\$ 107,521	\$ -	\$ 107,521
Interest earnings	-	9,887	1,841	11,728
Total revenues	<u>105,000</u>	<u>117,408</u>	<u>1,841</u>	<u>119,249</u>
<b>Expenditures:</b>				
Capital improvements	<u>390,000</u>	<u>370,346</u>	<u>6,758</u>	<u>377,104</u>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<u>(285,000)</u>	<u>(252,938)</u>	<u>(4,917)</u>	<u>(257,855)</u>
<b>Other Financing Sources (Uses):</b>				
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>220,000</u>
Total other financing sources (uses)	<u>285,000</u>	<u>285,000</u>	<u>-</u>	<u>285,000</u>
<b>Revenues and other financing sources over (under)</b> <b>expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 32,062</u>	<u>\$ (4,917)</u>	<u>\$ 27,145</u>



## 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, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ 160,500	\$ 180,113	\$ 8,652	\$ 188,765
Loan payments	142,100	168,940	18,882	187,822
Sale of property	<u>1,176,000</u>	<u>1,366,783</u>	<u>2,766</u>	<u>1,369,549</u>
Total revenues	<u>1,478,600</u>	<u>1,715,836</u>	<u>30,300</u>	<u>1,746,136</u>
<b>Expenditures:</b>				
Bond administration cost	6,349	6,349	-	6,349
Home ownership	2,021,151	737,053	255,414	992,467
Land banking	733,000	688,274	-	688,274
Rehabilitation	<u>243,100</u>	<u>255,513</u>	<u>23</u>	<u>255,536</u>
Total expenditures	<u>3,003,600</u>	<u>1,687,189</u>	<u>255,437</u>	<u>1,942,626</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,525,000)</u>	<u>28,647</u>	<u>(225,137)</u>	<u>(196,490)</u>
<b>Other Financing Sources (Uses):</b>				
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>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,554,122</u>	<u>\$ (225,137)</u>	<u>\$ 1,328,985</u>

## CITY OF GREENVILLE, NORTH CAROLINA

CONVENTION CENTER PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Sale of property	\$ 921,835	\$ 921,835	\$ -	\$ 921,835
Total revenues	<u>921,835</u>	<u>921,835</u>	<u>-</u>	<u>921,835</u>
<b>Expenditures:</b>				
Renovations	<u>67,009</u>	<u>67,009</u>	<u>-</u>	<u>67,009</u>
Total expenditures	<u>67,009</u>	<u>67,009</u>	<u>-</u>	<u>67,009</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>854,826</u>	<u>854,826</u>	<u>-</u>	<u>854,826</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	271,199	271,199	-	271,199
Transfers out	<u>(1,126,025)</u>	<u>-</u>	<u>(1,126,025)</u>	<u>(1,126,025)</u>
Total other financing sources (uses)	<u>(854,826)</u>	<u>271,199</u>	<u>(1,126,025)</u>	<u>(854,826)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,126,025</u>	<u>\$ (1,126,025)</u>	<u>\$ -</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Interest earnings	\$ 430,000	\$ 464,308	\$ 5,589	\$ 469,897
NCDOT grant	600,000	600,000	-	600,000
Miscellaneous	-	900	-	900
Total revenues	<u>1,030,000</u>	<u>1,065,208</u>	<u>5,589</u>	<u>1,070,797</u>
<b>Expenditures:</b>				
Bond administration cost	47,285	42,590	-	42,590
Traffic signal maintenance facility	4,693,000	4,579,278	46,436	4,625,714
Total expenditures	<u>4,740,285</u>	<u>4,621,868</u>	<u>46,436</u>	<u>4,668,304</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,710,285)</u>	<u>(3,556,660)</u>	<u>(40,847)</u>	<u>(3,597,507)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	3,825,285	3,790,969	-	3,790,969
Transfers in	-	126	-	126
Transfers out	(115,000)	(115,000)	-	(115,000)
Total other financing sources (uses)	<u>3,710,285</u>	<u>3,676,095</u>	<u>-</u>	<u>3,676,095</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 119,435</u>	<u>\$ (40,847)</u>	<u>\$ 78,588</u>

## CITY OF GREENVILLE, NORTH CAROLINA

**RIVER PARK NORTH CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Federal emergency mgmt. assistance	\$ 420,000	\$ 369,787	\$ -	\$ 369,787
Recreation donations	146,840	277,497	335	277,832
Recreation & parks trust	250,000	250,000	-	250,000
Investment earnings	4,000	18,765	102	18,867
Total revenues	<u>820,840</u>	<u>916,049</u>	<u>437</u>	<u>916,486</u>
<b>Expenditures:</b>				
Site improvement	1,132,880	1,118,783	-	1,118,783
Furnishings	172,182	251,123	-	251,123
Exhibits	384,960	448,549	-	448,549
Total expenditures	<u>1,690,022</u>	<u>1,818,455</u>	<u>-</u>	<u>1,818,455</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(869,182)</u>	<u>(902,406)</u>	<u>437</u>	<u>(901,969)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	39,069	-	-	-
Bonds issued	750,000	750,000	-	750,000
Transfer from General Fund	100,000	172,010	-	172,010
Transfer to other funds	(19,887)	-	(20,041)	(20,041)
Total other financing sources (uses)	<u>869,182</u>	<u>922,010</u>	<u>(20,041)</u>	<u>901,969</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 19,604</u>	<u>\$ (19,604)</u>	<u>\$ -</u>

## CITY OF GREENVILLE, NORTH CAROLINA

GREENE STREET BRIDGE RELOCATION AND  
 GREENE STREET STREETScape IMPROVEMENTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Restricted intergovernmental	\$ 1,414,836	\$ 943,681	\$ 501,622	\$ 1,445,303
Miscellaneous	-	1,671	-	1,671
Investment earnings	-	1,915	189	2,104
Total revenues	<u>1,414,836</u>	<u>947,267</u>	<u>501,811</u>	<u>1,449,078</u>
<b>Expenditures:</b>				
<b>Greene Street Bridge Relocation:</b>				
Engineering	125,000	95,783	-	95,783
Land acquisition	63,000	73,981	-	73,981
Construction	1,108,590	1,110,936	-	1,110,936
<b>Greene Street Streetscape Improvements:</b>				
Engineering	52,300	46,862	2,295	49,157
Construction	518,786	497,238	15,072	512,310
Total expenditures	<u>1,867,676</u>	<u>1,824,800</u>	<u>17,367</u>	<u>1,842,167</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(452,840)</u>	<u>(877,533)</u>	<u>484,444</u>	<u>(393,089)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	452,840	452,840	-	452,840
Transfers out	(59,704)	-	(59,751)	(59,751)
Appropriated fund balance	59,704	-	-	-
Total other financing sources (uses)	<u>452,840</u>	<u>452,840</u>	<u>(59,751)</u>	<u>393,089</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (424,693)</u>	<u>\$ 424,693</u>	<u>\$ -</u>

## 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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Other revenues	\$ -	\$ 3,724	\$ -	\$ 3,724
Interest earnings	-	27,331	30,832	58,163
Total revenues	<u>-</u>	<u>31,055</u>	<u>30,832</u>	<u>61,887</u>
<b>Expenditures:</b>				
Construction	840,000	121	786,788	786,909
Bond administration	-	7,681	-	7,681
Total expenditures	<u>840,000</u>	<u>7,802</u>	<u>786,788</u>	<u>794,590</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(840,000)</u>	<u>23,253</u>	<u>(755,956)</u>	<u>(732,703)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	<u>840,000</u>	<u>840,000</u>	-	<u>840,000</u>
Total other financing sources (uses)	<u>840,000</u>	<u>840,000</u>	-	<u>840,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 863,253</u>	<u>\$ (755,956)</u>	<u>\$ 107,297</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Restricted intergovernmental revenues	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest earnings	150,000	221,191	9,308	230,499
Total revenues	<u>400,000</u>	<u>471,191</u>	<u>9,308</u>	<u>480,499</u>
<b>Expenditures:</b>				
Fire and rescue project	3,095,506	2,820,124	2,855	2,822,979
Guy Smith Stadium	900,000	873,623	-	873,623
Greenfield Terrace	399,131	363,246	-	363,246
SW Park Development	169,872	175,253	(460)	174,793
Carver Library	1,194,700	1,065,620	-	1,065,620
Total expenditures	<u>5,759,209</u>	<u>5,297,866</u>	<u>2,395</u>	<u>5,300,261</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,359,209)</u>	<u>(4,826,675)</u>	<u>6,913</u>	<u>(4,819,762)</u>
<b>Other Financing Sources (Uses):</b>				
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 from other funds	108,151	74,176	-	74,176
Total other financing sources (uses)	<u>5,359,209</u>	<u>5,337,640</u>	<u>-</u>	<u>5,337,640</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 510,965</u>	<u>\$ 6,913</u>	<u>\$ 517,878</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Federal and State grants	\$ 121,028	\$ 121,028	\$ -	\$ 121,028
Other income	-	31,916	-	31,916
Interest earnings	558,550	739,039	111,023	850,062
Total revenues	<u>679,578</u>	<u>891,983</u>	<u>111,023</u>	<u>1,003,006</u>
<b>Expenditures:</b>				
Construction	9,252,523	9,424,224	462,764	9,886,988
Capital outlay	1,230,997	1,191,615	40,478	1,232,093
Acquisition	950,000	950,000	-	950,000
Bond administration cost	250,000	102,049	-	102,049
Design	1,115,000	673,273	25,428	698,701
Total expenditures	<u>12,798,520</u>	<u>12,341,161</u>	<u>528,670</u>	<u>12,869,831</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(12,118,942)</u>	<u>(11,449,178)</u>	<u>(417,647)</u>	<u>(11,866,825)</u>
<b>Other Financing Sources (Uses):</b>				
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>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 835,569</u>	<u>\$ (417,647)</u>	<u>\$ 417,922</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, 2008**

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Other income	\$ 803,337	\$ 209,568	\$ 216,984	\$ 426,552
Sales and services	-	-	382,025	382,025
Interest earnings	105,798	90,304	29,869	120,173
Total revenues	<u>909,135</u>	<u>299,872</u>	<u>628,878</u>	<u>928,750</u>
<b>Expenditures:</b>				
Acquisition	2,629,635	1,996,298	610,596	2,606,894
Demolition	475,000	190,396	135,159	325,555
Construction	649,756	444,112	136,847	580,959
Infrastructure	1,250,000	51,053	54,402	105,455
Development financing	300,000	429	22,313	22,742
Relocation assistance	275,000	28,856	187,948	216,804
Owner occupied rehabilitation	275,000	26,781	139,606	166,387
Furnishings	54,744	-	44,968	44,968
Bond administration	-	33,487	-	33,487
Total expenditures	<u>5,909,135</u>	<u>2,771,412</u>	<u>1,331,839</u>	<u>4,103,251</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,000,000)</u>	<u>(2,471,540)</u>	<u>(702,961)</u>	<u>(3,174,501)</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	-	16,734	-	16,734
Bonds issued	5,000,000	3,775,000	-	3,775,000
Total other financing sources (uses)	<u>5,000,000</u>	<u>3,791,734</u>	<u>-</u>	<u>3,791,734</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,320,194</u>	<u>\$ (702,961)</u>	<u>\$ 617,233</u>

## 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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Interest earnings	\$ -	\$ 94,939	\$ 121,637	\$ 216,576
Total revenues	<u>-</u>	<u>94,939</u>	<u>121,637</u>	<u>216,576</u>
<b>Expenditures:</b>				
Acquisition	2,250,000	9,550	1,425	10,975
Demolition	500,000	-	-	-
Infrastructure	1,250,000	85,319	93,272	178,591
Development financing	500,000	-	-	-
Bond administration	-	26,017	-	26,017
Business retention	500,000	-	-	-
Total expenditures	<u>5,000,000</u>	<u>120,886</u>	<u>94,697</u>	<u>215,583</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,000,000)</u>	<u>(25,947)</u>	<u>26,940</u>	<u>993</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	-	13,298	-	13,298
Bonds issued	<u>5,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Total other financing sources (uses)	<u>5,000,000</u>	<u>3,013,298</u>	<u>-</u>	<u>3,013,298</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 2,987,351</u>	<u>\$ 26,940</u>	<u>\$ 3,014,291</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 4,000,000	\$ 700,000	\$ 350,000	\$ 1,050,000
Interest earnings	22,000	56	220	276
Total revenues	<u>4,022,000</u>	<u>700,056</u>	<u>350,220</u>	<u>1,050,276</u>
<b>Expenditures:</b>				
Bond administration cost	22,000	-	-	-
Engineering	3,000,000	623,178	52,758	675,936
Right of way	3,000,000	-	-	-
Total expenditures	<u>6,022,000</u>	<u>623,178</u>	<u>52,758</u>	<u>675,936</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,000,000)</u>	<u>76,878</u>	<u>297,462</u>	<u>374,340</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	2,000,000	-	-	-
Total other financing sources (uses)	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 76,878</u>	<u>\$ 297,462</u>	<u>\$ 374,340</u>

## 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, 2008**

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,480,000	\$ -	\$ 156,034	\$ 156,034
Total revenues	<u>1,480,000</u>	<u>-</u>	<u>156,034</u>	<u>156,034</u>
<b>Expenditures:</b>				
Testing	25,000	-	-	-
Construction	1,243,000	-	-	-
Engineering	163,000	135,319	26,345	161,664
Right of way	50,000	-	-	-
Total expenditures	<u>1,481,000</u>	<u>135,319</u>	<u>26,345</u>	<u>161,664</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (1,000)</u>	<u>\$ (135,319)</u>	<u>\$ 129,689</u>	<u>\$ (5,630)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,000	-	1,000	1,000
Total other financing sources (uses)	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<b>Excess of revenues and other financing sources and over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (135,319)</u>	<u>\$ 130,689</u>	<u>\$ (4,630)</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, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 375,600	\$ 122,511	\$ 31,089	\$ 153,600
Interest earnings	-	138	354	492
Total revenues	<u>375,600</u>	<u>122,649</u>	<u>31,443</u>	<u>154,092</u>
<b>Expenditures:</b>				
Construction	<u>575,600</u>	<u>274,871</u>	<u>(1,880)</u>	<u>272,991</u>
Total expenditures	<u>575,600</u>	<u>274,871</u>	<u>(1,880)</u>	<u>272,991</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(200,000)</u>	<u>(152,222)</u>	<u>33,323</u>	<u>(118,899)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 47,778</u>	<u>\$ 33,323</u>	<u>\$ 81,101</u>

## CITY OF GREENVILLE, NORTH CAROLINA

READE / HODGES PARKING LOT IMPROVEMENT PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ -	\$ 743	\$ 1,332	\$ 2,075
<b>Expenditures:</b>				
Construction	255,700	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(255,700)</u>	<u>743</u>	<u>1,332</u>	<u>2,075</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	255,700	255,700	-	255,700
<b>Excess of other financing sources over expenditures</b>	<u>\$ -</u>	<u>\$ 256,443</u>	<u>\$ 1,332</u>	<u>\$ 257,775</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Interest earnings	\$ 114,400	\$ -	\$ -	\$ -
Other income	-	-	102,567	102,567
Total revenues	<u>114,400</u>	<u>-</u>	<u>102,567</u>	<u>102,567</u>
<b>Expenditures:</b>				
Engineering	190,000	64,442	90,037	154,479
Construction	<u>2,784,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,974,400</u>	<u>64,442</u>	<u>90,037</u>	<u>154,479</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,860,000)</u>	<u>(64,442)</u>	<u>12,530</u>	<u>(51,912)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	<u>2,860,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,860,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (64,442)</u>	<u>\$ 12,530</u>	<u>\$ (51,912)</u>

## 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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Federal and State grants	\$ 146,034	\$ -	\$ 72,268	\$ 72,268
Interest earnings	-	29	19	48
Total revenues	<u>146,034</u>	<u>29</u>	<u>72,287</u>	<u>72,316</u>
<b>Expenditures:</b>				
Renovations	157,360	-	80,298	80,298
Construction	4,900	-	-	-
Total expenditures	<u>162,260</u>	<u>-</u>	<u>80,298</u>	<u>80,298</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(16,226)</u>	<u>29</u>	<u>(8,011)</u>	<u>(7,982)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	16,226	16,226	-	16,226
Total other financing sources (uses)	<u>16,226</u>	<u>16,226</u>	<u>-</u>	<u>16,226</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 16,255</u>	<u>\$ (8,011)</u>	<u>\$ 8,244</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Interest earnings	\$ -	\$ 142	\$ 1,006	\$ 1,148
Total revenues	<u>-</u>	<u>142</u>	<u>1,006</u>	<u>1,148</u>
<b>Expenditures:</b>				
Renovations	193,683	-	-	-
Total expenditures	<u>193,683</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(193,683)</u>	<u>142</u>	<u>1,006</u>	<u>1,148</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	193,683	193,683	-	193,683
Total other financing sources (uses)	<u>193,683</u>	<u>193,683</u>	<u>-</u>	<u>193,683</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 193,825</u>	<u>\$ 1,006</u>	<u>\$ 194,831</u>

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, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ -	\$ -	\$ 1,215	\$ 1,215
Other income-utility relocation	400,000	-	-	-
Total revenues	<u>400,000</u>	<u>-</u>	<u>1,215</u>	<u>1,215</u>
<b>Expenditures:</b>				
Engineering	35,500		36,968	36,968
Acquisition	1,353,555		1,358,510	1,358,510
Construction	840,000	-	175,853	175,853
Total expenditures	<u>2,229,055</u>	<u>-</u>	<u>1,571,331</u>	<u>1,571,331</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,829,055)</u>	<u>-</u>	<u>(1,570,116)</u>	<u>(1,570,116)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,829,055	-	1,829,055	1,829,055
Total other financing sources (uses)	<u>1,829,055</u>	<u>-</u>	<u>1,829,055</u>	<u>1,829,055</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,939</u>	<u>\$ 258,939</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Occupancy taxes	\$ -	\$ -	\$ 474,725	\$ 474,725
Total revenues	<u>-</u>	<u>-</u>	<u>474,725</u>	<u>474,725</u>
<b>Expenditures:</b>				
Allocation to Convention & Visitor Authority	-	-	95,354	95,354
Construction	80,000	-	23,388	23,388
Total expenditures	<u>80,000</u>	<u>-</u>	<u>118,742</u>	<u>118,742</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(80,000)</u>	<u>-</u>	<u>355,983</u>	<u>355,983</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	80,000	-	80,000	80,000
Total other financing sources (uses)	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435,983</u>	<u>\$ 435,983</u>

## 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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Federal and State grants	\$ 3,308,159	\$ -	\$ 144,568	\$ 144,568
Interest earnings	-	-	657	657
Total revenues	<u>3,308,159</u>	<u>-</u>	<u>145,225</u>	<u>145,225</u>
<b>Expenditures:</b>				
Administration	2,369,790	-	1,025	1,025
Capital outlay	<u>1,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,969,790</u>	<u>-</u>	<u>1,025</u>	<u>1,025</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(661,631)</u>	<u>-</u>	<u>144,200</u>	<u>144,200</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>661,631</u>	<u>-</u>	<u>661,631</u>	<u>661,631</u>
Total other financing sources (uses)	<u>661,631</u>	<u>-</u>	<u>661,631</u>	<u>661,631</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,831</u>	<u>\$ 805,831</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Interest earnings	\$ -	\$ -	\$ 909	\$ 909
Total revenues	<u>-</u>	<u>-</u>	<u>909</u>	<u>909</u>
<b>Expenditures:</b>				
Testing	2,753,957	-	382,389	382,389
Capital outlay	730,043	-	16,933	16,933
Total expenditures	<u>3,484,000</u>	<u>-</u>	<u>399,322</u>	<u>399,322</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,484,000)</u>	<u>-</u>	<u>(398,413)</u>	<u>(398,413)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,484,000	-	3,484,000	3,484,000
Total other financing sources (uses)	<u>3,484,000</u>	<u>-</u>	<u>3,484,000</u>	<u>3,484,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,085,587</u>	<u>\$ 3,085,587</u>

## 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, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Expenditures:</b>				
Construction	\$ 403,700	\$ -	\$ 136,686	\$ 136,686
Total expenditures	<u>403,700</u>	<u>-</u>	<u>136,686</u>	<u>136,686</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(403,700)</u>	<u>-</u>	<u>(136,686)</u>	<u>(136,686)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>403,700</u>	<u>-</u>	<u>403,700</u>	<u>403,700</u>
Total other financing sources (uses)	<u>403,700</u>	<u>-</u>	<u>403,700</u>	<u>403,700</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,014</u>	<u>\$ 267,014</u>

## PROPRIETARY FUND FINANCIAL STATEMENTS



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## ENTERPRISE FUNDS

The 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.

### AQUATICS AND FITNESS CENTER FUND

The Aquatics and Fitness Center Fund is established to account for the operations of the athletic center located at the Eastern Carolina Vocational Center on Station Road. This fund has an affiliating capital project fund.

### 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.

### 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 affiliating capital project fund.

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 166,070,506	\$ 166,967,883	\$ 897,377	\$ 160,742,872
Fees and charges	663,418	706,999	43,581	639,939
U.G. temp service charges	480,609	507,370	26,761	428,011
Miscellaneous	409,257	432,762	23,505	390,848
Total operating revenues	<u>167,623,790</u>	<u>168,615,014</u>	<u>991,224</u>	<u>162,201,670</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	1,600,000	1,391,592	(208,408)	1,832,299
Miscellaneous	284,383	378,302	93,919	706,435
Total non-operating revenues	<u>1,884,383</u>	<u>1,769,894</u>	<u>(114,489)</u>	<u>2,538,734</u>
Total revenues	<u>169,508,173</u>	<u>170,384,908</u>	<u>876,735</u>	<u>164,740,404</u>
<b>Expenditures:</b>				
Non-departmental	-	-	-	3,189,211
Governing Body department	2,929,073	2,782,819	146,254	2,165,858
Finance department	4,411,413	4,032,014	379,399	3,304,630
Human Resources department	1,163,682	1,079,053	84,629	626,391
Information Technology department	1,402,403	1,281,555	120,848	1,195,519
Customer Relations department	3,368,179	3,148,350	219,829	2,206,681
Electric department	158,298,420	157,797,473	500,947	150,625,677
Meter department	1,800,120	1,625,260	174,860	1,341,657
Utility Locating Services	140,358	134,157	6,201	93,800
Total expenditures	<u>173,513,648</u>	<u>171,880,681</u>	<u>1,632,967</u>	<u>164,749,424</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(4,005,475)</u>	<u>(1,495,773)</u>	<u>2,509,702</u>	<u>(9,020)</u>
<b>Other Financing Sources (Uses):</b>				
Contributed capital	-	24,200	24,200	-
Bond proceeds	4,000,000	4,130,000	130,000	40,306
Intrafund transfers in	17,475	-	(17,475)	103,684
Intrafund transfers out	(12,000)	(12,000)	-	-
Total other financing sources (uses)	<u>4,005,475</u>	<u>4,142,200</u>	<u>136,725</u>	<u>143,990</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 2,646,427</u>	<u>\$ 2,646,427</u>	<u>\$ 134,970</u>

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>				
Revenues over (under) expenditures		\$ 2,646,427		\$ 134,970
Budgetary appropriations - capital		11,353,674		9,106,755
Budgetary appropriations - debt principal		1,434,787		1,064,490
Depreciation		(6,675,308)		(6,594,349)
Bond proceeds		(4,130,000)		(40,306)
Amortization of bond premium/discount		(15,563)		(22,681)
Amortization of bond issuance costs		(1,471)		(34)
Capitalization of bond interest		-		57,941
Intra-fund transfers		12,000		(103,684)
Changes in accrued interest payable		40,057		-
Changes in unrealized gains/losses on investments		19,492		222,235
Changes in OPEB liability		(1,347,502)		-
Revenue recognized in Capital Projects		176,687		1,482,854
Total reconciling items		866,853		5,173,221
Change in net assets - GAAP Basis		\$ 3,513,280		\$ 5,308,191

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 12,088,345	\$ 12,646,586	\$ 558,241	\$ 10,852,530
Fees and charges	844,246	909,860	65,614	871,821
Miscellaneous	<u>65,094</u>	<u>72,586</u>	<u>7,492</u>	<u>199,610</u>
Total operating revenues	<u>12,997,685</u>	<u>13,629,032</u>	<u>631,347</u>	<u>11,923,961</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	144,595	137,490	(7,105)	135,536
Miscellaneous	<u>62,457</u>	<u>84,968</u>	<u>22,511</u>	<u>53,048</u>
Total non-operating revenues	<u>207,052</u>	<u>222,458</u>	<u>15,406</u>	<u>188,584</u>
Total revenues	<u>13,204,737</u>	<u>13,851,490</u>	<u>646,753</u>	<u>12,112,545</u>
<b>Expenditures</b>				
Non-departmental	-	-	-	1,132,902
Governing Body department	642,238	747,240	(105,002)	839,527
Finance department	3,298,498	3,147,816	150,682	3,138,577
Human Resources department	72,730	157,256	(84,526)	42,787
Information Technology department	493,895	438,270	55,625	364,166
Customer Relations department	210,512	192,895	17,617	181,579
Meter department	572,229	436,839	135,390	338,888
Water department	7,376,147	7,373,584	2,563	5,615,602
Utility Locating Services	<u>140,357</u>	<u>133,697</u>	<u>6,660</u>	<u>92,629</u>
Total expenditures	<u>12,806,606</u>	<u>12,627,597</u>	<u>179,009</u>	<u>11,746,657</u>
<b>Excess of revenues over (under) expenditures</b>	<u>398,131</u>	<u>1,223,893</u>	<u>825,762</u>	<u>365,888</u>
<b>Other Financing Sources (Uses):</b>				
Contractor's Contributions	-	1,596,228	1,596,228	1,622,495
Intrafund transfers in	1,869	-	(1,869)	20,355
Intrafund transfers out	<u>(400,000)</u>	<u>(320,000)</u>	<u>80,000</u>	<u>(90,701)</u>
Total other financing sources (uses)	<u>(398,131)</u>	<u>1,276,228</u>	<u>1,674,359</u>	<u>1,552,149</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 2,500,121</u>	<u>\$ 2,500,121</u>	<u>\$ 1,918,037</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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>				
Revenues over (under) expenditures		\$ 2,500,121		\$ 1,918,037
Budgetary appropriations - capital		1,370,832		1,215,627
Budgetary appropriations - debt principal		1,605,478		1,548,995
Depreciation		(2,971,826)		(2,863,915)
Amortization of bond premium/discount		(9,757)		(14,104)
Amortization of bond issuance costs		(365)		-
Capitalization of bond interest		-		24,507
Intra-fund transfers		320,000		70,346
Changes in accrued interest payable		155,336		-
Changes in unrealized gains/losses on investments		2,105		22,164
Changes in OPEB liability		(691,752)		-
Revenue recognized in Capital Projects		83,932		72,355
Total reconciling items		(136,017)		75,975
Change in Net Assets - GAAP Basis		\$ 2,364,104		\$ 1,994,012

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 11,797,842	\$ 12,458,883	\$ 661,041	\$ 11,802,583
Fees and charges	805,276	686,020	(119,256)	822,008
Miscellaneous	61,830	77,379	15,549	95,587
Total operating revenues	<u>12,664,948</u>	<u>13,222,282</u>	<u>557,334</u>	<u>12,720,178</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	334,188	291,071	(43,117)	355,139
Acreage fees	471,848	-	(471,848)	438,787
Pitt County	430,437	430,438	1	430,437
Miscellaneous	14,600	37,914	23,314	23,550
Total non-operating revenues	<u>1,251,073</u>	<u>759,423</u>	<u>(491,650)</u>	<u>1,247,913</u>
Total revenues	<u>13,916,021</u>	<u>13,981,705</u>	<u>65,684</u>	<u>13,968,091</u>
<b>Expenditures</b>				
Non-departmental	-	-	-	986,955
Governing Body department	688,489	727,799	(39,310)	555,180
Finance department	4,958,953	4,887,744	71,209	4,918,337
Human Resources department	72,730	105,760	(33,030)	42,796
Information Technology department	493,005	473,266	19,739	365,688
Customer Relations department	210,512	195,695	14,817	186,250
Meter department	176,064	144,075	31,989	103,919
Sewer department	7,331,203	6,832,471	498,732	6,425,378
Utility Locating Services	140,358	133,697	6,661	93,041
Total expenditures	<u>14,071,314</u>	<u>13,500,507</u>	<u>570,807</u>	<u>13,677,544</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(155,293)</u>	<u>481,198</u>	<u>636,491</u>	<u>290,547</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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Other Financing Sources (Uses):</b>				
Contractor's Contributions	-	3,141,983	3,141,983	2,825,131
Intrafund transfers in	155,293	-	(155,293)	6,235
Intrafund transfers out	-	-	-	(278,500)
Total other financing sources (uses)	155,293	3,141,983	2,986,690	2,552,866
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 3,623,181</u>	<u>\$ 3,623,181</u>	<u>\$ 2,843,413</u>
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>				
Revenues over (under) expenditures		<u>\$ 3,623,181</u>		<u>\$ 2,843,413</u>
Budgetary appropriations - capital		1,281,538		1,368,145
Budgetary appropriations - debt principal		3,302,144		3,283,600
Depreciation		(3,780,795)		(3,730,047)
Amortization of bond premium/discount		(35,188)		(44,595)
Amortization of bond issuance costs		(125)		-
Intra-fund transfers		-		272,265
Changes in accrued interest payable		94,425		-
Changes in unrealized gains/losses on investments		4,329		48,736
Changes in OPEB liability		(333,737)		-
Revenue recognized in Capital Projects		710,330		81,454
Total reconciling items		<u>1,242,921</u>		<u>1,279,558</u>
Change in Net Assets - GAAP Basis		<u>\$ 4,866,101</u>		<u>\$ 4,122,971</u>

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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 39,329,815	\$ 40,751,828	\$ 1,422,013	\$ 37,965,531
Fees and charges	293,098	214,223	(78,875)	172,035
Miscellaneous	73,172	85,080	11,908	67,746
Total operating revenues	39,696,085	41,051,131	1,355,046	38,205,312
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	109,749	89,021	(20,728)	125,090
Miscellaneous	35,072	58,378	23,306	61,632
Total non-operating revenues	144,821	147,399	2,578	186,722
Total revenues	39,840,906	41,198,530	1,357,624	38,392,034
<b>Expenditures</b>				
Non-departmental	-	-	-	813,048
Governing Body department	821,147	820,090	1,057	619,104
Finance department	1,783,776	1,656,928	126,848	1,485,198
Human Resources department	145,462	175,912	(30,450)	79,733
Information Technology department	442,154	494,627	(52,473)	419,595
Customer Relations department	313,521	377,414	(63,893)	312,606
Meter department	414,092	639,600	(225,508)	537,384
Sewer department	35,779,000	35,206,844	572,156	34,354,734
Utility Locating Services	140,357	133,034	7,323	93,987
Total expenditures	39,839,509	39,504,449	335,060	38,715,389
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,397	1,694,081	1,692,684	(323,355)
<b>Other Financing Sources (Uses):</b>				
Bond proceeds	-	-	-	9,694
Intrafund transfers in	1,488	-	(1,488)	68,254
Intrafund transfers out	(2,885)	(2,885)	-	-
Total other financing sources (uses)	(1,397)	(2,885)	(1,488)	77,948
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,691,196	\$ 1,691,196	\$ (245,407)



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, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

PROPRIETARY FUND  
FINANCIAL STATEMENTS

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>				
Revenues over (under) expenditures		\$ 1,691,196		\$ (245,407)
Budgetary appropriations - capital		1,374,220		1,378,705
Budgetary appropriations - debt principal		744,913		639,586
Depreciation		(1,381,942)		(1,366,621)
Bond proceeds		-		(9,694)
Amortization of bond premium/discount		(4,990)		(10,460)
Amortization of bond issuance costs		(379)		(8)
Capitalization of bond interest		1,249		2,026
Intra-fund transfers		2,885		(68,254)
Changes in accrued interest payable		27,601		-
Changes in unrealized gains/losses on investments		1,645		21,453
Changes in OPEB liability		(445,481)		-
Revenue recognized in Capital Projects		16,935		(15,406)
Total reconciling items		336,656		571,327
Change in net assets - GAAP basis		\$ 2,027,852		\$ 325,920

## CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2008

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ -	\$ 1,094,394	\$ -	\$ 5,817,871	\$ 6,912,265
Accounts receivable, net	20,314	129,895	-	195,646	345,855
Due from other governments	3,517	1,474	5,381	2,138	12,510
Due from other funds	-	9,980	-	844,190	854,170
Inventories	-	-	14,197	-	14,197
Prepaid items and deposits	-	-	250	-	250
Total current assets	<u>23,831</u>	<u>1,235,743</u>	<u>19,828</u>	<u>6,859,845</u>	<u>8,139,247</u>
<b>Noncurrent Assets:</b>					
Land and construction in progress	199,200	-	2,667,190	3,065,646	5,932,036
Other capital assets, net of depreciation	<u>6,433,289</u>	<u>1,087,453</u>	<u>501,938</u>	<u>220,116</u>	<u>8,242,796</u>
Total noncurrent assets	<u>6,632,489</u>	<u>1,087,453</u>	<u>3,169,128</u>	<u>3,285,762</u>	<u>14,174,832</u>
Total assets	<u>6,656,320</u>	<u>2,323,196</u>	<u>3,188,956</u>	<u>10,145,607</u>	<u>22,314,079</u>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued liabilities	4,300	9,881	23,369	111,551	149,101
Due to other funds	567,104	-	330,095	34,318	931,517
Deferred revenue	-	-	-	195,646	195,646
Compensated absences payable	12,765	29,949	9,753	-	52,467
Current maturities of long-term debt	-	-	164,777	171,825	336,602
Total current liabilities	<u>584,169</u>	<u>39,830</u>	<u>527,994</u>	<u>513,340</u>	<u>1,665,333</u>
<b>Noncurrent Liabilities</b>					
Noncurrent portion of compensated absences	5,471	12,836	22,757	-	41,064
Noncurrent portion of other post employment benefits	12,346	49,386	24,693	127,580	214,005
Noncurrent portion of long-term debt	-	-	559,311	4,918,718	5,478,029
Total noncurrent liabilities	<u>17,817</u>	<u>62,222</u>	<u>606,761</u>	<u>5,046,298</u>	<u>5,733,098</u>
Total liabilities	<u>601,986</u>	<u>102,052</u>	<u>1,134,755</u>	<u>5,559,638</u>	<u>7,398,431</u>
<b>Net Assets:</b>					
Investment in capital assets, net of related debt	6,632,489	1,087,453	2,445,040	(1,804,781)	8,360,201
Unrestricted net assets	<u>(578,155)</u>	<u>1,133,691</u>	<u>(390,839)</u>	<u>6,390,750</u>	<u>6,555,447</u>
Total net assets	<u>\$ 6,054,334</u>	<u>\$ 2,221,144</u>	<u>\$ 2,054,201</u>	<u>\$ 4,585,969</u>	<u>\$ 14,915,648</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, 2008**

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total
<b>Operating Revenues:</b>					
Charges for services	\$ 599,859	\$ 183,479	\$ 876,662	\$ 2,932,715	\$ 4,592,715
Other operating revenues	-	1,087	-	-	1,087
Total operating revenue	<u>599,859</u>	<u>184,566</u>	<u>876,662</u>	<u>2,932,715</u>	<u>4,593,802</u>
<b>Operating Expenses:</b>					
Administrative and general	-	21,101	-	-	21,101
Operations and maintenance	807,040	1,043,726	803,154	2,031,409	4,685,329
Depreciation and amortization	<u>752,772</u>	<u>346,799</u>	<u>50,419</u>	<u>75,925</u>	<u>1,225,915</u>
Total operating expenses	<u>1,559,812</u>	<u>1,411,626</u>	<u>853,573</u>	<u>2,107,334</u>	<u>5,932,345</u>
<b>Operating income (loss)</b>	<u>(959,953)</u>	<u>(1,227,060)</u>	<u>23,089</u>	<u>825,381</u>	<u>(1,338,543)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Investment earnings	474	4,289	-	160,252	165,015
Restricted intergovernmental revenues	-	698,747	-	-	698,747
Contributed capital	19,180	-	-	-	19,180
Interest expense	-	-	(25,024)	(260,059)	(285,083)
Loss on disposal of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>19,654</u>	<u>703,036</u>	<u>(25,024)</u>	<u>(99,807)</u>	<u>597,859</u>
<b>Income (loss) before transfers and contributions</b>	(940,299)	(524,024)	(1,935)	725,574	(740,684)
Transfers in	40,000	339,158	-	-	379,158
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(403,700)</u>	<u>(403,700)</u>
<b>Change in net assets</b>	(900,299)	(184,866)	(1,935)	321,874	(765,226)
Net assets, beginning of year	<u>6,954,633</u>	<u>2,406,010</u>	<u>2,056,136</u>	<u>4,264,095</u>	<u>15,680,874</u>
Net assets, end of year	<u>\$ 6,054,334</u>	<u>\$ 2,221,144</u>	<u>\$ 2,054,201</u>	<u>\$ 4,585,969</u>	<u>\$ 14,915,648</u>

## CITY OF GREENVILLE, NORTH CAROLINA

**NONMAJOR ENTERPRISE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008**

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total
<b>Operating Activities:</b>					
Cash received from customers	\$ 604,222	\$ 55,847	\$ 883,624	\$ 2,645,363	\$ 4,189,056
Cash paid to vendors	(480,608)	(562,762)	(423,426)	(920,057)	(2,386,853)
Cash paid to employees	(332,544)	(455,831)	(354,015)	(998,266)	(2,140,656)
Net cash provided by (used in) operating activities	<u>(208,930)</u>	<u>(962,746)</u>	<u>106,183</u>	<u>727,040</u>	<u>(338,453)</u>
<b>Noncapital Financing Activities:</b>					
Transfer from other funds	40,000	339,158	-	-	379,158
Transfers to other funds	-	-	-	(403,700)	(403,700)
Change in due from other funds	<u>145,523</u>	<u>-</u>	<u>62,946</u>	<u>40,317</u>	<u>248,786</u>
Net cash provided by (used in) noncapital financing activities	<u>185,523</u>	<u>339,158</u>	<u>62,946</u>	<u>(363,383)</u>	<u>224,244</u>
<b>Capital and Related Financing Activities:</b>					
Repayment of principal of long-term debt	-	-	(144,105)	(133,670)	(277,775)
Capital grants	19,180	699,014	-	-	718,194
Interest paid	-	-	(25,024)	(260,059)	(285,083)
Acquisition and construction of capital assets	<u>3,753</u>	<u>-</u>	<u>-</u>	<u>(1,033,677)</u>	<u>(1,029,924)</u>
Net cash provided by (used in) capital and related financing activities	<u>22,933</u>	<u>699,014</u>	<u>(169,129)</u>	<u>(1,427,406)</u>	<u>(874,588)</u>
<b>Investing Activities:</b>					
Interest received on investments	<u>474</u>	<u>4,289</u>	<u>-</u>	<u>160,252</u>	<u>165,015</u>
Net cash provided by (used in) investing activities	<u>474</u>	<u>4,289</u>	<u>-</u>	<u>160,252</u>	<u>165,015</u>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>79,715</b>	<b>-</b>	<b>(903,497)</b>	<b>(823,782)</b>
<b>Cash and Cash Equivalents/Investments:</b>					
Beginning of year	<u>-</u>	<u>1,014,679</u>	<u>-</u>	<u>6,721,368</u>	<u>7,736,047</u>
End of year	<u>\$ -</u>	<u>\$ 1,094,394</u>	<u>\$ -</u>	<u>\$ 5,817,871</u>	<u>\$ 6,912,265</u>
<b>Reconciliation of Operating Income (loss) to Net Cash Provided by (used in) Operating Activities:</b>					
Operating income (loss)	\$ (959,953)	\$ (1,227,060)	\$ 23,089	\$ 825,381	\$ (1,338,543)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Depreciation	752,772	346,799	50,419	75,925	1,225,915
<b>Change in Assets and Liabilities:</b>					
Accounts receivable	2,967	(128,719)	6,962	(195,646)	(314,436)
Accounts payable and accrued expenses	(21,930)	(11,803)	(3,671)	(14,494)	(51,898)
Deferred revenues	-	-	-	(91,706)	(91,706)
Compensated absences	4,868	8,651	4,691	-	18,210
Other post employment benefits accrual	<u>12,346</u>	<u>49,386</u>	<u>24,693</u>	<u>127,580</u>	<u>214,005</u>
Net cash provided by (used in) operating activities	<u>\$ (208,930)</u>	<u>\$ (962,746)</u>	<u>\$ 106,183</u>	<u>\$ 727,040</u>	<u>\$ (338,453)</u>

## 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, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>Revenues:</b>				
Charges for services	\$ 589,763	\$ 599,859	\$ 10,096	\$ 538,794
Investment earnings	-	474	474	234
Grants and contributions	19,180	19,180	-	-
Total operating revenues	<u>608,943</u>	<u>619,513</u>	<u>10,570</u>	<u>539,028</u>
<b>Expenditures:</b>				
Operations and maintenance		226,234		185,950
Salaries and benefits		433,818		351,035
Capital outlay		<u>71,252</u>		<u>2,234</u>
Total operating expenses	<u>660,498</u>	<u>731,304</u>	<u>(70,806)</u>	<u>539,219</u>
<b>Revenues over (under) expenditures</b>	(51,555)	(111,791)	(60,236)	(191)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	70,000
Appropriated fund balance	<u>51,555</u>	<u>-</u>	<u>(51,555)</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(111,791)</u>	<u>\$ (111,791)</u>	<u>\$ 69,809</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Capital project transfers in		40,000		
Capital project renovation expenditures		(71,983)		
Depreciation		(752,772)		
Capital outlay, capitalized		14,594		
Loss on disposal of capital assets		<u>(18,347)</u>		
Change in net assets - GAAP basis		<u>\$ (900,299)</u>		

## 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, 2008  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008		Variance Positive (Negative)	2007
	Final Budget	Actual		Actual
<b>Revenues:</b>				
Charges for services	\$ 121,044	\$ 183,479	\$ 62,435	\$ 165,038
Public transportation planning and operating grants	1,397,175	698,747	(698,428)	929,701
Investment earnings	2,710	4,289	1,579	3,261
Other operating revenues	1,073	1,087	14	941
Total operating revenue	<u>1,522,002</u>	<u>887,602</u>	<u>(634,400)</u>	<u>1,098,941</u>
<b>Expenditures:</b>				
Administrative and general		21,101		18,673
Operations and maintenance		199,053		138,785
Salaries and benefits		692,159		604,876
Capital outlay		152,514		246,433
Total operating expenses	<u>1,903,900</u>	<u>1,064,827</u>	<u>839,073</u>	<u>1,008,767</u>
<b>Revenues over (under) expenditures</b>	<u>(381,898)</u>	<u>(177,225)</u>	<u>204,673</u>	<u>90,174</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from General Fund	<u>381,898</u>	<u>339,158</u>	<u>(42,740)</u>	<u>325,512</u>
Total other financing sources (uses)	<u>381,898</u>	<u>339,158</u>	<u>(42,740)</u>	<u>325,512</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>161,933</u>	<u>\$ 161,933</u>	<u>\$ 415,686</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		<u>(346,799)</u>		
Change in net assets - GAAP basis		<u>\$ (184,866)</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, 2008  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Charges for services	\$ 930,862	\$ 876,662	\$ (54,200)	\$ 842,587
Investment earnings	500	-	(500)	215
Total operating revenue	<u>931,362</u>	<u>876,662</u>	<u>(54,700)</u>	<u>842,802</u>
<b>Expenditures:</b>				
Operations and maintenance		365,541		554,559
Salaries and benefits		437,613		194,906
Capital outlay		-		127,992
Retirement of long-term debt		144,105		156,641
Interest expense		25,024		16,840
Total operating expenses	<u>933,868</u>	<u>972,283</u>	<u>(38,415)</u>	<u>1,050,938</u>
<b>Revenues over (under) expenditures</b>	<u>(2,506)</u>	<u>(95,621)</u>	<u>(93,115)</u>	<u>(208,136)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	125,000
Appropriated fund balance	<u>2,506</u>	-	<u>(2,506)</u>	-
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(95,621)</u>	<u>\$ (95,621)</u>	<u>\$ (83,136)</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		(50,419)		
Retirement of long-term debt		<u>144,105</u>		
Change in net assets - GAAP basis		<u>\$ (1,935)</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, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Charges for services	\$ 2,835,000	\$ 2,932,715	\$ 97,715	\$ 2,800,049
Investment earnings	25,000	34,154	9,154	27,219
Total operating revenues	<u>2,860,000</u>	<u>2,966,869</u>	<u>106,869</u>	<u>2,827,268</u>
<b>Expenditures:</b>				
Operations and maintenance		1,883,682		1,579,569
Salaries and benefits		56,002		55,436
Capital outlay		8,568		44,229
Retirement of long-term debt		96,721		58,925
Interest paid		260,059		10,506
Total operating expenses	<u>3,355,357</u>	<u>2,305,032</u>	<u>1,050,325</u>	<u>1,748,665</u>
<b>Revenues over (under) expenditures</b>	<u>(495,357)</u>	<u>661,837</u>	<u>1,157,194</u>	<u>1,078,603</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds	(403,700)	(403,700)	-	-
Contingency	899,057	-	(899,057)	-
Total other financing sources (uses)	<u>495,357</u>	<u>(403,700)</u>	<u>(899,057)</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>258,137</u>	<u>\$ 258,137</u>	<u>\$ 1,078,603</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		(75,925)		
Capital project revenues		126,098		
Other capital project activity		(1,116,834)		
Capitalized capital project expenditures		990,803		
Capital asset additions		42,874		
Retirement of long-term debt		96,721		
Change in net assets - GAAP basis		<u>\$ 321,874</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, 2008

	Project Authorization	Prior Years	Current Year	Total
<b>Revenues:</b>				
Interest earnings	\$ 204,000	\$ 145,312	\$ 126,098	\$ 271,410
Total revenues	<u>204,000</u>	<u>145,312</u>	<u>126,098</u>	<u>271,410</u>
<b>Expenditures:</b>				
Stormwater drainage projects	<u>5,384,232</u>	<u>2,133,462</u>	<u>1,116,834</u>	<u>3,250,296</u>
Total expenditures	<u>5,384,232</u>	<u>2,133,462</u>	<u>1,116,834</u>	<u>3,250,296</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,180,232)</u>	<u>(1,988,150)</u>	<u>(990,736)</u>	<u>(2,978,886)</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	-	22,607	-	22,607
Bonds issued	5,100,000	5,100,000	-	5,100,000
Transfers in	<u>80,232</u>	-	-	-
Total other financing sources (uses)	<u>5,180,232</u>	<u>5,122,607</u>	<u>-</u>	<u>5,122,607</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 3,134,457</u>	<u>\$ (990,736)</u>	<u>\$ 2,143,721</u>

## CITY OF GREENVILLE, NORTH CAROLINA

**G AFC RENOVATION ENTERPRISE FUND CAPITAL PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 500,000	\$ -	\$ -	\$ -
Total revenues	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Renovations	540,000	468,016	71,983	539,999
Total expenditures	<u>540,000</u>	<u>468,016</u>	<u>71,983</u>	<u>539,999</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (40,000)</u>	<u>\$ (468,016)</u>	<u>\$ (71,983)</u>	<u>\$ (539,999)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	40,000	-	40,000	40,000
Total other financing sources (uses)	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (468,016)</u>	<u>\$ (31,983)</u>	<u>\$ (499,999)</u>

## INTERNAL SERVICE FUND

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.

## CITY OF GREENVILLE, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008

	Dental Reimbursement Fund	Vehicle Replacement Fund	Totals
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash, cash equivalents, and investments	\$ 1,830	\$ 4,080,588	\$ 4,082,418
Total current assets	<u>1,830</u>	<u>4,080,588</u>	<u>4,082,418</u>
<b>Noncurrent Assets:</b>			
Other capital assets, net	-	1,964,780	1,964,780
Total assets	<u>1,830</u>	<u>6,045,368</u>	<u>6,047,198</u>
<b>Liabilities and Net Assets:</b>			
<b>Current Liabilities:</b>			
Accounts payable	-	1,197,007	1,197,007
Due to other funds	53,548	-	53,548
Total current liabilities	<u>53,548</u>	<u>1,197,007</u>	<u>1,250,555</u>
<b>Net Assets:</b>			
Investment in capital assets	-	1,964,780	1,964,780
Unrestricted net assets	(51,718)	2,883,581	2,831,863
Total net assets	<u>\$ (51,718)</u>	<u>\$ 4,848,361</u>	<u>\$ 4,796,643</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, 2008

	Dental Reimbursement Fund	Vehicle Replacement Fund	Totals
<b>Operating Revenues:</b>			
Charges for services	\$ 219,458	\$ 1,748,783	\$ 1,968,241
Other operating revenues	-	104,189	104,189
Total operating revenues	<u>219,458</u>	<u>1,852,972</u>	<u>2,072,430</u>
<b>Operating Expenses:</b>			
Operations and maintenance	-	1,326,808	1,326,808
Depreciation	-	280,016	280,016
Claims	234,726	-	234,726
Total operating expenses	<u>234,726</u>	<u>1,606,824</u>	<u>1,841,550</u>
<b>Operating income (loss)</b>	<u>(15,268)</u>	<u>246,148</u>	<u>230,880</u>
<b>Nonoperating Revenues (Expenses):</b>			
Investment earnings	121	20,220	20,341
Total nonoperating revenue (expenses)	<u>121</u>	<u>20,220</u>	<u>20,341</u>
<b>Income (loss) before transfers and contributions</b>	(15,147)	266,368	251,221
<b>Transfers In (Out) and Capital Contributions:</b>			
Transfers from other funds	-	119,000	119,000
<b>Change in net assets</b>	(15,147)	385,368	370,221
<b>Net Assets:</b>			
Beginning of year - July 1st	<u>(36,571)</u>	<u>4,462,993</u>	<u>4,426,422</u>
End of year - June 30th	<u>\$ (51,718)</u>	<u>\$ 4,848,361</u>	<u>\$ 4,796,643</u>

## CITY OF GREENVILLE, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008

	Dental Reimbursement Fund	Vehicle Replacement Fund	Total
<b>Operating Activities:</b>			
Cash received from customers	\$ 219,458	\$ 1,852,972	\$ 2,072,430
Cash paid to vendors	(234,726)	(129,802)	(364,528)
Net cash provided by (used in) operating activities	<u>(15,268)</u>	<u>1,723,170</u>	<u>1,707,902</u>
<b>Noncapital Financing Activities:</b>			
Transfer from (to) other funds	10,794	119,000	129,794
Net cash provided by (used in) noncapital financing activities	<u>10,794</u>	<u>119,000</u>	<u>129,794</u>
<b>Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(1,893,893)	(1,893,893)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1,893,893)</u>	<u>(1,893,893)</u>
<b>Investing Activities:</b>			
Interest received on investments	123	20,220	20,343
Net cash provided by (used in) investing activities	<u>123</u>	<u>20,220</u>	<u>20,343</u>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	<b>(4,351)</b>	<b>(31,503)</b>	<b>(35,854)</b>
<b>Cash and Cash Equivalents/Investments</b>			
Beginning of year - July 1st	6,181	4,112,090	4,118,271
End of year - June 30th	<u>\$ 1,830</u>	<u>\$ 4,080,587</u>	<u>\$ 4,082,417</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	\$ (15,268)	\$ 246,148	\$ 230,880
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation	-	280,016	280,016
Increase (decrease) in accounts payable	-	1,197,006	1,197,006
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (15,268)</u>	<u>\$ 1,723,170</u>	<u>\$ 1,707,902</u>

## CITY OF GREENVILLE, NORTH CAROLINA

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, 2008

	2008		Variance Positive (Negative)
	Plan	Actual	
<b>Revenues:</b>			
Charges for services	\$ 233,977	\$ 219,458	\$ (14,519)
Investment earnings	-	123	123
Total operating revenue	<u>233,977</u>	<u>219,581</u>	<u>(14,396)</u>
<b>Expenditures:</b>			
Claims			
Total operating expenses	<u>233,977</u>	<u>234,726</u>	<u>(749)</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ (15,145)</u>	<u>\$ (15,145)</u>

## 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, 2008

	2008		Variance Positive (Negative)
	Plan	Actual	
<b>Revenues:</b>			
Charges for services	\$ 1,763,600	\$ 1,748,783	\$ (14,817)
Investment earnings	40,525	20,220	(20,305)
Other operating revenues	-	104,189	104,189
Total operating revenue	<u>1,804,125</u>	<u>1,873,192</u>	<u>69,067</u>
<b>Expenditures:</b>			
Operations and maintenance	<u>3,872,981</u>	<u>3,220,701</u>	<u>652,280</u>
<b>Revenues over (under) expenditures</b>	(2,068,856)	(1,347,509)	721,347
<b>Other Financing Sources (Uses):</b>			
Transfers in	119,000	119,000	-
Fund balance appropriated	1,990,381	-	(1,990,381)
Contingency	<u>(40,525)</u>	<u>-</u>	<u>40,525</u>
Total other financing sources (uses)	<u>2,068,856</u>	<u>119,000</u>	<u>(1,949,856)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(1,228,509)</u>	<u>\$ (1,228,509)</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>			
Depreciation		(280,016)	
Capital asset purchased		<u>1,893,893</u>	
Change in net assets - GAAP basis		<u>\$ 385,368</u>	



DEBT SERVICE



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## DEBT SERVICE FUND

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

DEBT  
SERVICE

## 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, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Other taxes	\$ 536,816	\$ 283,102	\$ (253,714)
Investment earnings	-	77,645	77,645
Total revenues	<u>536,816</u>	<u>360,747</u>	<u>(176,069)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Allocation to Convention & Visitor Authority	380,954	285,600	95,354
Principal retirement	4,107,886	4,107,886	-
Interest and fees	1,468,476	1,787,506	(319,030)
Total operating expenses	<u>5,957,316</u>	<u>6,180,992</u>	<u>(223,676)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,420,500)</u>	<u>(5,820,245)</u>	<u>(399,745)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	5,039,546	4,870,490	169,056
Contingency	380,954	-	380,954
Total other financing sources (uses)	<u>5,420,500</u>	<u>4,870,490</u>	<u>550,010</u>
<b>Change in fund balances</b>	<u>\$ -</u>	<u>\$ (949,755)</u>	<u>\$ (949,755)</u>

DEBT  
SERVICE

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, 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 socioeconomic environment within which the City's financial activities take place.

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Table 1

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

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

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>							
Governmental activities:							
General government	\$ 11,108	\$ 11,115	\$ 12,750	\$ 13,023	\$ 16,353	\$ 18,144	\$ 16,290
Public safety	19,998	20,493	21,925	23,705	23,624	28,366	29,719
Transportation	5,793	4,503	3,543	2,897	5,720	3,190	9,703
Environmental protection	3,058	3,172	3,290	3,568	3,855	4,295	4,366
Economic development	7,568	6,197	7,698	1,932	7,652	3,528	5,139
Culture and recreation	5,731	4,006	2,125	6,626	5,044	4,926	6,690
Interest on long-term debt	1,575	1,317	1,168	1,697	1,714	1,937	1,788
Total governmental activities expenses	\$ 54,831	\$ 50,803	\$ 52,499	\$ 53,448	\$ 63,962	\$ 64,386	\$ 73,695
Business-type activities:							
Electric	\$ 115,479	\$ 126,098	\$ 130,598	\$ 133,698	\$ 148,006	\$ 157,151	\$ 163,119
Water	8,825	9,023	10,019	12,302	11,584	11,836	13,170
Sewer	9,748	10,053	10,233	10,931	12,227	12,800	12,972
Gas	16,653	19,383	22,752	28,357	36,630	37,068	38,148
Public Transportation	864	830	919	1,000	1,366	1,389	1,412
Aquatics and Fitness Center	666	614	548	537	583	1,521	1,560
Bradford Creek	896	809	791	825	841	871	878
Stormwater Utility	-	133	1,277	1,546	1,704	1,848	2,367
Total business-type activities	\$ 153,131	\$ 166,943	\$ 177,137	\$ 189,196	\$ 212,941	\$ 224,484	\$ 233,626
Total primary governmental expenses	\$ 207,962	\$ 217,746	\$ 229,636	\$ 242,644	\$ 276,903	\$ 288,870	\$ 307,321
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 1,547	\$ 1,387	\$ 1,583	\$ 3,328	\$ 4,109	\$ 4,392	\$ 4,112
Public safety	2,210	2,486	2,603	2,518	3,811	4,189	3,709
Transportation	1,148	1,060	1,049	161	311	275	210
Environmental protection	2,694	3,655	3,984	3,881	3,719	4,004	4,634
Economic development	434	422	455	876	505	668	768
Culture and recreation	20	12	9	356	24	31	516
Operating grants and contributions	3,425	3,078	3,564	3,772	4,538	4,578	3,101
Capital grants and contributions	14,264	6,553	3,085	2,770	3,360	3,022	3,691
Total governmental activities program revenues	\$ 25,742	\$ 18,653	\$ 16,332	\$ 17,662	\$ 20,377	\$ 21,159	\$ 20,741

<b>Business-type activities:</b>												
<b>Charges for services:</b>												
Electric	\$ 121,460	\$ 131,900	\$ 136,506	\$ 138,528	\$ 154,577	\$ 164,380	\$ 168,993					
Water	9,398	9,498	9,670	10,298	11,557	11,977	13,714					
Sewer	10,171	10,105	11,486	12,206	12,833	13,613	14,111					
Gas	19,312	21,981	24,208	30,896	37,219	38,267	41,109					
Public Transportation	90	91	115	114	132	166	185					
Aquatics and Fitness Center	585	575	534	523	559	539	600					
Bradford Creek	945	778	848	885	850	843	876					
Stormwater Utility	-	-	1,919	2,669	2,944	2,823	2,933					
Operating grants and contributions	646	3,150	569	907	1,081	930	699					
Capital grants and contributions	2,125	1,720	372	3,112	7,043	12,350	5,074					
Total business-type activities program revenues	\$ 164,732	\$ 179,798	\$ 186,227	\$ 200,138	\$ 228,795	\$ 245,888	\$ 248,294					
Total primary governmental program revenues	\$ 190,474	\$ 198,451	\$ 202,559	\$ 217,800	\$ 249,172	\$ 267,047	\$ 269,035					
<b>Net (expense)/revenue</b>												
Governmental activities	\$ (29,089)	\$ (32,150)	\$ (36,167)	\$ (35,786)	\$ (43,585)	\$ (43,227)	\$ (52,954)					
Business-type activities	11,601	12,855	9,090	10,942	15,854	21,404	14,668					
Total primary governmental net expense	\$ (17,488)	\$ (19,295)	\$ (27,077)	\$ (24,844)	\$ (27,731)	\$ (21,823)	\$ (38,286)					
<b>General Revenues and Other Changes in Net Assets</b>												
<b>Governmental activities:</b>												
Property taxes	\$ 17,585	\$ 18,440	\$ 18,624	\$ 21,439	\$ 22,965	\$ 24,054	\$ 26,033					
Other Taxes, grants and contributions	11,773	13,777	15,138	16,469	18,466	19,708	20,712					
Investment earnings	852	342	283	964	1,908	2,765	2,706					
Miscellaneous	709	1,151	662	-	-	-	-					
Transfers	3,634	3,450	4,601	4,145	4,349	4,469	5,039					
Total General revenues	\$ 34,553	\$ 37,160	\$ 39,308	\$ 43,017	\$ 47,688	\$ 50,996	\$ 54,490					
<b>Business-type activities:</b>												
Unrestricted grants and contributions	\$ 9	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -					
Investment earnings	3,001	1,330	501	1,341	2,097	3,088	2,377					
Miscellaneous	2,525	1,593	2,426	-	-	-	-					
Transfers	(3,634)	(3,450)	(4,601)	(4,145)	(4,349)	(4,469)	(5,039)					
Total business-type activities	\$ 1,901	\$ (520)	\$ (1,674)	\$ (2,804)	\$ (2,252)	\$ (1,381)	\$ (2,662)					
Total primary government	\$ 36,454	\$ 36,640	\$ 37,634	\$ 40,213	\$ 45,436	\$ 49,615	\$ 51,828					
<b>Change in Net Assets</b>												
Governmental activities	\$ 5,464	\$ 5,010	\$ 3,141	\$ 7,231	\$ 4,103	\$ 7,771	\$ 1,536					
Business-type activities	13,502	12,335	7,416	8,138	13,602	20,020	12,006					
Total primary government	\$ 18,966	\$ 17,345	\$ 10,557	\$ 15,369	\$ 17,705	\$ 27,791	\$ 13,542					

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

Table 3

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

	<u>1999</u>	<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>
General Fund										
Reserved	\$ 6,761	\$ 9,424	\$ 10,785	\$ 9,955	\$ 9,549	\$ 8,726	\$ 9,749	\$ 10,379	\$ 10,002	\$ 11,315
Unreserved	10,105	7,124	5,779	7,192	10,930	14,305	16,773	18,299	17,457	15,657
Total General Fund	\$ 16,866	\$ 16,548	\$ 16,564	\$ 17,147	\$ 20,479	\$ 23,031	\$ 26,522	\$ 28,678	\$ 27,459	\$ 26,972
All other governmental funds										
Reserved	\$ 4,205	\$ 3,419	\$ 6,285	\$ 704	\$ 62	\$ 87	\$ 83	\$ 761	\$ 123	\$ 108
Unreserved, reported in:										
Special revenue funds	8,003	6,181	5,872	5,674	5,091	5,230	7,158	7,965	9,430	6,901
Debt Service Funds	-	-	310	334	383	2,734	11,775	1,409	1,756	806
Capital Project Funds	13,719	6,317	7,668	2,859	3,688	416	1,313	3,622	9,333	11,822
Total all other governmental funds	\$ 25,927	\$ 15,917	\$ 20,135	\$ 9,571	\$ 9,224	\$ 8,467	\$ 20,329	\$ 13,757	\$ 20,642	\$ 19,637
Total Governmental funds	\$ 42,793	\$ 32,465	\$ 36,699	\$ 26,718	\$ 29,703	\$ 31,498	\$ 46,851	\$ 42,435	\$ 48,101	\$ 46,609

Table 4

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

(amounts expressed in thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Ad Valorem Taxes	\$ 13,295	\$ 14,214	\$ 14,792	\$ 17,185	\$ 18,297	\$ 19,031	\$ 21,325	\$ 22,565	\$ 23,896	\$ 26,296
Other Taxes	8,271	8,692	8,832	9,556	9,918	11,307	12,484	14,227	15,002	15,794
Unrestricted Intergovernmental	3,745	3,696	4,069	2,217	3,859	3,832	3,985	4,239	4,706	4,918
Restricted Intergovernmental	4,567	6,324	5,317	17,672	9,631	6,649	6,542	7,683	6,331	6,509
Licenses, Permits and fees	3,692	4,067	5,175	5,409	6,220	6,699	7,199	7,687	7,927	7,742
Sales and Services	2,092	2,216	2,817	2,885	2,908	2,984	4,051	4,023	4,360	5,474
Investment Earning	1,415	1,401	1,213	852	342	283	962	1,906	2,743	2,685
Other Revenue	1,927	2,638	23,228	613	968	662	623	729	1,941	725
<b>Total revenues</b>	<b>\$ 39,004</b>	<b>\$ 43,248</b>	<b>\$ 65,443</b>	<b>\$ 56,389</b>	<b>\$ 52,143</b>	<b>\$ 51,447</b>	<b>\$ 57,171</b>	<b>\$ 63,059</b>	<b>\$ 66,906</b>	<b>\$ 70,143</b>
<b>Expenditures</b>										
General government	\$ 10,099	\$ 11,491	\$ 11,343	\$ 10,861	\$ 10,470	\$ 11,693	\$ 13,022	\$ 14,609	\$ 8,451	\$ 8,843
Public safety	16,546	18,311	20,250	20,004	20,076	21,631	23,763	26,332	27,363	29,553
Transportation	3,559	4,758	3,623	3,820	3,331	3,393	3,465	3,803	8,385	8,993
Environmental Protection	2,758	3,657	3,002	3,160	3,060	3,561	3,367	3,740	3,950	4,162
Cultural and Recreation	4,496	5,197	5,301	4,861	4,888	5,600	6,129	6,732	3,653	3,938
Economic and physical development	1,124	991	1,396	1,814	1,835	2,125	1,932	2,382	6,219	6,733
Capital Outlay	4,255	11,083	25,674	23,699	7,349	4,006	7,978	10,274	7,471	8,158
<b>Debt service</b>										
Principal	\$ 1,164	\$ 1,681	\$ 1,698	\$ 2,639	\$ 2,549	\$ 2,576	\$ 3,612	\$ 3,904	\$ 3,693	\$ 4,108
Interest and fees	748	1,025	982	1,029	1,272	1,165	1,697	1,714	1,967	1,787
Other charges	-	-	-	-	72	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 44,749</b>	<b>\$ 58,194</b>	<b>\$ 73,269</b>	<b>\$ 71,887</b>	<b>\$ 54,902</b>	<b>\$ 55,750</b>	<b>\$ 64,965</b>	<b>\$ 73,490</b>	<b>\$ 71,152</b>	<b>\$ 76,175</b>
Excess of revenues over (under) expenditures	\$ (5,745)	\$ (14,946)	\$ (7,826)	\$ (15,498)	\$ (2,759)	\$ (4,303)	\$ (7,794)	\$ (10,431)	\$ (4,246)	\$ (6,032)
<b>Other financing sources (uses)</b>										
Transfers from other funds	\$ 10,960	\$ 9,542	\$ 8,360	\$ 8,300	\$ 10,221	\$ 10,884	\$ 13,148	\$ 15,331	\$ 14,519	\$ 23,048
Transfers to other funds	(7,221)	(5,412)	(4,621)	(4,666)	(6,771)	(6,282)	(9,002)	(10,982)	(12,488)	(18,509)
Long Term debt issued	17,854	486	8,322	1,805	2,293	1,496	18,396	1,667	7,645	-
<b>Total other financing sources (uses)</b>	<b>\$ 21,593</b>	<b>\$ 4,616</b>	<b>\$ 12,061</b>	<b>\$ 5,439</b>	<b>\$ 5,743</b>	<b>\$ 6,098</b>	<b>\$ 22,542</b>	<b>\$ 6,016</b>	<b>\$ 9,676</b>	<b>\$ 4,539</b>
<b>Net change in fund balances</b>	<b>\$ 15,848</b>	<b>\$ (10,330)</b>	<b>\$ 4,235</b>	<b>\$ (10,059)</b>	<b>\$ 2,984</b>	<b>\$ 1,795</b>	<b>\$ 14,748</b>	<b>\$ (4,415)</b>	<b>\$ 5,430</b>	<b>\$ (1,493)</b>
Debt services as a percentage of noncapital expenditures	5.0%	6.1%	6.0%	8.2%	8.8%	7.8%	10.3%	9.8%	9.8%	9.5%

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
1999	515,018,437	1,878,181,308	1,969,308	1,567,361	6,353,811	16,978,988
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

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	Real Property	Motor Vehicle and Other Personal Property	Personal Property				
1999	1,971,105,196	476,722,029			2,447,827,225	0.0055	2,624,452,906	93.27%
2000	2,091,585,301	527,660,798			2,619,246,099	0.0055	2,962,948,076	88.40%
2001	2,142,920,725	569,069,288			2,711,990,013	0.0055	3,162,301,788	85.76%
2002	2,260,269,501	587,530,809			2,847,800,310	0.0615	3,467,007,925	82.14%
2003	2,377,777,793	610,040,201			2,987,817,994	0.0615	3,755,899,427	79.55%
2004	2,486,194,940	621,986,475			3,108,181,415	0.0615	3,898,872,824	79.72%
2005	3,216,339,298	624,081,173			3,840,420,471	0.0056	3,883,920,379	98.88%
2006	3,363,220,215	705,595,820			4,068,816,035	0.0056	4,205,494,610	96.75%
2007	3,926,388,821	580,382,679			4,506,771,500	0.0056	4,866,923,866	92.60%
2008	4,160,752,821	596,214,107			4,756,966,929	0.0056	5,401,961,082	88.06%

(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**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Electric (per kWh)										
Residential	\$ 0.0930	\$ 0.0937	\$ 0.0925	\$ 0.0966	\$ 0.0991	\$ 0.1015	\$ 0.1031	\$ 0.1111	\$ 0.1151	\$ 0.1145
Commercial & Industrial	0.0703	0.0711	0.0715	0.0730	0.0750	0.0769	0.0785	0.0860	0.0897	0.0886
Water (per kgal)										
Residential	2.6861	2.8160	2.8987	3.1499	3.3911	3.4133	3.5513	3.7398	3.7640	4.0708
Commercial & Industrial	1.6736	1.8903	1.9366	2.1105	2.2282	2.2364	2.3560	2.4885	2.4955	2.5912
Gas (per ccf)										
Residential	0.8304	1.0326	1.4305	1.3668	1.2010	1.4087	1.6255	2.0860	1.9046	2.0073
Commercial & Industrial	0.4195	0.5824	0.9294	0.7293	0.7839	0.9665	1.1842	1.4503	1.2560	1.3225

Source: Greenville Utilities Commission



Table 8

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

Fiscal Year	Overlapping Rates						Total Direct & Overlapping Rates
	City of Greenville			Pitt County			
	Rate Per \$100	Total City Levy	Rate Per \$100	Total County Levy	Rate Per \$100	Total County Levy	
1999	0.550	13,282,368	0.680	37,415,793	0.680	50,698,161	
2000	0.550	14,244,843	0.680	39,166,137	0.680	53,410,980	
2001	0.550	14,716,098	0.680	42,093,619	0.680	56,809,717	
2002	0.615	17,426,583	0.680	43,399,920	0.680	60,826,503	
2003	0.615	18,295,565	0.680	43,369,414	0.680	61,664,979	
2004	0.615	19,048,466	0.700	45,509,940	0.700	64,558,406	
2005	0.560	21,426,583	0.700	54,824,840	0.700	76,251,423	
2006	*	22,714,734	0.700	57,424,150	0.700	80,138,884	
2007	0.560	25,237,917	0.700	60,298,700	0.700	85,536,617	
2008	0.560	26,650,553	0.700	65,331,289	0.700	91,981,842	

\* 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  <u>Customer</u>	<u>Product/Service</u>	Fiscal Year 2008		Fiscal Year 1999	
		Amount Billed	Percentage of Total Revenue	Amount Bill	Percentage of Total Revenue
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 5,715,133	3.54%	\$ 5,027,543	4.68%
Pitt County Memorial Hospital	Health Care	4,500,600	2.79%	3,561,970	3.31%
East Carolina University	Education	3,507,299	2.17%	1,957,898	1.82%
East Carolina University	Education	2,911,635	1.80%	1,567,468	1.46%
DSM Dyneema, LLC	High Performance Fibers	2,821,167	1.75%	0	0.00%
East Carolina University	Education	2,497,092	1.55%	1,287,726	1.20%
Attends Healthcare Products	Medical Products	2,345,354	1.45%	2,685,382	2.50%
NACCO Material Handling	Fork Lift Trucks	1,038,402	0.64%	921,294	0.86%
ASMO of Greenville	Motors	973,796	0.60%	920,562	0.86%
Vermont American Corp.	Drill Bits	796,298	0.49%	1,176,584	1.09%
Totals		\$ 27,106,776	16.78%	\$ 19,106,427	17.78%

Water Fund  <u>Customer</u>	<u>Product/Service</u>	Fiscal Year 2008		Fiscal Year 1999	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 402,170	3.22%	\$ 477,717	6.04%
Pitt County Memorial Hospital	Health Care	223,694	1.79%	129,652	1.64%
DSM Dyneema, LLC	High Performance Fibers	99,182	0.79%	0	0.00%
Greenville Housing Authority	Apartments	74,197	0.59%	48,213	0.61%
Pitt County Memorial Hospital	Health Care	66,033	0.53%	7,102	0.09%
East Carolina University	Education	63,896	0.51%	2,383	0.03%
Fuji Silysia Chemical USA, LTD	Silica Gel	63,467	0.51%	0	0.00%
Pitt County	Government	45,420	0.36%	32,359	0.41%
DSM Dyneema, LLC	High Performance Fibers	42,821	0.34%	0	0.00%
Greenville Housing Authority	Apartments	41,204	0.33%	33,881	0.43%
Totals		\$ 1,122,084	8.97%	\$ 731,307	9.25%

Sewer Fund	Customer	Product/Service	Fiscal Year 2008		Fiscal Year 1999	
			Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
	DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 590,014	4.79%	\$ 731,735	9.75%
	Pitt County Memorial Hospital	Health Care	324,365	2.63%	192,223	2.56%
	Town of Bethel	Government	238,901	1.94%	0	0.00%
	Fuji Silysia Chemical USA, LTD	Silica Gel	96,245	0.78%	0	0.00%
	Pitt County Memorial Hospital	Health Care	95,727	0.78%	10,031	0.13%
	East Carolina University	Education	92,173	0.75%	3,265	0.04%
	Greenville Housing Authority	Apartments	79,638	0.65%	53,469	0.71%
	DSM Dyneema, LLC	High Performance Fibers	68,351	0.56%	0	0.00%
	Karastan Bigelow	Carpet Yarn	61,314	0.50%	121,764	1.62%
	Pitt County	Government	42,735	0.35%	47,891	0.64%
	<b>Totals</b>		<b>\$ 1,689,463</b>	<b>13.73%</b>	<b>\$ 1,160,378</b>	<b>15.45%</b>
	<b>Gas Fund</b>					
	Customer	Product/Service	Annual Revenue	Percentage of Total Revenue	Annual Revenue	Percentage of Total Revenue
	East Carolina University	Education	\$ 3,746,456	9.31%	\$ 643,982	5.19%
	DSM Pharmaceuticals, Inc.	Pharmaceuticals	2,818,039	7.00%	673,970	5.44%
	Pitt County Memorial Hospital	Health Care	2,041,493	5.07%	299,794	2.42%
	DSM Dyneema, LLC	High Performance Fibers	1,590,571	3.95%	0	0.00%
	East Carolina University	Education	1,505,424	3.74%	235,820	1.90%
	NACCO Material Handling	Fork Lift Trucks	908,629	2.26%	79,913	0.64%
	DSM Dyneema, LLC	High Performance Fibers	748,289	1.86%	0	0.00%
	Fuji Silysia Chemical USA, LTD	Silica Gel	650,502	1.62%	0	0.00%
	Greenville Paving & Contracting	Asphalt Paving	625,727	1.56%	119,598	0.96%
	Metrics, Inc.	Pharmaceuticals	409,370	1.02%	0	0.00%
	<b>Totals</b>		<b>\$ 15,044,500</b>	<b>37.39%</b>	<b>\$ 2,053,077</b>	<b>16.55%</b>

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

Table 10

City of Greenville  
Principal Property Taxpayers  
12/31/2007 for Fiscal Year 2008

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Carolina Telephone	\$ 38,831,531	1	0.86%	\$ 39,500,000	1	1.69%
Marelda Greenville Mall / Colonial Mall	26,978,780	2	0.60%	23,046,611	2	0.00%
The Northwestern Mutual Life (Plaza)	23,436,281	3	0.52%	15,809,646	3	0.99%
North Campus Crossing	19,269,145	4	0.43%	12,107,260	4	0.00%
Wachovia	18,398,850	5	0.41%	11,585,260	5	0.68%
Southeast Properties (Pirates Cove Apts)	16,503,673	6	0.37%	10,459,340	6	0.00%
Treybrooke LLC (Apartments)	16,192,510	7	0.36%	10,277,443	7	0.52%
Speight, Joseph D. (Shopping Center)	14,348,436	8	0.32%	10,100,590	8	0.50%
Fairfield ECU Exchange	13,971,415	9	0.31%	9,312,010	9	0.00%
Centro Heritage UC Gville., (University Commons)	13,539,168	10	0.30%	8,381,168	10	0.00%
Wal-mart (Retail)						
Speight, Maxine ( Developer)						
Shadow Lake Properties/Carolina East Mall						
Waterford Place ( Apartments)						
New Shelter V Ltd. Prtn						
Winterville Village (Medical Property)						
Belk Tyler						
Totals	\$ 201,469,789		4.95%	\$ 150,579,328		6.96%

Table 11

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

Fiscal Year	*** Property Tax	Sales Tax	* Franchise Tax	Alcoholic Beverage Tax	** Other Taxes	Total
1999	13,295,318	7,511,745	3,150,386	236,060	990,424	25,183,933
2000	14,214,513	7,917,659	3,150,113	246,406	1,115,447	26,644,138
2001	14,791,816	7,969,842	3,580,664	254,221	1,214,582	27,811,125
2002	17,184,908	8,071,763	2,303,736	-	1,222,674	28,783,081
2003	18,297,257	8,772,606	4,047,097	258,879	832,940	32,208,779
2004	19,031,401	10,111,043	4,086,532	272,651	864,077	34,365,704
2005	21,324,960	11,414,678	4,121,389	291,246	868,001	38,020,274
2006	22,564,688	12,693,295	4,729,698	298,254	782,888	41,068,823
2007	23,896,190	13,592,797	5,068,888	311,689	107,038	42,976,602
2008	26,295,736	14,321,873	5,190,851	332,734	108,852	46,250,046

\* 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	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
1999	13,282,368	12,910,203	97.20%	372,453		13,282,656	100.00%
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%	501,703		26,295,736	98.67%

(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			
1999	7,361	-	14,355	1,007	47,213	14,328	-	-	84,264	2.91%	1,489
2000	6,994	-	13,505	1,029	65,449	12,951	1,873	-	101,801	3.12%	1,642
2001	7,791	6,800	12,655	1,109	80,289	11,579	1,723	5,694	127,640	3.87%	1,994
2002	7,285	6,640	11,805	2,166	77,809	10,200	1,600	7,920	125,425	3.72%	1,900
2003	8,120	6,405	10,955	2,169	73,422	9,355	1,524	13,996	125,946	3.60%	1,880
2004	7,455	6,160	10,305	2,668	69,219	8,090	1,486	17,757	123,140	3.30%	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	(1)	2,057
2008	12,150	5,080	20,715	1,004	99,842	8,460	805	18,882	166,938	(1)	2,197

Note 1: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note 2: Debt excludes LEO separation allowances and compensated absences

Note 3: Percentage of Personal Income based on income for the County. 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

**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
					Income	Property	
1999	22,723	660	22,063	0.76%	0.84%	\$ 387	
2000	21,527	-	21,527	0.66%	0.73%	\$ 347	
2001	28,355	244	28,111	0.85%	0.89%	\$ 439	
2002	22,723	287	22,436	0.67%	0.65%	\$ 340	
2003	27,649	291	27,358	0.78%	0.73%	\$ 408	
2004	96,552	366	96,186	2.58%	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	(1)	0.85%	\$ 574	
2008	38,949	809	38,140	(1)	0.71%	\$ 502	

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. Income information not provided on the City level.

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

Note 4: GO Bond amounts include bonds approved but unissued.

(1) Information not available for this period



Table 15

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

	<u>1999</u>	<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>
Debt limit	\$ 194,882,465	\$ 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
Total net debt applicable to lim	<u>34,819,939</u>	<u>36,978,581</u>	<u>34,407,451</u>	<u>33,056,604</u>	<u>32,123,514</u>	<u>34,019,015</u>	<u>47,758,689</u>	<u>39,135,000</u>	<u>43,056,984</u>	<u>38,949,098</u>
Legal debt margin	\$ <u>160,062,526</u>	\$ <u>171,593,183</u>	\$ <u>181,222,315</u>	\$ <u>193,534,555</u>	\$ <u>205,524,096</u>	\$ <u>213,461,891</u>	\$ <u>256,946,026</u>	\$ <u>285,865,000</u>	\$ <u>316,943,016</u>	\$ <u>341,050,902</u>
Total net debt applicable to the limit as a percentage of debt limit	17.87%	15.96%	15.96%	14.59%	13.52%	13.75%	15.67%	12.04%	11.96%	10.25%

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed value	
Debt Limit (8% of total assessed value)	380,000,000.00
Debt applicable to limit:	
General obligation bonds	12,150,248.00
Certificates of Participation	20,715,000.00
Special obligation revenue	5,080,000.00
Other Debt	1,003,850.00
Legal debt margin	<u>\$341,050,902.00</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.

**City of Greenville**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2008**  
 (amounts expressed in thousands)

<b>Governmental Unit</b>	<b>Net General Obligation Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping</b>			
Pitt County	\$ 136,292,283	40.79%	\$ 55,593,622
<b>Direct</b>			
City of Greenville			38,949,098
<b>Total direct and overlapping debt</b>			<b>\$ 94,542,720</b>

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 Debt Service	Debt Service Requirement (3)			Special Assessment Bonds			
				Principal	Interest	Total	Special Assessment Collections	Debt Service Principal	Interest	Coverage
1999	142,772	121,205	21,567	1,291	1,861	3,152	-	-	-	N/A
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

(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	Population (2)	Personal Income		Median Age	School Enrollment	Unemployment Rate
		(amounts expressed in thousands)	Capita Personal Income			
1999	57,405	2,895,856	21,847	(1)	20,112	4.5%
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	(1)	(1)	(1)	22,994	5.3%
2008	76,058	(1)	(1)	35	23,240	7.5%

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

(2) Information is provided as of July 1 of the fiscal year

Table 19

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

Employer	<u>2008</u>			<u>1999</u>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Pitt County Memorial Hospital	6,297	1	8.86%	4,150	1	6.68%
East Carolina University	4,936	2	6.95%	3,700	2	5.96%
DSM Pharmaceuticals (Catalytica)	1,200	3	1.69%	1,300	3	2.09%
NACCO Materials Handling Group	1,200	4	1.69%	1,000	4	1.61%
ASMO Greenville of North Carolina	535	5	0.75%	400	5	0.64%
Grady-White	400	6	0.56%	400	6	0.64%
Wachovia Bank	330	7	0.46%	485	7	0.78%
Overton's Inc.	300	8	0.42%	200	8	0.32%
Mestek	270	9	0.38%	350	9	0.56%
Weyerhaeuser Co.	200	10	0.28%	200	10	0.32%
Total	<u>15,668</u>		<u>22.06%</u> (1)	<u>12,185</u>		<u>19.62%</u> (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**

<b>Function</b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
General government	50	50	53	50	51	51	56	59	58	67
Public safety										
Police	188	193	194	194	197	210	212	219	211	223
Fire	124	124	124	124	124	130	142	143	143	145
Public Works	173	174	181	180	185	186	188	192	199	203
Culture and recreation	53	53	62	61	59	59	57	59	61	53
Planning and Comm. Dev.	28	29	36	35	30	25	24	24	32	33
Electric	179	183	185	189	182	181	183	182	196	196
Water	76	80	81	87	92	87	91	92	85	98
Sewer	62	65	66	63	64	67	66	67	67	45
Gas	63	64	65	64	66	68	67	68	65	82
	<u>996</u>	<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>

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical arrests	4,151	6,748	4,091	4,380	4,397	4,599	4,722	3,507	4,497	4,756
Parking violations	-	-	-	-	-	-	-	-	2,303	13,392
Traffic violations	14,429	17,702	21,416	23,180	30,163	22,003	11,337	24,508	19,998	18,088
Fire										
Number of calls answered	2,167	2,207	1,948	1,549	3,461	2,530	3,062	3,598	4,152	4,388
Inspections	3,220	3,008	2,832	3,325	3,672	*	3,500	3,400	2,162	3,500
EMS										
Number of calls answered	8,719	8,692	8,758	8,857	9,136	9,136	9,190	9,885	10,725	11,198
Highways and streets										
Street resurfacing (miles)	10	5	(1)	6	6	5	5	(1)	7	7
Sanitation										
Refuse collected (tons/day)	23,258	25,073	24,619	24,652	26,375	28,120	25,676	27,182	27,322	27,442
Recyclables collected (tons/day)	1,680	1,865	1,677	1,631	1,839	1,804	1,850	1,792	1,816	3,056
Culture and recreation										
Facility reservations issued	757	553	777	349	382	467	393	715	817	916
Water										
Connections (of service connect)	26,130	26,102	26,287	27,426	27,991	28,538	29,540	30,829	32,065	33,051
Water Lines (miles)	486	501	516	531	538	550	565	580	593	615
Average daily consumption (thousands of gallons)	10,437	10,285	10,088	10,579	9,766	9,476	9,845	8,941	10,264	10,797
Wastewater										
Average daily sewage treatment (thousands of gallons)	9,264	9,772	9,441	8,299	9,492	9,944	8,895	9,345	10,587	9,152

Sources: Various government departments.

\* Information unavailable

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

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

<b>Function</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	101	101	133	138	151	151	159	160	174	177
Fire stations	4	5	5	5	5	5	6	6	6	6
Sanitation										
Collection trucks	36	39	37	38	33	36	36	37	37	37
Highways and streets										
Streets (miles)	191.0	196.0	204.0	204.0	212.0	212.0	220.0	230.1	234.3	235.0
Streetlights	4,763	4,853	5,171	5,171	5,529	5,529	5,785	5,983	6,166	6,482
Traffic signals	26	26	26	26	26	26	26	27	27	117
Culture and recreation										
Parks acreage	1,257	1,282	1,307	1,308	1,300	1,300	1,475	1,500	1,511	1,120
Parks	17	19	20	21	27	27	30	31	32	25
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	7	11	11	13	13	13	10
Electric										
Number of distribution stations	17	17	17	17	17	17	17	17	17	18
Miles of service lines	1,900	1,900	2,300	2,300	2,300	2,384	2,447	2,474	2,509	2,575
Water										
Water lines (miles)	477	477	477	511	531	550	565	583	593	593
Maximum daily treatment capacity (millions of gallons)	17.0	17.0	17.0	24.5	24.5	24.5	24.5	24.5	24.5	22.5
Sewer										
Sanitary sewers (miles)	329	329	329	350	364	404	423	433	448	448
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	433	486	500	509	530	545	562	581
Miles of service lines	282	282	282	330	344	359	375	398	394	421



## SINGLE AUDIT & COMPLIANCE SECTIONS



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Martin Starnes & Associates, CPAs, P.A.

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

**Report On Internal Control Over Financial Reporting And On Compliance And  
Other Matters Based On An Audit Of Financial Statements Performed  
In Accordance With *Government Auditing Standards***

SINGLE AUDIT &  
COMPLIANCE SECTIONS

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, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 18, 2008. 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 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'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.

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Toll Free Both Locations 800-948-0585 • Web Site: [www.martinstarnes.com](http://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 and other matters with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters 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*.

We noted certain matters that we reported to management of the City of Greenville in a separate letter dated September 18, 2008.

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 18, 2008



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## Martin Starnes & Associates, CPAs, P.A.

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*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**

SINGLE AUDIT &  
COMPLIANCE SECTIONS

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, 2008. 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, 2008.

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13 South Center Street • Taylorsville, North Carolina 28681 • Phone 828-632-9025 • Fax 828-632-9085  
Toll Free Both Locations 800-948-058 • Web Site: [www.martinstarnes.com](http://www.martinstarnes.com)

## 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 18, 2008



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Martin Starnes & Associates, CPAs, P.A.

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*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**

SINGLE AUDIT &  
COMPLIANCE SECTIONS

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, 2008. The City of Greenville's major State 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 State programs is the responsibility of City of Greenville's management. Our responsibility is to express an opinion on the City of Greenville, North Carolina'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, 2008.

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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 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 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 the City's 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 18, 2008



**CITY OF GREENVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**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(es) identified No
- Reportable condition(s) 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:

<b>Program Name</b>	<b>CFDA#</b>
CDBG Entitlement Grant	14.218
CDBG HOME Investment Program Grant	14.239
Federal Transit Formula Grant	20.507

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

Auditee qualified as low-risk auditee? No

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008

State Awards

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

**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, 2008**

Not applicable

**CITY OF GREENVILLE, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDING**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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, 2008

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
<b>FEDERAL FINANCIAL ASSISTANCE:</b>						
<b>U.S. Department of Housing and Urban Development Pass-through N. C. Department of Commerce</b>						
CDBG Entitlement Grant- 2006	14.218	B-06-MC-37-0020	\$ 448,570	\$ -	\$ 300,088	\$ 748,658
HOME Investment Partnership- 2003	14.239	M03-DC370211	-	-	1,458	1,458
HOME Investment Partnership- 2004	14.239	M04-DC370211	998,096	-	1,590	999,686
HOME Investment Partnership- 2005	14.239	M05-DC370211	262,143	-	9,442	271,585
HOME Investment Partnership- 2006	14.239	M06-DC370211	87,188	-	5,295	92,482
HOME Investment Partnership- 2007	14.239	M07-DC370211	-	-	2,751	2,751
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,795,996</u>	<u>-</u>	<u>320,624</u>	<u>2,116,620</u>
<b>U.S. Department of Transportation</b>						
Direct Programs -						
Enhancement Grant (Greene St. Streetscape)	20.205-2	E-4506(PE & Const)	17,392	-	-	17,392
Streetscaping- Stantonsburg Road	20.205-2	E-4740(PE & Const)	11,089	-	-	11,089
Sidewalk Construction	20.205-2	PW-2005-3	16,086	3,914	-	20,000
Historic Greene Street- Truss Bridge	DOT-18		-	160,000	-	160,000
South Tar River- Greenway Project	20.205-4	EB-4702	156,034	-	-	156,034
North Greene Street	DOT-18	E-4506	-	50,086	-	50,086
Planning Work Program	20.205	PL-104 (2008)	47,593	-	11,898	59,491
Federal Transit Administration (418-Operating)	20.507	NC-904-418	305,120	-	489,685	794,804
Federal Transit Administration (418-Capital)	20.507	NC-900-418	82,241	-	20,560	102,801
Federal Transit Administration (418-ADA)	20.507	NC-908-418	41,384	-	10,346	51,730
Federal Transit Administration (340)	20.507	NC-902-340	64,238	8,030	8,030	80,298
Total U.S. Department of Transportation			<u>741,176</u>	<u>222,030</u>	<u>540,519</u>	<u>1,503,725</u>
<b>U.S. Department of Justice</b>						
Office of Justice Programs						
Cops Technology Grant	16.710	2007-CK-WX-0045	2,861	-	715	3,576
Bureau of Justice Assistance						
JAG 2007	16.592	2007-DJ-BX-1246	101,230	-	-	101,230
G.R.E.A.T. 2007	16.592	2007-JV-FX-0322	28,532	-	-	28,532
Secure Our Schools	16.592	2007-CK-WX-0159	15,342	-	15,342	30,684
<b>Total U.S. Department of Justice</b>			<u>147,964</u>	<u>-</u>	<u>16,057</u>	<u>164,021</u>
<b>STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE</b>						
<b>State of North Carolina</b>						
Department of Crime Control and Public Safety						
Swiftwater/Urban and Rescue Funding	97.067	SRT/USAR 0607-014	-	4,161	-	4,161
Homeland Security-USAR	97.073	USAR-10-1026	-	-	3,164	3,164
Total Department of Crime Control and Public Safety			<u>-</u>	<u>4,161</u>	<u>3,164</u>	<u>7,325</u>
<b>Department of Transportation</b>						
Division of Highways -						
Powell Bill Funds	DOT-4		-	2,256,409	-	2,256,409
Public Transportation Division						
State Maintenance Assistance Program	DOT-9	07-SM-010	-	157,454	-	157,454
Planning Work Program (Section 5305)	20.505	36230.17.6.6	24,999	3,125	3,125	31,248
N.C. Governor's Highway Safety Program						
RAIID (2006-2007)	20.600	PT-07-04-04-10	58,491	-	58,491	116,983
LEL (2006-2007)	20.605	K2-07-08-01-B	24,431	-	-	24,431
LEL (2007-2008)	20.605	K2-08-07-01B	217	-	-	217
<b>Total Department of Transportation</b>			<u>108,138</u>	<u>2,416,988</u>	<u>61,616</u>	<u>2,586,742</u>
<b>Department of Juvenile Justice &amp; Delinquency Prevention</b>						
Blue Print for Peace (BPP)	16.540		38,179	-	5,986	44,165
Project UNITY (UNITY)	16.540		46,874	-	5,986	52,860
			<u>85,052</u>	<u>-</u>	<u>11,972</u>	<u>97,024</u>

## CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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
<b>Department of Environment &amp; Natural Resources</b>						
<b>Division of Parks and Recreation</b>						
Aquatics and Fitness Center Renovation		P06156	-	91,163	-	91,163
Division of Purchase and Services						
Mosquito Control Grant		T07048	-	19,497	37,419	56,916
Community Waste Reduction and Recycling			-	5,597	-	5,597
<b>Total Department of Cultural Resources</b>			<u>-</u>	<u>116,257</u>	<u>37,419</u>	<u>153,677</u>
<b>Total Federal and State Assistance</b>			<u>2,878,327</u>	<u>\$2,759,436</u>	<u>\$991,371</u>	<u>\$6,629,135</u>

**CITY OF GREENVILLE, NORTH CAROLINA**

**Notes To Schedule of Expenditures of Federal And State Awards  
For The Fiscal Year Ended June 30, 2008**

**Note 1 - General**

The accompanying Schedule of Expenditures of Federal and State Awards presents 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.

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