

# **City of Greenville**

**Greenville, North Carolina**

Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2007

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**CITY OF GREENVILLE, NORTH CAROLINA  
JUNE 30, 2007**

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## INTRODUCTORY SECTION



## FROM THE OFFICE OF THE DIRECTOR OF FINANCIAL SERVICES

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

With all the southern charm of a tall glass of sweet tea and the “big city” allure of one of our country’s magnificent miles, Greenville, North Carolina is thriving as the economic, cultural, educational, and medical nucleus of eastern North Carolina. Accomplished through the relentless pursuit of progress, public and private partners have joined resources to realize the vision and goals of our citizenry towards a community that meets the quality of life needs of its residents while positioning itself for a bright future. These efforts have brought to fruition a revitalized Center City at which a new administrative complex is the apex; a burgeoning University milieu which boasts an academic vigor rivaling its growing student population; and a state-of-the-art health services system with an established reputation for premier cardiac care and groundbreaking research. The results are an economically viable city moving continuously forward without compromise of the beauty that makes Greenville a *City of Prominence*.

Prominence is a qualification attributed to an established entity, firmly set. The City of Greenville is pleased to submit its **Comprehensive Annual Financial Report** for the year ended June 30, 2007 as a reflection of its strong financial position and integrity, firmly grounded in sound fiscal policies. The City is required by State law to submit a complete set of financial statements by October 31<sup>st</sup> of each year. This comprehensive report includes an Introduction Section, a Financial Section (which includes the basic financial statements) and a Statistical Section. The Management’s Discussion and Analysis (MD&A) may be found immediately following the Independent Auditor’s Report in the financial section.

Financial strength is less a consequence but more an approach put forth by governments and institutions that has led to an increased tax base of 10.8% over last year, managed debt through the implementation of a new internal service fund, a revamped investment strategy poised to reap abundant financial dividends, and a host of programs, services, and improvements achieved through shared financing and a stable tax rate. This strength is underscored in budgetary management which focuses on long-term planning executed through a balanced biennium budget. City staff prepares the budget for submission to City Council, and following a public hearing, is approved by City ordinance for implementation July 1<sup>st</sup>. Amendments are approved through this same process. Adopted annually according to North Carolina General Statute, the budget represents the goals of the City and its citizenry measured in the results of operations presented herein.

The enclosed set of financial statements is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. Performing an independent audit of the City’s reported financial position and results of operation were Martin Starnes & Associates, a firm of certified public accountants. In cooperation with City financial and administrative personnel, a review of both the government-wide and fund financial statements read in conjunction with the notes to the statements proved a reasonable assurance of no material misstatements, and provides further accountability to citizens and other recipients by providing this comprehensive report. Furthermore, all disclosures necessary for the reader to gain an understanding of the City’s financial affairs are included. Moreover, an examination of the financial data together with an evaluation of its presentation, allowed the independent auditors to render an unqualified opinion of the integrity, in all material aspects, of

the 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.

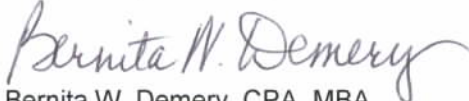
Subsequently, the accuracy and veracity of this report is the responsibility of the City's management. The City's system of internal accounting is designed to provide a reasonable measure of certainty concerning the reliability of these statements. Internal controls ensure the protection of assets against loss from unauthorized use or disposition and compliance with the legal requirements applicable to federal and state financial awards. Mandated "Single Audits" designed to meet the legal requirements aforementioned form the broader scope of the independent audit of these financial statements. Results of the "Single Audit" disclosed no material internal control weaknesses or material violations of laws and regulations relative to its major federal programs.

The City of Greenville is pleased to report that for eighteen consecutive years the Government Finance Officers Association (GFOA) of the United States and Canada has awarded the highest form of recognition of governmental accounting and financial reporting, the Certificate of Achievement for Excellence in Financial Reporting. With the belief our current report upholds the same standards of financial reporting, this year's report will be submitted for consideration as well. The City continues to acclaim its honor as the recipient of the Distinguished Budget Award for its first biennial budget for the 2006-2007/2007-2008 Financial and Operation Plan also conferred by GFOA. 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.

Special praise and appreciation must be given to the exceptionally dedicated and hardworking City employees whose daily efforts produce the excellent results presented in this publication. Particular recognition is given to the employees of the Financial Services Department whose personal commitment to outstanding work performance and willingness to go above and beyond the call of duty continue to make the financial operation of the City one of excellence. Finally, thanks and gratitude are extended to members of City Council and Management staff for their leadership, guidance, and policy setting goals attuned to financial stability, persistent in the climb to greater heights of prominence.

Following is an overview of the City and its various social and economic units. Information provided will help the reader assess the City of Greenville's economic vitality, quality of life, and therefore, its financial condition.

Respectfully submitted,



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

October 1, 2007



## Local Economy

Welcome to the hub of eastern North Carolina.... Greenville, the preferred base to explore the historic, natural, and recreational resources of the Coastal Plain. Greenville and Pitt County have emerged as the commercial, cultural, educational, and medical hub of the region, growing from an economy founded on agriculture, branching into an attractive site for international manufacturing, medical facilities and educational institutions. Greenville was founded in 1771 as "Martinsborough," after the Royal Governor Josiah Martin. In 1774, the town was moved to its present location on the south bank of the Tar River, three miles west of its original site. In 1786, the name was changed to Greenesville in honor of General Nathaniel Greene, the Revolutionary War hero, and later shortened to Greenville.

Continuing to move forward on its Horizons: Greenville's Comprehensive Community Plan (which was adopted in February 2004), the City recently completed the renovations and re-dedication ceremony of the Municipal Building, also known as the "old City Hall" on June 11, 2007, which serves as the home of the Community Development Department. The City of Greenville's new City Hall was dedicated June 5, 2006. These projects are just the first of many ventures on the horizon for the Center City and the remaining Greenville community. The City is also planning the construction of two new fire stations to meet the needs of our growing community.

## Technology

In efforts to grow the City's technology, visitors to Greenville's Uptown will now be able to access the internet FREE! The City has completed installation of the Wi-Fi network in the areas from the Town Common to Reade Circle, from Pitt Street to Reade Street. The Wireless Uptown Greenville came about after the Greenville City Council adopted a goal in January of 2006 to promote economic development in the City by providing wireless Internet access downtown. Also, Greenville is investing heavily in new technology such as \$3 million to upgrade the dispatch and records system at the Police Department (which was also approved by Greenville City Council).

With its district headquarters in Greenville, Embarq has constructed an extensive fiber-optic and digital technology telecommunications system, allowing accurate high speed data transmissions, better quality sound, and a wide variety of custom services to the area. This technology gives East Carolina University and Pitt Community College direct linkage with other colleges and universities, allowing area students and business people to participate in real-time, interactive regional conferences, seminars, and advanced degree program courses through the North Carolina Research and Education Network (NCREN).

## Commerce and Industry

Manufacturing continues to play a significant role in the local economy. Today, Greenville is a major industrial and



eco-nomic center for eastern North Carolina — a center for education, industry, medicine, and culture. Greenville's current economic development began in 1968 when Burroughs Wellcome, a major pharmaceutical, research and manufacturing firm, chose Greenville as its home. The site is now owned by DSM Pharmaceuticals and employs approximately 1,000 people. DSM is active worldwide in nutritional and pharmaceutical ingredients, performance materials, and industrial chemicals and ranks among the global leaders in many of its fields. DSM is both our history and our future. DSM was selected as Pitt County's Industry of the Year for 2007.

Another leading manufacturer is NACCO Materials Handling Group (NMHG), established in Greenville in 1974. Since opening, this site has had many milestones. The Greenville plant produced its 500,000th lift truck in January 2006.

The City and Pitt County have also become home to many other major industries and businesses, including Grady-White Boats and ASMO. These additions have added to Greenville's population and to the economic growth of the City.

Welex, Inc., a leading manufacturer of high performance plastics extrusion equipment opened its doors in February of this year. Welex (based in Blue Bell, PA, near Philadelphia) has designed and built high quality extrusion systems for over 30 years. The company supplies extruders, coextruders, gear pumps, sheet take-offs, and accessories to more than 70 countries worldwide. Welex equipment is used by leading companies to produce products for rigid packaging, disposable products, and automotive and appliance industries, just to name a few. They are the only extruder manufacturer that builds their own gear pumps.

On the horizon is CMI Plastics of Cranbury, New Jersey, which recently announced that it will relocate the company, including corporate offices, to Ayden, North Carolina in the Greenville, NC MSA. CMI designs, tests, forms, packs, and ships product for the cosmetics and medical industries. The company also thermoforms products for the marine industry and is well-known for its custom design work throughout the packaging industry. CMI will build a 70,000 square foot state of the art thermoforming plant on 13 acres in the Minges Corporate Park.

## Bond Ratings

Greenville's government leadership continues to be committed to maintaining a sound financial condition. The City's strong financial position continues to allow it to maintain an Aa3 rating, which was underscored by Moody's Investors Service and Standard & Poor's rating of the City's \$12,715 million General Obligation Public Improvement Bonds, Series 2006 (November 2006). Moody's believes that the fiscal policies and budgetary management implemented by City officials have endowed Greenville with a great deal of operating flexibility and a high level of reserves to offset future financial pressures. Beginning in fiscal year 2007, Greenville implemented its first biennial budget and in Moody's opinion, the longer term planning should allow management to continue its solid control.

## Health Services

Located on the western edge of Greenville is Pitt County Memorial Hospital (PCMH). Pitt County Memorial Hospital, one of four academic medical centers in North Carolina, is the flagship hospital for University Health



Systems of Eastern Carolina and serves as the teaching hospital for the Brody School of Medicine at East Carolina University. PCMH is a private, non-profit hospital and regional center licensed to operate 745 beds. PCMH is owned and operated by University Health Systems of Eastern Carolina, which includes community hospitals, physician practices, home health, and other health services. The hospital is a tertiary referral center and provides acute, intermediate, rehabilitation, and outpatient health services to more than 1.2 million people in 29 counties. Still under construction are three major projects at PCMH. These projects include: the six-story 375,000 square foot tower Cardiovascular Center, a new central utility plant to accommodate the new heart facility, and the relocation of Moye Boulevard. Upon completion, the projects will add about 1.5 million square feet of space to the hospital's current 1.2 million square feet. Additionally, the Cardiovascular Center will add 120 beds dedicated to cardiovascular care. The construction of the new center is scheduled for completion in 2008.

Combining big-city services with small-town friendliness is the Radiation Oncology at East Carolina University's (ECU) Brody School of Medicine. The ECU Radiation Oncology team is the largest, most experienced, and diverse team ever assembled in Eastern North Carolina. The Radiation Oncology facility is fully accredited by the American College of Radiology, which sets them apart from all the radiation oncology practices in our region. Services provided by the Radiation Oncology are Image Guided Radiation Therapy (IGRT), Intensity Modulated Radiation Therapy (IMRT), Photodynamic Therapy (PDT), and Gamma Knife Radiosurgery. The Gamma Knife Radiosurgery is a state-of-the-art device that uses targeted radiation rays to treat brain metastases, benign tumors (such as acoustic neuromas, pituitary adenomas, meningiomas, and craniopharyngiomas), arteriovenous malformations (AVMs), and a pain disorder known as Trigeminal Neuralgia. The new Gamma Knife allows neurosurgeons to operate on the brain without making a single incision. Because the Gamma Knife uses no moving parts during treatment, neurosurgeons and radiation oncologists can pinpoint a tumor with an accuracy of less than 0.2mm while sparing healthy tissue surrounding the target.

## Top 10

### Major Employers, 2007

Employer	Employment
Pitt County Memorial Hospital	6,298
East Carolina University	4,936
Pitt County Public Schools	2,963
NACCO Materials Handling Group	1,200
DSM Pharmaceuticals	1,000
County of Pitt	975
City of Greenville***	950
Pitt Community College	850
Alliance One International	500
Physicians East	500

\*\*\*Includes Sheppard Memorial Library, and Convention and Visitors Authority

## Community Profile

The City of Greenville, one of the fastest growing cities in the State of North Carolina, has eclipsed the 70,000 mark. The United States Census Bureau now estimates that, as of July 1, 2006, the Greenville population is 72,233. "This confirms what our employees and citizens already know; we are a growing community, and we expect this trend to continue," said Greenville City Manager, Wayne Bowers. Estimates by the Census Bureau show an increase of 3.95% from July 1, 2005. Of cities with populations greater than 40,000, Greenville is the second-fastest growing municipality.

As the City grows and progresses, we strive to become an "Inclusive City"—an initiative joined by a growing number of cities across the nation in a partnership to build inclusive communities through committed efforts to increase citizen participation and engagement, while promoting equal opportunity and fairness.

## Housing

The City of Greenville recognizes that historic preservation is a vital tool for protecting the City's heritage, revitalizing its neighborhoods, enhancing quality of life in Greenville, and stimulating economic development in the region. The City continues to strive to make Greenville a great place to live. Recently, the City was awarded a \$200,000 Brownfield Assessment Grant, an award from the Environmental Protection Agency (EPA). The City will utilize this grant to help revitalize West Greenville. The assessment will also support the City's efforts to inventory and prioritize brownfield sites in West Greenville for public investment and redevelopment and to support community outreach activities. As a result of its commitment to the citizens of Greenville, the City has been recognized for its efforts. Recently, the City of Greenville was designated as a Preserve America Community, a White House initiative, and received the Excellence In Affordable Housing Award awarded by the North Carolina



Housing Finance Agency.

## Recreation

City residents enjoy an enviable array of recreational opportunities--the excitement of "Sunday in the Park" during the dog days of summer, the celebration of diversity and unity through our "International Festival" and the East Carolina Pride showcased during "Freeboot Fridays"—just to name a few. Citizens may also enjoy one of the 32 parks and facilities on approximately 1,511 acres of land operated by the City's Recreation and Parks Department. Greenville is the home of the Eastern Regional Basketball Tournament and North Carolina Senior Games. Also noteworthy is Greenville's national acclaim as "Sportstown USA," voted #1 in North Carolina by Sports Illustrated in 2004.

**River Park North** is located on 324 acres of land and water with 1.2 miles of frontage on the Tar River. One of the highlights is the Walter L. Stasavich Science and Nature Center, which houses a 70-seat theater and a variety of exhibits including a turtle touch tank, Waterfowl of the Atlantic Flyway, a 10,000 gallon freshwater aquarium, live snakes, and the North American Diorama, as well as many other fun and interesting activities throughout the year.

**Bradford Creek Golf Course** is a public course operated by the Greenville Recreation and Parks Department. Stretched across 282 acres north of the Tar River, Bradford Creek is conveniently located just off Highway 264 East between Old Pictolus Road and Sunnyside Road just minutes from downtown, hotels and East Carolina University. Bradford Creek features 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.

**Extreme Park** was the site of the first skate ramp built by the Recreation and Parks Department. From this small wooden ramp to the present day, skateboarding, as well as the BMX Bike freestyle riding, has grown by leaps and bounds all over the United States as well as Greenville. Along with its growth has come the growth and addition of new challenges in our 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, including the #1 and #2 BMX riders in the world. In addition to that, we also have another ten to twelve pros that have moved here who aspire to be #1 in the world.

This influx of professional athletes gives Greenville international recognition and applause as the hometown of such greats. Famed BMX biker, Dave Mirra, began Dave Mirra World Tour, an hour show on ESPN, right here in Greenville. ESPN commentators refer to Greenville, NC, as Pro Town USA for the BMX bikers.

**Greenville Aquatics and Fitness Center (GAFC)** has recently completed its renovations to the center thanks to a

\$500,000

grant from the NC

Parks & Recreation Trust Fund. With this

grant, GAFC has enhanced the natatorium and gymnasium as

well as improved the exercise and fitness facilities along with the children's play area.

## Culture and Arts

Greenville might lack a resident symphony orchestra and opera, but it boasts arts and cultural opportunities that would be the envy of areas of far greater population.

The presence of East Carolina University and its fine arts, performing arts and theater arts programs, guarantees a steady flow of activities attracting large audiences. More than student and faculty art exhibits, recitals and performances, the University and its faculty have initiated community-wide programs and area arts organizations. One in particular is the Choral Society, whose mission includes musical training for children and youth. Greenville is on the national musical map for its purchase of "The Duchess". That's the nickname of the world-class organ, which was built at a cost in excess of \$1.4 million. The 3,000 pipe C.B. Fisk organ is both a teaching and playing instrument. The purchase and installation of the organ, one of the largest of its kind on the east coast, was a joint effort of the church, the University and a non-profit organization, East Carolina Musical Arts Foundation.

In fine arts, the [Greenville Museum of Art \(GMA\)](#) expanded its community reach. GMA helped begin an artists' association, broadened community educational programs and started a GMA Art Academy in 2005 for talented and gifted school children to receive advanced after-school art instruction. The City of Greenville supports local artists by displaying local art throughout the City of Greenville City Hall Building.

Theater is beginning to emerge in Greenville as well. Local groups such as the Greenville Theater Project and the Magnolia Arts Center, offer outlets for both performers and audiences alike. Smiles and Frowns Playhouse celebrated its twentieth year of producing children's theater in November 2006.

[Pitt-Greenville Convention Center](#) begins its sixth year of operation and continues to be the largest convention and meeting venue east of I-95 in North Carolina. The Convention Center's campus offers state of the art meeting and exhibit facilities, the latest audio visual technology and a wide range of added features for meeting planners and show producers. The Convention Center's 28,800 square feet of exhibit space is connected via an enclosed walkway to the Greenville Hilton's 25,000 square feet of meeting, banquet, and breakout space. The adjacent City Hotel and Bistro adds an additional 9,000 square feet of meeting space to the Greenville Convention Center Campus. Both properties provide 333 guest rooms on site.

In 2009, the Center will host the North Carolina League of Municipalities annual conference, which is one of the State's largest governmental conferences. The event venue has become home for annual community events to include East Carolina University's Jazz Festival and Arts/Antique Expo, Kidsfest, Friends of the Library Book Sale and the Festival of Trees, as well as consumer shows for Factory Outlet Sales, Bridal Expo, Commercial Flowers Expo, Home and Garden Expo, Tools, and the Holiday Show. The Pitt-Greenville Convention Center is a facility that offers unique flexibility, accommodating any type of event and servicing groups from 5 to 3,000.



## Education

Greenville provides quality primary and secondary schooling and offers options for higher education. **Pitt County Schools** provides a quality education for over 22,000 students in 35 schools. In the 2006-2007 school year, Pitt County Schools achieved Growth Status for the second consecutive year. Twenty (20) schools achieved Growth Status, and four schools achieved High Growth Status. Under the ABCs testing program, schools are held accountable for two measures: growth and performance. In order to achieve growth, individual students are expected to perform as well, or better, on the end-of-grade (EOG) assessment for the current year as he/she did, on average, during the previous year. This allows school districts an opportunity to focus on student growth over time and strengthen overall accountability.

Pitt County's Career-Technical Education (CareerTech) program offers high school students a more rigorous course of study as an option to the general curriculum and bridges the transition from the high school to the community colleges or universities. There are six major programs offered by Pitt County schools: Agricultural Education, Health Occupations, Business and Information Technology, Family and Consumer Science Education, Marketing Education, and Trade and Industrial Education. Students who attend the Community College are given credit for high school courses.

In addition to the public schools, parents have the option of sending their children to more than eight private schools in Pitt County, both secular and church-affiliated.

**Pitt Community College (PCC)** is the sixth largest community college in the State and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate degrees. PCC is a comprehensive public, two year-educational institution serving adult citizens of the City, and the County. PCC's Class of 2007, with 800 graduates was the largest class to ever graduate in the schools 46 year history. What contributes to the growth of Pitt Community College are new programs in business, health sciences, biotechnol

ogy, and other areas; increased online courses; and Weekend College, which PCC uses to meet individuals' and employers' needs.

Pitt Community College continues to grow by leaps and bounds. On April 10, 2007, PCC dedicated its new Lewis Field House at Minges-Overton Baseball Complex. The field house is the PCC baseball team's new home and includes a locker room, baseball coaches' offices, press box space, restroom facilities, and concession area.

**East Carolina University (ECU)**, founded in 1907, chartered by the North Carolina General Assembly, celebrates 100 years of existence. (Evolving from a two-year Teacher Training School to a four-year institution.) The third largest institution of higher learning in North Carolina, ECU presently stands as a major comprehensive university, designated as a constituent institution of the University of North Carolina. This year enrollment surpassed 27,000 students, making this the largest enrollment for the University. In April of 2007, East Carolina University was recognized as one of the nation's best universities, winning the title, "America's Best College Values" for an undergraduate education by the Princeton Review. East Carolina's campus is divided as such:

## **Main Campus**

About 520 acres in a residential area of Greenville; more than 4.7 million square feet of academic, research, and residential space in 162 buildings

## **Health Sciences Campus (Brody School of Medicine)**

About 205 acres with nearly 950,000 square feet of academic and research space in thirty-nine buildings

## **West Research Campus**

About 650 acres with an administrative building and several support buildings that house the North Carolina Institute for Health and Safety in Agriculture, Forestry, and Fisheries

## **Libraries**

- Joyner Library: Holds more than 1.2 million bound volumes, 2.4 million pieces of microform, 531,687 government documents, 13,000 periodical subscriptions, and 12,000 journals in electronic form
- Music Library: A branch of Joyner housing nearly 80,000 items
- Laupus Library: 167,208 bound volumes, 24,909 microform volumes, 853 print journals, and 5,500 e-journals

Recently, in the Moye Medical Center, a three story facility was opened: The ECU Physicians' Moye Medical Center. Within the 43,000 square-foot building, 12,637 square-feet (first floor) will be occupied by ECU's cardiology, pulmonary, and critical care medicine practices. The 14,121 square-foot second floor will be occupied by ECU Physicians' general internal medicine practice. Plans are to house a digestive diseases center on the third floor, but officials have not released details yet as to when this floor will be opened.

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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, 2006

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



A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

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

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the **City of Greenville**, North Carolina for its comprehensive annual financial report for the fiscal year ended **June 30, 2006**. This is the **18<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  
Financial Services Department

# City of Greenville City Council



Don Parrott  
Mayor



Mildred A. Council  
Mayor Pro Tem District #1



Rose Glover  
District # 2



Larry Spell  
District # 3



Patt Dunn  
At-Large



Ray Craft  
District # 4



Chip Little  
District # 5

## City Officials



Wayne Bowers  
City Manager

Thomas T. Moton, Jr., Assistant City Manager  
 Wanda T. Elks, City Clerk  
 David Holec, City Attorney  
 William J. Anderson, Chief of Police  
 Mike Burton, Chief of Fire/Rescue  
 Bernita W. Demery, MBA, CPA, Director of Financial Services  
 S. Rex Wilder, Director of Information Technology  
 Thomas N. Tysinger, Jr., 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



J. Bryant Kittrell, III, Chair  
Commissioner since 1999



Faye Taylor, Vice-Chair  
Commissioner since 2001



Dr. Louis H. Zincone, Jr.  
Secretary  
Commissioner since 2002



Wayne Bowers,  
City Manager  
Commissioner since 2004



Lynn Evans  
Commissioner since 2003



Lester Z. Brown  
Commissioner since 2004

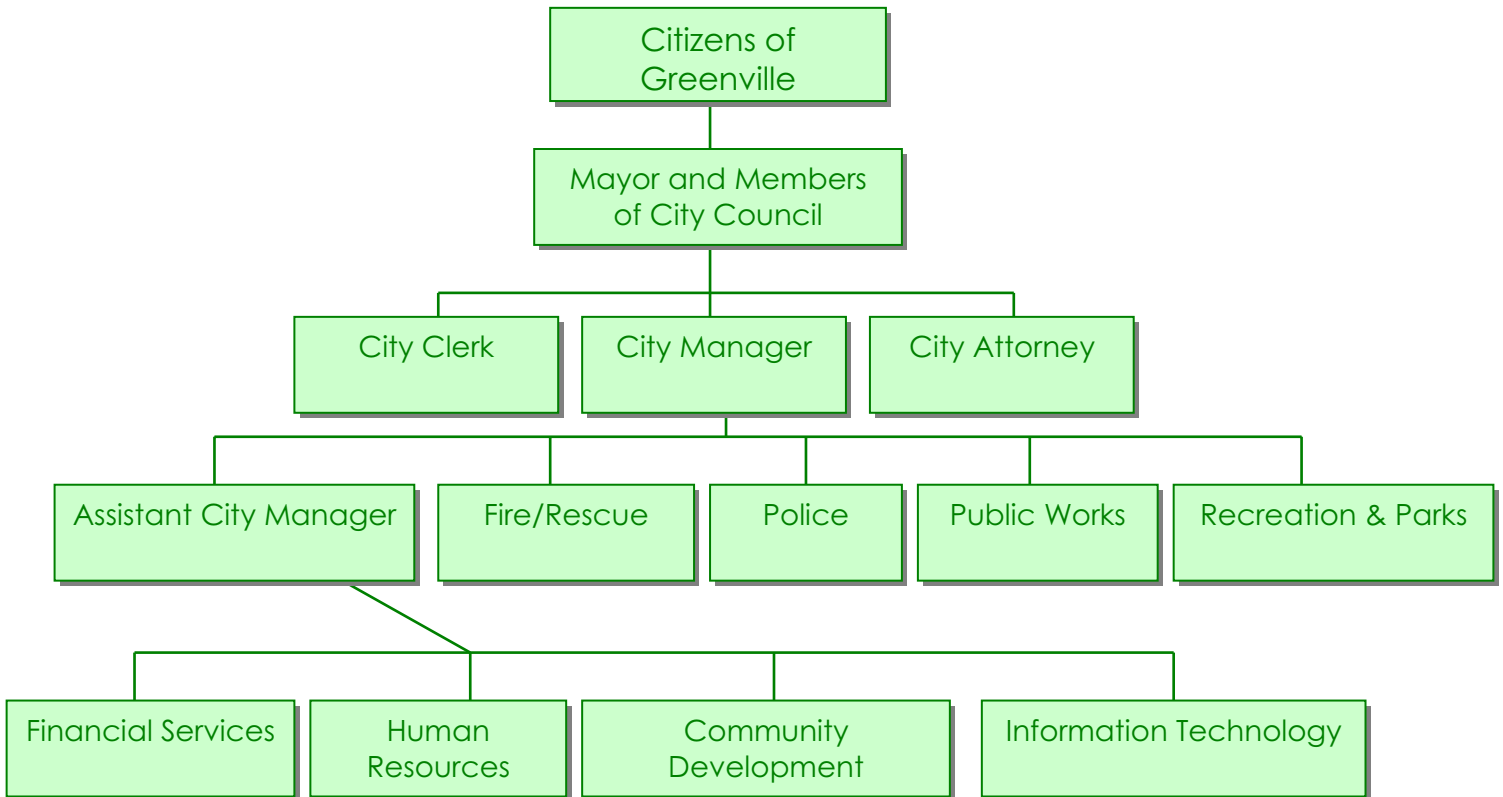


J. Freeman Paylor  
Commissioner since 2006



Julie Carlson  
Commissioner since 2006

# Organizational Chart



Revenue  
Accounting  
Purchasing  
Investments  
Financial Reporting  
M/WBE  
Street Maintenance  
Recreation

Downtown Development  
Grants Management  
Housing Development  
Human Relations  
Budget  
Building & Grounds  
Transit  
Fleet Services

Bradford Creek Golf Course  
Debt Management  
Inspections  
Engineering  
Sanitation  
Aquatics & Fitness Center  
Stormwater  
Internal Audit

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## FINANCIAL SECTION

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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**

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, 2007, 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, , 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 August 18, , 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 an 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.

Management's Discussion and Analysis, employer contributions and the notes to the required schedules of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance 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 schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organization* and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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.  
August 18, 2007

# 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, 2007. 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, 2007, include:

- The assets of the City of Greenville exceeded its liabilities at the close of the fiscal year by \$415,232,551 (*net assets*). Of this amount, \$111,848,692 can be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$27,791,759, primarily due to increases in business-type activities. The City's net assets of governmental activities increased by \$7,771,143.
- The City of Greenville's governmental funds reported combined ending fund balances of \$48,101,214 an increase of \$5,665,303 in comparison with the prior year. A significant part of this increase was due to the first phase issuance of bond referendum 2004 bonds in the amount of \$12.7 million in October of the fiscal year. Approximately 78.9 percent of this total amount, or \$35,976,512, is available for spending at the government's discretion (*unreserved fund balance*).
- Unreserved fund balance for the General Fund was \$17,456,749 or 31.25% of total general fund expenditures for the fiscal year. Overall, the fund balance for the General Fund decreased by \$1,219,698, when compared to prior year, due to transfers made into a newly established internal service fund, the Vehicle Replacement Fund.
- The City implemented a Vehicle Replacement Fund during this fiscal year. The purpose of this fund was to provide an essential tool for controlling the replacement cycles for vehicles and equipment and minimizing the fluctuation of this cost in the annual budget. During the current year, the general fund transferred approximately \$2.6 million into this fund to jumpstart operations. Additionally, \$1.7 million was transferred into the fund from the operating departments to subsidize the costs of future replacement vehicles.
- The City of Greenville's total debt had a net increase of \$14.1 million during the current fiscal year. The key factors for this 10.5% increase are due to the issuance of the general obligations bonds (\$12.7 million) and the issuance of revenue bonds (\$9.8 million). These issuances were partially offset by the retirement of general obligation and revenue bonds.
- Property taxes and sales tax are the two largest sources of revenues within the City's governmental funds and make up over 60% of the total revenues in 2007.
- The City maintained a tax rate of \$.56 per \$100 of assessed value for the third year.

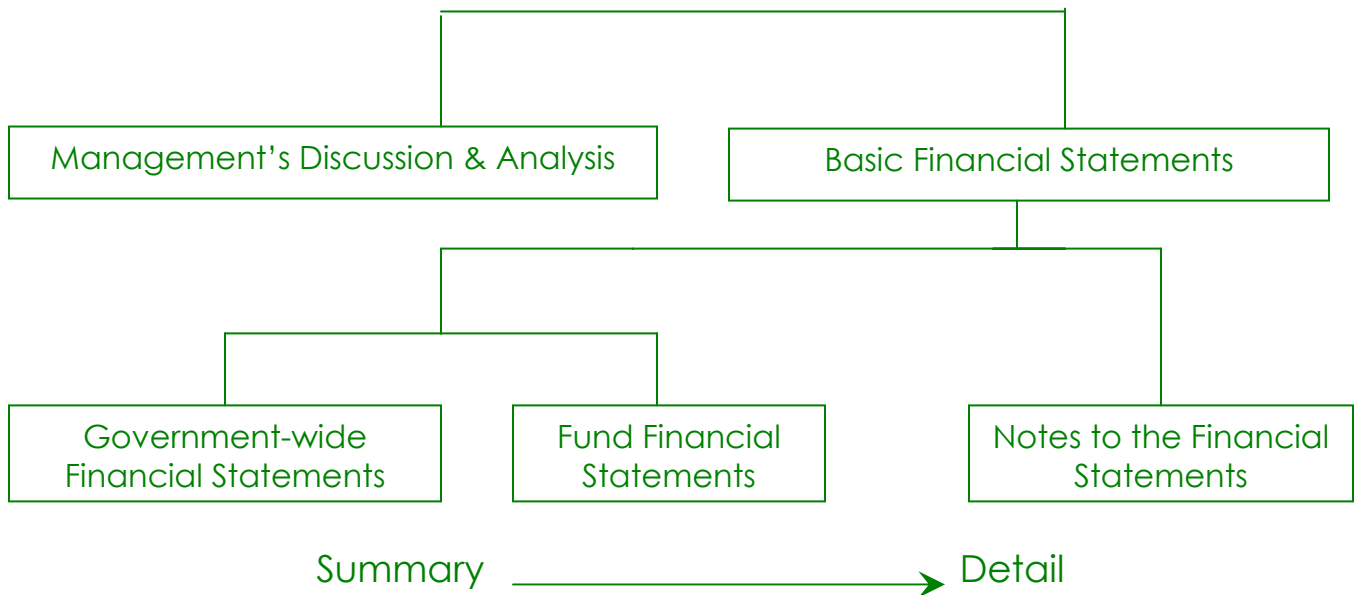
- The City has achieved the Certificate of Achievement for Excellence in Financial Reporting for the 18th consecutive year. The City also obtained, for the first time in history, the Distinguished Budget award for the two-year budget document that details the adopted budget for fiscal year 2006-2007 and the approved operating plan for fiscal year 2007-2008.

## 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, 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 (see Figure 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 services funds. The City uses an internal service fund to account for its joint dental reimbursement program and to account for the management and purchases 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 Exhibit I of this report.

## Government-Wide Financial Analysis

The following is a summary of net assets as of June 30, 2007 (as shown in Exhibit A) with comparative data for June 30, 2006.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 59,943,334	\$ 50,409,055	\$ 92,596,887	\$ 82,496,381	\$ 152,540,221	\$ 132,905,436
Capital assets, non depreciable	39,427,551	47,113,889	21,378,432	24,045,487	60,805,983	71,159,376
Capital assets, net	85,473,783	75,872,617	296,112,455	273,772,751	381,586,238	349,645,368
Total Assets	\$ 184,844,668	\$ 173,395,561	\$ 410,087,774	\$ 380,314,619	\$ 594,932,442	\$ 553,710,180
Long-term liabilities outstanding	\$ 41,481,426	\$ 37,601,679	\$ 97,886,181	\$ 87,911,503	\$ 139,367,607	\$ 125,513,182
Other liabilities	9,948,475	10,385,891	30,383,809	30,605,948	40,332,284	40,991,839
Total Liabilities	\$ 51,429,901	\$ 47,987,570	\$ 128,269,990	\$ 118,517,451	\$ 179,699,891	\$ 166,505,021
Net Assets:						
Invested in capital assets, net of related debt	\$ 81,844,350	\$ 83,851,343	\$ 219,967,618	\$ 207,484,653	\$ 301,811,968	\$ 291,335,996
Restricted	1,571,891	1,223,384	-	-	1,571,891	1,223,384
Unrestricted	49,998,526	40,333,264	61,850,166	54,312,515	111,848,692	94,645,779
Total Net Assets	\$ 133,414,767	\$ 125,407,991	\$ 281,817,784	\$ 261,797,168	\$ 415,232,551	\$ 387,205,159

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 governmental activities exceeded its liabilities at the close of the fiscal year by \$133,414,767 (*net assets*). Of this amount, \$49,998,526 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 \$7,771,143 (excluding a prior period adjustment of \$235,633). 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. An additional portion of the City of Greenville's governmental activities net assets, \$1,571,891 (1.1%) represents resources received from the state as the Powell Bill allocation which are restricted to street specific expenditures.

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 96.51%, along with overall 5.9% increase in receipts.
- Increased sales tax revenue of approximately 6.8% due to economic growth in the City.
- Increased investment earnings by greater than 40% due to the upward swing in interest rates.

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	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 13,560,015	\$ 12,479,938	\$ 232,606,815	\$ 220,671,716	\$ 246,166,830	\$ 233,151,654
Operating grants and contributions	4,578,121	4,537,753	929,701	1,080,611	5,507,822	5,618,364
Capital grants and contributions	3,022,465	3,360,056	12,349,704	7,042,611	15,372,169	10,402,667
General revenues:						
Ad valorem taxes	24,053,784	22,965,051	-	-	24,053,784	22,965,051
Other taxes	19,708,186	18,466,460	-	-	19,708,186	18,466,460
Other	2,765,564	1,907,607	3,088,362	2,097,476	5,853,926	4,005,083
Total Revenues	\$ 67,688,135	\$ 63,716,865	\$ 248,974,582	\$ 230,892,414	\$ 316,662,717	\$ 294,609,279
Expenses:						
General governmental	18,143,635	16,352,775	-	-	18,143,635	16,352,775
Public safety	28,365,797	23,624,420	-	-	28,365,797	23,624,420
Transportation	3,190,454	5,720,395	-	-	3,190,454	5,720,395
Environmental protection	4,294,652	3,854,739	-	-	4,294,652	3,854,739
Cultural and recreation	3,528,160	5,044,169	-	-	3,528,160	5,044,169
Economic and physical development	4,926,306	7,652,308	-	-	4,926,306	7,652,308
Interest and fees	1,937,270	1,713,597	-	-	1,937,270	1,713,597
Electric	-	-	157,151,142	148,006,438	157,151,142	148,006,438
Water	-	-	11,835,547	11,583,907	11,835,547	11,583,907
Sewer	-	-	12,800,441	12,227,239	12,800,441	12,227,239
Gas	-	-	37,068,528	36,630,431	37,068,528	36,630,431
Public transportation	-	-	1,388,561	1,365,484	1,388,561	1,365,484
Aquatics and fitness center	-	-	1,521,227	582,710	1,521,227	582,710
Bradford Creek Golf Course	-	-	871,280	840,749	871,280	840,749
Stormwater utility	-	-	1,847,958	1,703,675	1,847,958	1,703,675
Total Expenses	\$ 64,386,274	\$ 63,962,403	\$ 224,484,684	\$ 212,940,633	\$ 288,870,958	\$ 276,903,036
Increase in net assets before transfers	3,301,861	(245,538)	24,489,898	17,951,781	27,791,759	17,706,243
Transfers	4,469,282	4,349,156	(4,469,282)	(4,349,156)	-	-
Increase in net assets	\$ 7,771,143	\$ 4,103,618	\$ 20,020,616	\$ 13,602,625	\$ 27,791,759	\$ 17,706,243
Net assets, July 1	125,407,991	83,794,085	261,797,168	248,194,543	387,205,159	331,988,628
Prior period adjustment	235,633	37,510,288	-	-	235,633	37,510,288
Net assets, July 1, restated	\$ 125,643,624	\$ 121,304,373	\$ 261,797,168	\$ 248,194,543	\$ 387,440,792	\$ 369,498,916
Net assets, June 30	\$ 133,414,767	\$ 125,407,991	\$ 281,817,784	\$ 261,797,168	\$ 415,232,551	\$ 387,205,159



*Governmental Activities.* Governmental activities increased the City's net assets by \$7,771,143. Of total net assets, governmental activities accounted for \$133,414,767 or 27.9% of growth. The growth in overall city revenues, particularly property and sales tax, were key elements of the increase.

*Business-type Activities.* The Greenville Utilities Commission has net assets of \$266,136,910 as of June 30, 2007. This represents 94.4% of the total business-type activities net assets amount. Of this amount, \$54,447,709 (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 \$20,020,616 accounting for 72% of the total growth in the government's net assets. Almost 60% of this increase is due to activities by the Greenville Utilities Commission. Key elements of this increase are as follows:

- Electric rate increases.
- Fee increases implemented within the Sewer Fund.
- Expanded area of service beyond the City limits.

## 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 \$17,456,749, while total fund balance reached \$27,458,640. 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 31.2% of total General Fund expenditures, while total fund balance represents 49.2% of that same amount. At June 30, 2007, the governmental funds of City of Greenville reported a combined fund balance of \$48,101,214, a 13.3% increase over last year. Approximately 89% of this increase is due to the activity within the Capital Project Funds. As mentioned above, the General Fund experienced a \$1,219,698 decline in fund balance. This decline was due to the \$2.6 million that was transferred into the Vehicle Replacement Fund to assist in starting operations. On the other hand, the Capital Project Funds experienced an overall increase of \$5,075,347 in fund balance due largely to the debt issuance that occurred in October for the revitalization of West Greenville and Center City projects.

*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 \$5,850,249. When compared to the adjustments proposed last year, this is an increase of almost 52%. This amount includes the appropriation for funds needed to start the Vehicle Replacement Fund in the amount of \$2.6 million. Additionally, this amount includes \$1.6 million transferred to the Capital Reserve Fund that is part of an annual transfer that is approved by City Council based on audited operation results.

Revenues were greater than the budgeted amounts primarily due to increases in Utilities Franchise Taxes, Rescue Fees, and Investment Earnings. Increases in utility rates, which were effective in January 2007 generated increases in utility fees. Investment earnings show an increase of 13.5%. This increase is a result of higher interest rates, as compared to prior year, and the inclusion of increased coupon payments received as a result of changes in the City's investment strategy. Increased investment earnings is also due to the increase in cash on hand as of June 30, 2007. The General Fund had approximately 3.6% more in cash as of fiscal year-end 2007, as compared to prior year. Lastly, Rescue Fees came in 36.2% over budget. This increase is directly related to increased collection efforts.

Although, some sub-categories (i.e. Salaries and Benefits) exceeded appropriations, all department activity remained within approved budgeted amounts.

*Proprietary Funds.* The City of Greenville's proprietary funds provide the same type of information found in the 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, 2007, totals \$442,392,221 (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 "new" City Hall Assets for approximately \$10.5 million
- The capitalization of construction in progress in business-type activities for distribution systems for approximately \$12.5 million.

### City of Greenville's Capital Assets Figure 4

	Governmental Activities		Business-Type		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 34,646,994	\$ 34,951,686	\$ 6,329,138	\$ 6,129,938	\$ 40,976,132	\$ 41,081,624
Construction in Progress	4,780,557	12,162,203	15,049,294	17,915,549	19,829,851	30,077,752
Buildings	46,725,291	35,177,261	119,247,583	104,870,951	165,972,874	140,048,212
Improvements other than Buildings	4,848,727	4,631,555	708,615	619,427	5,557,342	5,250,982
Infrastructure	53,848,289	53,848,289	-	-	53,848,289	53,848,289
Machinery and equipment	26,423,774	25,713,474	3,684,107	3,974,927	30,107,881	29,688,401
Land rights	-	-	368,768	368,768	368,768	368,768
Furniture and office equipment	-	-	7,094,063	6,975,133	7,094,063	6,975,133
Vehicles and equipment	364,581	-	16,550,616	15,807,711	16,915,197	15,807,711
Distribution Systems	-	-	327,166,498	305,150,452	327,166,498	305,150,452
Transmission Systems	-	-	20,509,648	20,091,254	20,509,648	20,091,254
Subtotal	\$ 171,638,213	\$ 166,484,468	\$ 516,708,330	\$ 481,904,110	\$ 688,346,543	\$ 648,388,578
Accumulated Depreciation	(46,736,879)	(43,497,962)	(199,217,443)	(184,100,989)	(245,954,322)	(227,598,951)
Capital assets, net	\$ 124,901,334	\$ 122,986,506	\$ 317,490,887	\$ 297,803,121	\$ 442,392,221	\$ 420,789,627

Additional information on the City's capital assets can be found in the notes (section 3) of this report.

*Long-term Debt.* As of June 30, 2007, the City of Greenville had total debt outstanding of \$154,105,937 (including compensated absences and LEO separation allowance). Of this, \$22,655,000 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	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 12,990,000	\$ 6,085,000	\$ 9,665,000	\$ 5,710,000	\$ 22,655,000	\$ 11,795,000
State Revolving Loan, Lease, Purchase & COPS	24,701,984	27,410,163	21,279,511	20,876,827	45,981,495	48,286,990
Revenue Bonds	5,365,000	5,640,000	74,136,332	68,271,143	79,501,332	73,911,143
Total	<u>\$ 43,056,984</u>	<u>\$ 39,135,163</u>	<u>\$ 105,080,843</u>	<u>\$ 94,857,970</u>	<u>\$ 148,137,827</u>	<u>\$ 133,993,133</u>

Total debt (excluding compensated absences and LEO separation allowance) has increased by \$14,144,694 (10.5%) during the current fiscal year. A large part of this increase was due to the general obligation issuance that took place in October of current year. The City borrowed \$12.7 million for street improvements, which include the extension of Tenth Street improving the existing roadway by widening portions, adding sidewalks, and improving sight distances in the western part of the City. Additionally, the funds will be used to revitalize the areas of West Greenville and Center City and the replacement of storm drainage pipes and ditches. Additionally, \$9,850,000 in revenue bonds was issued to fund the capital improvement program for the Greenville Utilities Commission Combined Enterprise System.

The City still maintains 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 is a primary factor in keeping interest costs low on the City's outstanding debt.

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 \$316,943,016.

Additional information regarding the City of Greenville's long-term debt can be found in the notes to the financial statements in the notes (section 3) 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>2007</u>
35,740	46,305	72,233

- Growth in assessed values. The assessed valuation of property for fiscal year 2006-2007 was \$4,506,771,500 up approximately 10.7% 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. Investment earnings increased 46% as compared to prior year. Federal interest rates remained steady at 5.25%.

## Budget Highlights for the Fiscal Year Ending June 30, 2008

With one year behind us, the implementation of a two-year budget has encouraged the City to use more long-term financial planning. The adopted budget and financial plan for two consecutive years, represents a major change for the way the City of Greenville plans and conducts financial business. This two year process paid great dividends through the accomplishments of:

- Obtaining the Distinguished Biennial Budget Award issued by the Government Finance Officers Association
- Providing the opportunity to analyze the operating plan numbers

Additionally, this process has shortened the budget process for the second year operating plan, fiscal year 2007-2008.

*Governmental Activities:* Adopted budgeted expenditures in the General and Powell Bill Funds are expected to increase to \$68,600,887. This amount represents a 6.2% increase over the original budget adopted for the prior fiscal year, and only a 1% variance from what was approved as the operating plan for fiscal year 2007-2008. The stable projection in both property and sales tax are a reflection of the growth in the local economy that is anticipated.

Within the fiscal year 2007-2008 budget, the City will include a fee increase of approximately 15.7% for refuse services in efforts to subsidize all related costs, direct and indirect.

*Business-type Activities:* Budgeted expenditures for all of the utility funds for the year ended June 30, 2008 \$234,067,640. The Greenville Utilities Commission is expecting no rate/fee increases within the electric, sewer, nor gas. However, consistent with results from a water/sewer rate study, the budget includes an overall water revenue increase of 10.9% to be effective July 1, 2007.

## 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 directed to the Director of Financial Services, City of Greenville, 200 W. 5<sup>th</sup> Street, Greenville, NC 27835.

## BASIC FINANCIAL STATEMENTS

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## CITY OF GREENVILLE, NORTH CAROLINA

STATEMENT OF NET ASSETS  
JUNE 30, 2007

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 51,604,549	\$ 56,803,325	\$ 108,407,874
Taxes and licenses receivable, net	1,588,607	-	1,588,607
Accounts receivable, net	2,213,272	24,052,727	26,265,999
Interest receivable	15,172	-	15,172
Loans receivable	423,373	-	423,373
Due from other governments	3,073,646	1,103,622	4,177,268
Inventories	109,155	4,166,259	4,275,414
Prepaid items and deposits	109,905	170,186	280,091
Internal balances	805,655	(805,655)	-
Cash and cash equivalents, restricted	-	7,106,423	7,106,423
Total current assets	<u>59,943,334</u>	<u>92,596,887</u>	<u>152,540,221</u>
Land, improvements and construction in progress	39,427,551	21,378,432	60,805,983
Other capital assets, net of depreciation	<u>85,473,783</u>	<u>296,112,455</u>	<u>381,586,238</u>
Total non-current assets	<u>124,901,334</u>	<u>317,490,887</u>	<u>442,392,221</u>
Total assets	<u>184,844,668</u>	<u>410,087,774</u>	<u>594,932,442</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	1,996,090	17,227,567	19,223,657
Customer deposits	-	2,724,873	2,724,873
Accrued interest payable	-	1,154,549	1,154,549
Due to other governments	-	7,533	7,533
Other liabilities	1,707,368	-	1,707,368
Unearned revenue	414,181	361,793	775,974
Current portion of compensated absences	2,083,163	1,312,387	3,395,550
Current portion of long-term debt	<u>3,747,673</u>	<u>7,595,107</u>	<u>11,342,780</u>
Total current liabilities	<u>9,948,475</u>	<u>30,383,809</u>	<u>40,332,284</u>
<b>Long-Term Liabilities:</b>			
Noncurrent portion of long-term debt	<u>41,481,426</u>	<u>97,886,181</u>	<u>139,367,607</u>
Total liabilities	<u>51,429,901</u>	<u>128,269,990</u>	<u>179,699,891</u>
<b>Net Assets:</b>			
Investments in capital assets, net of related debt	81,844,350	219,967,618	301,811,968
Restricted for streets	1,571,891	-	1,571,891
Unrestricted	<u>49,998,526</u>	<u>61,850,166</u>	<u>111,848,692</u>
Total net assets	<u>\$ 133,414,767</u>	<u>\$ 281,817,784</u>	<u>\$ 415,232,551</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, 2007

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 18,143,635	\$ 4,392,258	\$ 559,789	\$ 371,028
Public safety	28,365,797	4,188,717	403,432	-
Transportation	3,190,453	275,160	-	2,651,437
Environmental protection	4,294,652	4,003,982	-	-
Cultural and recreational	3,528,160	668,544	858,125	-
Economic and physical development	4,926,306	31,354	2,756,775	-
Interest and fees	1,937,270	-	-	-
Total governmental activities	<u>64,386,274</u>	<u>13,560,015</u>	<u>4,578,121</u>	<u>3,022,465</u>
<b>Business-Type Activities:</b>				
Electric	157,151,142	164,379,894	-	-
Water	11,835,547	11,977,009	-	1,622,495
Sewer	12,800,441	13,612,952	-	2,825,131
Gas	37,068,528	38,266,944	-	-
Public transportation	1,388,561	165,979	929,701	-
Aquatics and fitness center	1,521,227	538,794	-	7,902,078
Bradford Creek Golf Course	871,280	842,587	-	-
Stormwater utility	1,847,958	2,822,656	-	-
Total business-type activities	<u>224,484,684</u>	<u>232,606,815</u>	<u>929,701</u>	<u>12,349,704</u>
Total primary government	<u>\$ 288,870,958</u>	<u>\$ 246,166,830</u>	<u>\$ 5,507,822</u>	<u>\$ 15,372,169</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, July 1, 2006 as previously stated  
Prior period adjustment  
Net assets, July 1- restated

Net assets - ending

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



**Exhibit B**

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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (12,820,560)	\$ -	\$ (12,820,560)
(23,773,648)	-	(23,773,648)
(263,856)	-	(263,856)
(290,670)	-	(290,670)
(2,001,491)	-	(2,001,491)
(2,138,177)	-	(2,138,177)
(1,937,270)	-	(1,937,270)
<u>(43,225,673)</u>	<u>-</u>	<u>(43,225,673)</u>
-	7,228,752	7,228,752
-	1,763,957	1,763,957
-	3,637,642	3,637,642
-	1,198,416	1,198,416
-	(292,881)	(292,881)
-	6,919,645	6,919,645
-	(28,693)	(28,693)
-	974,698	974,698
<u>-</u>	<u>21,401,536</u>	<u>21,401,536</u>
<u>(43,225,673)</u>	<u>21,401,536</u>	<u>(21,824,137)</u>
24,053,784	-	24,053,784
13,559,138	-	13,559,138
6,149,048	-	6,149,048
2,765,564	3,088,362	5,853,926
4,469,282	(4,469,282)	-
<u>50,996,816</u>	<u>(1,380,920)</u>	<u>49,615,896</u>
<u>7,771,143</u>	<u>20,020,616</u>	<u>27,791,759</u>
125,407,991	261,797,168	387,205,159
235,633	-	235,633
<u>125,643,624</u>	<u>261,797,168</u>	<u>387,440,792</u>
<u>\$ 133,414,767</u>	<u>\$ 281,817,784</u>	<u>\$ 415,232,551</u>

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

## CITY OF GREENVILLE, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 26,097,452	\$ 21,388,823	\$ 47,486,275
Taxes receivable, net	1,588,607	-	1,588,607
Accounts receivable, net	2,199,087	14,185	2,213,272
Interest receivable	-	15,172	15,172
Loans receivable	-	423,373	423,373
Due from other funds	2,170,626	1,580	2,172,206
Due from other governments	2,553,903	205,683	2,759,586
Inventories	109,155	-	109,155
Prepaid items and deposits	47,705	62,200	109,905
Total assets	<u>\$ 34,766,535</u>	<u>\$ 22,111,016</u>	<u>\$ 56,877,551</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 1,855,335	\$ 140,755	\$ 1,996,090
Due to other funds	111,810	897,926	1,009,736
Other liabilities	1,707,368	-	1,707,368
Deferred revenue	3,633,382	429,761	4,063,143
Total liabilities	<u>7,307,895</u>	<u>1,468,442</u>	<u>8,776,337</u>
<b>Fund Balances:</b>			
Reserved by State Statute	5,419,407	60,611	5,480,018
Reserved for encumbrances	2,853,733	-	2,853,733
Reserved for prepaid items and inventories	156,860	62,200	219,060
Reserved for Streets - Powell Bill	1,571,891	-	1,571,891
Unreserved, designated for subsequent year's expenditures	1,512,744	-	1,512,744
Unreserved, designated for catastrophic losses	3,682,998	-	3,682,998
Unreserved, designated for NC League of Municipalities	75,000	-	75,000
Unreserved, undesignated fund balance	12,186,007	-	12,186,007
<b>Unreserved Fund Balance Reported In:</b>			
Special revenue	-	9,430,164	9,430,164
Debt service	-	1,755,874	1,755,874
Capital projects	-	9,333,725	9,333,725
Total fund balance	<u>27,458,640</u>	<u>20,642,574</u>	48,101,214
Total liabilities and fund balances	<u>\$ 34,766,535</u>	<u>\$ 22,111,016</u>	
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>			
Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds.			124,550,432
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.			3,648,962
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.			4,426,422
Long-term liabilities, compensated absences, and unfunded pension obligation are not due and payable in the current period and therefore, are not reported in the funds.			<u>(47,312,263)</u>
Net assets of governmental activities			<u>\$ 133,414,767</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, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 23,896,190	\$ -	\$ 23,896,190
Other taxes	14,340,132	661,433	15,001,565
Unrestricted intergovernmental	4,706,621	-	4,706,621
Restricted intergovernmental	3,240,893	3,090,304	6,331,197
Licenses, permits and fees	7,927,440	-	7,927,440
Sales and services	4,216,176	143,411	4,359,587
Investment earnings	1,883,014	860,000	2,743,014
Other revenues	671,200	1,269,389	1,940,589
	<u>60,881,666</u>	<u>6,024,537</u>	<u>66,906,203</u>
Total revenues			
<b>Expenditures:</b>			
<b>Current:</b>			
General government	8,450,871	-	8,450,871
Public safety	27,363,067	-	27,363,067
Public works	8,385,735	-	8,385,735
Environmental protection	3,949,659	-	3,949,659
Cultural and recreational	1,599,159	2,053,577	3,652,736
Economic and physical development	4,677,579	1,541,243	6,218,822
Capital outlay	1,427,598	6,043,654	7,471,252
Debt Service:			
Principal retirement	-	3,693,179	3,693,179
Interest and fees	-	1,967,302	1,967,302
	<u>55,853,668</u>	<u>15,298,955</u>	<u>71,152,623</u>
Total expenditures			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,027,998</u>	<u>(9,274,418)</u>	<u>(4,246,420)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	5,352,600	9,166,560	14,519,160
Transfers to other funds	(11,600,296)	(887,806)	(12,488,102)
Premium received on long term debt issued	-	30,032	30,032
Long term debt issued	-	7,615,000	7,615,000
	<u>(6,247,696)</u>	<u>15,923,786</u>	<u>9,676,090</u>
Total other financing sources (uses)			
Net change in fund balances	(1,219,698)	6,649,368	5,429,670
Fund balances as previously stated	28,678,338	13,757,573	42,435,911
Prior period adjustment	-	235,633	235,633
Fund balances, restated	<u>28,678,338</u>	<u>13,993,206</u>	<u>42,671,544</u>
Fund balances, end of year	<u>\$ 27,458,640</u>	<u>\$ 20,642,574</u>	<u>\$ 48,101,214</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, 2007

Net change in fund balances - total governmental funds	\$ 5,429,670
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.	17,715,533
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(5,018,842)
There are differences in the revenues in the statement of activities and revenues in the funds for:	
Property tax	157,594
Sales and services and other revenues	538,075
Expenses related to 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.	(405,355)
Proceeds from issuance of long-term debt are reported as revenues in the governmental fund statement. However, in the statement of activities, it is not a revenue, rather it is an increase in liabilities.	(7,615,000)
Principal repayments on long-term debt are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,693,179
Gain (loss) on disposal of capital assets is reported in the statement of activities but not the fund statements.	(11,132,766)
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>4,409,055</u>
Change in net assets of governmental activities	<u>\$ 7,771,143</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, 2007

	<b>General Fund</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 23,782,210	\$ 23,797,210	\$ 23,896,190	\$ 98,980
Other taxes	14,594,168	14,604,168	14,340,132	(264,036)
Unrestricted intergovernmental	4,260,357	4,260,357	4,706,621	446,264
Restricted intergovernmental	2,815,230	3,392,078	3,240,893	(151,185)
Licenses, permits and fees	7,890,276	7,890,276	7,927,440	37,164
Sales and services	3,581,678	3,714,678	4,216,176	501,498
Investment earnings	1,092,871	1,092,871	1,883,014	790,143
Other revenues	260,704	361,787	671,200	309,413
Total revenues	<u>58,277,494</u>	<u>59,113,425</u>	<u>60,881,666</u>	<u>1,768,241</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	8,953,603	9,640,880	8,450,871	1,190,009
Public safety	27,488,802	28,028,918	27,363,067	665,851
Public works	9,612,038	10,008,726	8,385,735	1,622,991
Environmental protection	4,067,958	4,080,166	3,949,659	130,507
Economic development	1,561,193	1,644,616	1,599,159	45,457
Cultural and recreational	4,784,326	4,980,320	4,677,579	302,741
Capital outlay	1,370,943	2,646,875	1,427,598	1,219,277
Total expenditures	<u>57,838,863</u>	<u>61,030,501</u>	<u>55,853,668</u>	<u>5,176,833</u>
<b>Revenues over (under) expenditures</b>	<u>438,631</u>	<u>(1,917,076)</u>	<u>5,027,998</u>	<u>6,945,074</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	4,901,992	5,264,798	5,352,600	87,802
Transfers to other funds	(6,471,075)	(11,610,067)	(11,600,296)	9,771
Contingency	(253,976)	(242,277)	-	242,277
Appropriated fund balance	1,384,428	8,504,622	-	(8,504,622)
Total other financing sources (uses)	<u>(438,631)</u>	<u>1,917,076</u>	<u>(6,247,696)</u>	<u>(8,164,772)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,219,698)</u>	<u>\$ (1,219,698)</u>
Fund balance, beginning of year			<u>28,678,338</u>	
Fund balance, end of year			<u>\$ 27,458,640</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, 2007

	<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	\$ 29,510,161	\$ 3,186,571	\$ 6,552,298	\$ 2,489,967
Investments	5,180,981	559,541	1,150,596	437,163
Accounts receivable, net	18,585,903	1,403,440	1,418,532	2,612,037
Due from other governments	837,403	124,153	32,453	76,869
Due from other funds	110,231	-	-	-
Intrafund loans	(145,563)	3,299	87,277	54,987
Inventories	3,153,966	403,561	74,424	520,111
Prepaid items and deposits	26,351	1,452	1,452	140,681
Cash and cash equivalents, restricted	5,756,590	240,135	488,287	621,411
Total current assets	<u>63,016,023</u>	<u>5,922,152</u>	<u>9,805,319</u>	<u>6,953,226</u>
<b>Noncurrent Assets:</b>				
Other capital assets, net	70,979,915	5,877,513	1,990,825	789,460
Land improvements and construction in progress	<u>7,822,275</u>	<u>78,782,234</u>	<u>108,494,441</u>	<u>28,383,401</u>
Total noncurrent assets	<u>78,802,190</u>	<u>84,659,747</u>	<u>110,485,266</u>	<u>29,172,861</u>
Total assets	<u>141,818,213</u>	<u>90,581,899</u>	<u>120,290,585</u>	<u>36,126,087</u>
<b>Liabilities and Net Assets:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	13,631,223	369,908	323,793	2,701,644
Customer deposits	2,290,257	239,235	150	195,231
Accrued interest payable	244,710	413,788	341,756	154,295
Due to other governments	6,011	799	266	457
Due to other funds	1,065,962	-	-	-
Deferred revenue	-	-	74,441	-
Current portion of compensated absences	578,759	300,793	184,993	195,117
Current maturities of long-term debt	<u>1,434,787</u>	<u>1,806,208</u>	<u>3,302,144</u>	<u>744,913</u>
Total current liabilities	<u>19,251,709</u>	<u>3,130,731</u>	<u>4,227,543</u>	<u>3,991,657</u>
<b>Noncurrent Liabilities:</b>				
Compensated absences payable	137,674	120,913	49,451	13,668
Deferred revenue	-	-	507,294	-
Noncurrent portion of long-term debt	<u>20,648,897</u>	<u>27,740,584</u>	<u>31,786,926</u>	<u>11,072,827</u>
Total noncurrent liabilities	<u>20,786,571</u>	<u>27,861,497</u>	<u>32,343,671</u>	<u>11,086,495</u>
Total liabilities	<u>40,038,280</u>	<u>30,992,228</u>	<u>36,571,214</u>	<u>15,078,152</u>
<b>Net Assets:</b>				
Investment in capital assets, net of related debt	62,475,096	55,353,090	75,884,483	17,976,532
Unrestricted net assets	<u>39,304,837</u>	<u>4,236,581</u>	<u>7,834,888</u>	<u>3,071,403</u>
Total net assets	<u>\$ 101,779,933</u>	<u>\$ 59,589,671</u>	<u>\$ 83,719,371</u>	<u>\$ 21,047,935</u>

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

**Exhibit G**

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 7,736,047	\$ 49,475,044	\$ 4,118,274
-	7,328,281	-
32,815	24,052,727	-
32,744	1,103,622	-
509,375	619,606	-
-	-	-
14,197	4,166,259	-
250	170,186	-
-	7,106,423	-
<u>8,325,428</u>	<u>94,022,148</u>	<u>4,118,274</u>
9,472,464	89,110,177	350,903
<u>4,898,359</u>	<u>228,380,710</u>	-
<u>14,370,823</u>	<u>317,490,887</u>	<u>350,903</u>
<u>22,696,251</u>	<u>411,513,035</u>	<u>4,469,177</u>
200,999	17,227,567	-
-	2,724,873	-
-	1,154,549	-
-	7,533	-
359,299	1,425,261	42,755
287,352	361,793	-
52,725	1,312,387	-
<u>307,055</u>	<u>7,595,107</u>	-
<u>1,207,430</u>	<u>31,809,070</u>	<u>42,755</u>
22,596	344,302	-
-	507,294	-
<u>5,785,351</u>	<u>97,034,585</u>	-
<u>5,807,947</u>	<u>97,886,181</u>	-
<u>7,015,377</u>	<u>129,695,251</u>	<u>42,755</u>
8,278,417	219,967,618	-
<u>7,402,457</u>	<u>61,850,166</u>	<u>4,426,422</u>
<u>\$ 15,680,874</u>	<u>\$ 281,817,784</u>	<u>\$ 4,426,422</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Gas Fund</b>
<b>Operating Revenues:</b>				
Charges for services	\$ 161,810,823	\$ 11,724,351	\$ 12,624,591	\$ 38,137,566
Other operating revenues	391,053	199,610	534,374	67,746
Total operating revenues	<u>162,201,876</u>	<u>11,923,961</u>	<u>13,158,965</u>	<u>38,205,312</u>
<b>Operating Expenses:</b>				
Administrative and general	9,956,985	2,734,691	2,301,634	2,550,626
Operations and maintenance	8,876,678	4,970,551	5,339,383	2,875,384
Purchased power and gas	131,053,293	-	-	29,771,080
Depreciation and amortization	6,594,349	2,863,915	3,730,047	1,366,621
Claims	-	-	-	-
Total operating expenses	<u>156,481,305</u>	<u>10,569,157</u>	<u>11,371,064</u>	<u>36,563,711</u>
<b>Operating income (loss)</b>	<u>5,720,571</u>	<u>1,354,804</u>	<u>1,787,901</u>	<u>1,641,601</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment earnings	2,065,600	230,055	485,329	131,137
Restricted intergovernmental revenues	-	-	-	-
Other revenue	2,178,018	53,048	453,987	61,632
Interest expense	(669,837)	(1,266,390)	(1,429,377)	(504,817)
Total nonoperating revenue (expenses)	<u>3,573,781</u>	<u>(983,287)</u>	<u>(490,061)</u>	<u>(312,048)</u>
<b>Income (loss) before transfers and contributions</b>	9,294,352	371,517	1,297,840	1,329,553
<b>Transfers In (Out) and Capital Contributions:</b>				
Capital Contributions	-	1,622,495	2,825,131	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(3,986,161)	-	-	(1,003,633)
Total transfers in (out) and capital contributions:	<u>(3,986,161)</u>	<u>1,622,495</u>	<u>2,825,131</u>	<u>(1,003,633)</u>
<b>Change in net assets</b>	5,308,191	1,994,012	4,122,971	325,920
<b>Net Assets:</b>				
Beginning of year - July 1st	<u>96,471,742</u>	<u>57,595,659</u>	<u>79,596,400</u>	<u>20,722,015</u>
End of year - June 30th	<u>\$ 101,779,933</u>	<u>\$ 59,589,671</u>	<u>\$ 83,719,371</u>	<u>\$ 21,047,935</u>

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



**Exhibit H**

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Combined Internal Service Funds</u>
\$ 4,346,468	\$ 228,643,799	\$ 1,997,825
941	1,193,724	63,713
4,347,409	229,837,523	2,061,538
18,673	17,562,609	-
4,536,268	26,598,264	7,874
-	160,824,373	-
1,046,739	15,601,671	13,678
-	-	312,480
5,601,680	220,586,917	334,032
(1,254,271)	9,250,606	1,727,506
176,241	3,088,362	22,550
929,701	929,701	-
22,607	2,769,292	-
(27,346)	(3,897,767)	-
1,101,203	2,889,588	22,550
(153,068)	12,140,194	1,750,056
7,902,078	12,349,704	-
520,512	520,512	2,658,999
-	(4,989,794)	-
8,422,590	7,880,422	2,658,999
8,269,522	20,020,616	4,409,055
7,411,352	261,797,168	17,367
\$ 15,680,874	\$ 281,817,784	\$ 4,426,422

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

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Gas Fund</b>
<b>Operating Activities:</b>				
Cash received from customers	\$ 160,824,586	\$ 11,715,550	\$ 12,782,519	\$ 37,776,979
Other operating receipts	1,432,014	80,934	144,859	34,972
Cash paid to vendors	(141,059,561)	(5,461,062)	(4,688,070)	(31,888,369)
Cash paid to employees	(8,455,220)	(4,359,348)	(3,084,594)	(2,800,441)
Other operating payments	54,966	-	-	-
Net cash provided by (used in) operating activities	<u>12,796,785</u>	<u>1,976,074</u>	<u>5,154,714</u>	<u>3,123,141</u>
<b>Noncapital Financing Activities:</b>				
Transfer from (to) other funds	(3,986,161)	-	-	(1,003,633)
Change in due from other funds	-	-	-	-
Noncapital contributions	-	-	430,438	-
Net cash provided by (used in) noncapital financing activities	<u>(3,986,161)</u>	<u>-</u>	<u>430,438</u>	<u>(1,003,633)</u>
<b>Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(12,699,238)	(2,937,145)	(1,861,930)	(3,275,089)
Capital grants	-	-	-	-
Proceeds from issuance of long-term debt	7,940,306	2,025,110	-	1,909,694
Premium received from issuance of long-term debt	-	-	-	-
Principal repayments of long-term debt	(1,041,809)	(1,534,890)	(3,239,006)	(629,126)
Interest and other debt related expenses	(669,837)	(1,266,390)	(1,429,377)	(504,817)
Net cash provided by (used in) capital and related financing activities	<u>(6,470,578)</u>	<u>(3,713,315)</u>	<u>(6,530,313)</u>	<u>(2,499,338)</u>
<b>Investing Activities:</b>				
Proceeds from sale and maturity of investments	11,632,586	1,175,647	2,566,205	1,151,592
Unrealized investment gain (loss)	(222,235)	(22,164)	(48,736)	(21,453)
Interest received on investments	2,065,600	230,055	485,329	131,137
Net cash provided by (used in) investing activities	<u>13,475,951</u>	<u>1,383,538</u>	<u>3,002,798</u>	<u>1,261,276</u>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	15,815,997	(353,703)	2,057,637	881,446
<b>Cash and Cash Equivalents/Investments</b>				
Beginning of year - July 1st	<u>19,450,754</u>	<u>3,780,409</u>	<u>4,982,948</u>	<u>2,229,932</u>
End of year - June 30th	<u>\$ 35,266,751</u>	<u>\$ 3,426,706</u>	<u>\$ 7,040,585</u>	<u>\$ 3,111,378</u>

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

**Exhibit I**  
**Page 1 of 2**

<b>Other Nonmajor Enterprise</b>	<b>Total Enterprise Funds</b>	<b>Combined Internal Service Funds</b>
\$ 4,393,972	\$ 227,493,606	\$ 2,061,538
-	1,692,779	-
(2,109,452)	(185,206,514)	(320,354)
(2,374,231)	(21,073,834)	-
-	54,966	-
<u>(89,711)</u>	<u>22,961,003</u>	<u>1,741,184</u>
520,512	(4,469,282)	2,658,999
7,695	7,695	14,990
-	430,438	-
<u>528,207</u>	<u>(4,031,149)</u>	<u>2,673,989</u>
(2,151,214)	(22,924,616)	(364,581)
929,276	929,276	-
5,100,000	16,975,110	-
22,607	22,607	-
(215,566)	(6,660,397)	-
(27,346)	(3,897,767)	-
<u>3,657,757</u>	<u>(15,555,787)</u>	<u>(364,581)</u>
-	16,526,030	-
-	(314,588)	-
<u>176,241</u>	<u>3,088,362</u>	<u>22,550</u>
<u>176,241</u>	<u>19,299,804</u>	<u>22,550</u>
4,272,494	22,673,871	4,073,142
3,463,553	33,907,596	45,132
<u>\$ 7,736,047</u>	<u>\$ 56,581,467</u>	<u>\$ 4,118,274</u>

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

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

	<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</b>				
<b>Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 5,720,571	\$ 1,354,804	\$ 1,787,901	\$ 1,641,601
<b>Adjustments to Reconcile Operating Income (Loss) to</b>				
<b>Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation	6,594,349	2,863,915	3,730,047	1,366,621
Miscellaneous income (expense) adjustments	2,178,018	53,048	23,549	61,632
<b>Change in Assets and Liabilities:</b>				
Accounts receivable	(2,074,033)	(235,006)	(170,977)	(440,164)
Due from other governments	(196,279)	24,060	58,236	(35,529)
Due from other funds	(25,237)	-	-	-
Inventories	(649,530)	49,893	12,878	(24,816)
Prepaid expense and deposits	(9,867)	2,212	1,908	(8,396)
Accounts payable and accrued expenses	960,022	(2,207,673)	(140,403)	533,671
Customer deposits	172,254	30,420	-	20,700
Due to other funds	54,966	-	-	-
Compensated absences	71,551	40,401	(6,031)	7,821
Deferred revenues	-	-	(142,394)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 12,796,785</u>	<u>\$ 1,976,074</u>	<u>\$ 5,154,714</u>	<u>\$ 3,123,141</u>
<b>Other Disclosures:</b>				
Interest incurred	\$ 699,012	\$ 1,270,742	\$ 1,378,731	\$ 490,324
Interest paid	668,670	1,265,747	1,364,304	488,275
Interest capitalized	57,941	24,507	-	2,026
<b>Noncash Capital and Related Financing Activities:</b>				
Contributions of capital assets	<u>\$ -</u>	<u>\$ 2,027,657</u>	<u>\$ 5,014,954</u>	<u>\$ -</u>

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

**Exhibit I**  
**Page 2 of 2**

<b>Other Nonmajor Enterprise</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
\$ (1,254,271)	\$ 9,250,606	\$ 1,727,506
1,046,739	15,601,671	13,678
-	2,316,247	-
986	(2,919,194)	-
-	(149,512)	-
-	(25,237)	-
-	(611,575)	-
-	(14,143)	-
94,015	(760,368)	-
-	223,374	-
-	54,966	-
(1,360)	112,382	-
<u>24,180</u>	<u>(118,214)</u>	<u>-</u>
<u>\$ (89,711)</u>	<u>\$ 22,961,003</u>	<u>\$ 1,741,184</u>
\$ 27,346	\$ 3,866,155	\$ -
27,346	3,814,342	-
-	84,474	-
<u>\$ 7,902,078</u>	<u>\$ 14,944,689</u>	<u>\$ -</u>

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

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CITY OF GREENVILLE, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

1. Summary of Significant Accounting Policies

The City of Greenville, North Carolina (the “City”), is located in the coastal plains area of the State and has a population of 72,233. 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. For the most part, the effect of interfund activity has been removed from these statements. 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, 2007

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

**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). The City has nineteen Capital Project Funds covering various construction projects: Cemetery Development, Affordable Housing Project, Convention Center Project, Computerized Traffic Signal Project, River Park North Project, Greene Street Bridge Relocation & Streetscape Improvements, 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, and Employee Parking Lot Expansion Project.

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



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**Internal Service Funds** – Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City of Greenville has two internal service funds: the Joint 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.

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 60 days after year-end, except for property taxes. Ad valorem property taxes 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.

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Effective with this change in the law, Pitt County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Greenville. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. 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, 2007, 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.

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- 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.

Budgetary amounts are presented as originally adopted, or as amended, in accordance with the procedures enumerated above, as of June 30, 2007. The annual budget ordinance creates appropriations, by department, at the subdepartmental levels of personnel, operating, and capital, with the exception of debt service. For purposes of this report, operating and capital are considered operating expenses. The debt service fund budget ordinance creates appropriations at the subdepartmental level of principal, interest, and service charges. Expenditures may not legally exceed appropriations at the subdepartmental 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).

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

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

### 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.

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Allowance for Doubtful Accounts

An allowance for doubtful accounts is maintained for ad valorem taxes receivable 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.

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 fixed 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

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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.

### 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.

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Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end. The City also records customer receivables for lot cleaning and demolition liens and prepaid licenses as deferred revenues. These items have not been accrued as revenues either because they are not considered to be “available” or because they have been collected in advance of the licensing period. Restricted grants that are received before qualifying expenditures are made are also recorded as deferred revenue.

### Net Assets/Fund Balances

Net assets 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.

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Unreserved:

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2007-2008 budget ordinance.

Designated for catastrophic losses - portion of total fund balance available for appropriation that has been designated for unexpected casualties.

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.

*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, 2007 as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General Fund:</b>			
City Attorney - Salaries and Benefits	\$ 330,823	\$ 332,505	\$ (1,682)
Police - Salaries and Benefits	13,997,912	14,181,302	(183,390)
Streets- Salaries and Benefits	577,172	691,521	(114,349)
Community Development - Salaries and Benefits	1,378,558	1,464,707	(86,149)
Library - Allotment	-	12,368	(12,368)
<b>Capital Project Fund:</b>			
River Park North Capital Project Fund	1,690,022	1,818,455	(128,433)
<b>Enterprise Funds:</b>			
Bradford Creek Golf Course	1,042,918	1,050,938	(8,020)
<b>Debt Service Fund:</b>			
Debt service expenditures	5,505,113	5,660,481	(155,368)



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Deficit Fund Balance or Net Assets of Individual Funds:

The following individual funds had a deficit fund balance at June 30, 2007:

<b>Capital Projects:</b>	<b><u>Management Plans to Address Deficit</u></b>
Greene Street Bridge & Streetscape Improvements	\$ 424,693 Grant funds open to be applied for
South Tar River Greenway	135,319 Grant funds open to be applied for
Thomas Langston Road Extension	64,442 Long-term debt to be issued
<b>Internal Service Fund:</b>	
Dental Reimbursement Fund	36,571 Combination of fee increase and transfer

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 the City's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase during periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no 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, 2007, the carrying amount of the City's deposits was \$26,963,855 and the bank balance was \$28,178,784. Of the bank balance, \$5,511,848 was covered by federal depository insurance and \$22,666,936 was covered by collateral held under the Pooling Method. At June 30, 2007, the City had \$6,893 cash on hand.

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Investments

At June 30, 2007, the investments and maturities of the City were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than</u>			
		<u>6 month</u>	<u>6-12 Months</u>	<u>1 -3 Years</u>	<u>3+ Years</u>
NC Capital Management Trust - Cash Portfolio	\$ 19,305,777	\$ 19,305,777	N/A	N/A	N/A
U.S. Government Agencies	13,064,084	301,249	1,297,843	7,389,172	4,075,820
Total	<u>\$ 32,369,861</u>	<u>\$ 19,607,026</u>	<u>\$ 1,297,843</u>	<u>\$ 7,389,172</u>	<u>\$ 4,075,820</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.

**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, 2007. 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 National Mortgage Association	\$ 4,840,000	15%
Federal Home Loan Mortgage Corporation	6,920,000	21%

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Receivables

Disaggregate information regarding receivables at June 30, 2007, was as follows:

	<u>Amount</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Receivable</u>
<b>Governmental Activities:</b>			
Taxes receivable	\$ 2,156,679	\$ (568,072)	\$ 1,588,607
Accounts Receivable:			
Refuse fees receivable	566,475	(306,667)	259,808
Rescue fees receivable	2,214,928	(1,107,464)	1,107,464
Lot cutting fees receivable	416,665	-	416,665
Parking violations receivable	99,418	-	99,418
Other receivables	329,917	-	329,917
Total governmental receivables	<u>\$ 3,627,403</u>	<u>\$ (1,414,131)</u>	<u>\$ 2,213,272</u>

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Capital Assets

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

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2006</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2007</b>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 34,951,686	\$ 262,531	\$ (567,223)	\$ 34,646,994
Construction in progress	12,162,203	3,136,097	(10,517,743)	4,780,557
Total capital assets not being depreciated	<u>47,113,889</u>	<u>3,398,628</u>	<u>(11,084,966)</u>	<u>39,427,551</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	35,177,261	11,741,245	(193,215)	46,725,291
Improvements other than buildings	4,631,555	225,542	(8,370)	4,848,727
Infrastructure	53,848,289	-	-	53,848,289
Machinery and equipment	25,713,474	2,350,117	(1,639,817)	26,423,774
Total capital assets being depreciated	<u>119,370,579</u>	<u>14,316,903</u>	<u>(1,841,402)</u>	<u>131,846,080</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings	10,966,962	1,153,106	(163,642)	11,956,426
Improvements other than buildings	2,322,937	371,989	(5,720)	2,689,207
Infrastructure	10,660,608	1,076,966	-	11,737,574
Machinery and equipment	19,547,455	2,416,781	(1,624,242)	20,339,994
Total accumulated depreciation	<u>43,497,962</u>	<u>5,018,842</u>	<u>(1,793,603)</u>	<u>46,723,201</u>
Total capital assets being depreciated, net	<u>75,872,617</u>			<u>85,122,879</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 122,986,506</u>			<u>\$ 124,550,431</u>
	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2006</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2007</b>
<b>Internal Service Fund:</b>				
<b>(reported in Governmental Activities)</b>				
Vehicles	\$ -	\$ 364,581	\$ -	\$ 364,581
Less: accumulated depreciation	-	13,678	-	13,678
Capital assets, net	<u>-</u>	<u>\$ 350,903</u>	<u>-</u>	<u>\$ 350,903</u>

CITY OF GREENVILLE, NORTH CAROLINA  
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Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 630,701
Public safety	1,143,144
Cultural and recreational	433,606
Environmental protection	315,350
Transportation - related to infrastructure	1,419,075
Infrastructure	<u>1,076,966</u>
Total	<u>\$ 5,018,842</u>
General government - internal service	<u>\$ 13,678</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>June 30, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Business-type Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 2,667,190	\$ 199,200	\$ -	\$ 2,866,390
Construction in progress	<u>-</u>	<u>2,031,969</u>	<u>-</u>	<u>2,031,969</u>
Total capital assets not being depreciated	<u>2,667,190</u>	<u>2,231,169</u>	<u>-</u>	<u>4,898,359</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	475,145	7,702,878	-	8,178,023
Improvements other than buildings	619,428	100,045	(10,858)	708,615
Machinery and equipment	<u>3,990,042</u>	<u>19,200</u>	<u>(325,135)</u>	<u>3,684,107</u>
Total capital assets being depreciated	<u>5,084,615</u>	<u>7,822,123</u>	<u>(335,994)</u>	<u>12,570,744</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings	104,267	529,363	-	633,630
Improvements other than buildings	530,856	7,050	(10,858)	527,048
Machinery and equipment	<u>1,752,412</u>	<u>489,461</u>	<u>(304,270)</u>	<u>1,937,603</u>
Total accumulated depreciation	<u>2,387,535</u>	<u>1,025,874</u>	<u>(315,128)</u>	<u>3,098,281</u>
Total capital assets being depreciated, net	<u>2,697,080</u>			<u>9,472,464</u>
<b>Business-type activity capital assets, net</b>	<u>\$ 5,364,270</u>			<u>\$ 14,370,823</u>

CITY OF GREENVILLE, NORTH CAROLINA  
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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 4.89% and 4.78%, 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, 2007, 2006 and 2005 were \$1,552,237, \$1,535,849, and \$1,424,355, 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.

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, 2007 were \$603,039, which consisted of \$434,475 from the City and \$172,564 from the law enforcement officers.

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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 benefits but not yet receiving benefits	19
Active plan members	<u>174</u>
Total	<u>193</u>

Summary of Significant Accounting Policies

Basis of Accounting

The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the general fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments

No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

A separate report is not issued for the plan.

Contributions

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

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The annual required contribution for the fiscal year ended June 30, 2007 was determined as part of the December 31, 2006 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, 2007. The City made benefit payments to nineteen retirees in the amount of \$262,250, which has been charged to salaries and wages expense in the General Fund. The net pension obligation of \$1,279,331 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	\$ 284,639
Interest on net pension obligation	89,909
Adjustment to annual required contribution	<u>(73,024)</u>
Annual pension cost	301,524
Employer contributions made for fiscal year ending 6/30/06	<u>(262,311)</u>
Increase (decrease) in net pension obligation	39,213
Net pension obligation beginning of fiscal year	<u>1,240,118</u>
Net pension obligation end of fiscal year	<u>\$ 1,279,331</u>

**Three-Year Trend Information**

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

<b>Fiscal Year</b>	<b>Annual Pension</b>	<b>APC</b>	<b>Net Pension</b>
<b>Ended</b>	<b>Cost (APC)</b>	<b>Contributed</b>	<b>Obligation</b>
6/30/2005	290,887	69.37%	1,138,875
6/30/2006	323,248	68.68%	1,240,118
6/30/2007	301,524	87.00%	1,279,331



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### 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 plans' 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.

#### Health Benefits

The City has elected to provide post-retirement health care benefits to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System (the "System"), and have at least five years of creditable service with the City. Retirees pay 5% and the City pays 95% of the full cost of coverage for these benefits for retirees with a minimum of twenty-years of creditable service with the City. Retirees with at least five years, but less than twenty years of creditable service in the Plan, pay for their coverage. Also, retirees can purchase coverage for their dependents at the City's group rates. Currently 119 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2007, the City made payments for postretirement health benefit premiums of \$458,802. The City obtains health care coverage through private insurers.

#### 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.

CITY OF GREENVILLE, NORTH CAROLINA  
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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. For the fiscal year ended June 30, 2007, the City made contributions to the State for death benefits of \$31,045. 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.

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	\$ 1,327,482	\$ -	\$ -
Prepaid business licenses	414,181	-	414,181
Community Development receivables	-	316,686	-
Capital project misc receivables	-	113,075	-
Rescue fees	1,107,464	-	-
Refuse fees	239,790	-	-
Lot cutting/cleaning fees	418,080	-	-
Miscellaneous	126,375	-	-
	<u>\$ 3,633,372</u>	<u>\$ 429,761</u>	<u>\$ 414,181</u>

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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</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Current</u> <u>Portion</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 6,085,000	\$ 7,615,000	\$ (710,000)	\$ 12,990,000	\$ 974,100
Certificates of Participation	23,640,000	-	(1,460,000)	22,180,000	1,465,000
Special obligation revenue bonds	5,640,000	-	(275,000)	5,365,000	285,000
Installment purchase contracts	3,770,163	-	(1,248,179)	2,521,984	974,100
LEO separation allowance	1,240,118	301,463	(262,250)	1,279,331	-
Compensated absences	2,609,805	2,193,006	(1,826,864)	2,975,947	2,083,163
Total governmental activities	<u>\$ 42,985,086</u>	<u>\$ 10,109,469</u>	<u>\$ (5,782,293)</u>	<u>\$ 47,312,262</u>	<u>\$ 5,781,363</u>
<b>Business-type Activities:</b>					
<i>Serviced by the City:</i>					
General obligation bonds	\$ -	\$ 5,100,000	\$ -	\$ 5,100,000	\$ 90,000
Installment purchase contracts	1,207,972	-	(215,566)	992,406	217,055
Compensated absences	76,681	56,151	(57,511)	75,321	52,725
Total business-type activities	<u>\$ 1,284,653</u>	<u>\$ 5,156,151</u>	<u>\$ (273,077)</u>	<u>\$ 6,167,727</u>	<u>\$ 359,780</u>

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.

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General Obligation Bonds

	<u>Governmental Funds</u>	<u>Non-Major Enterprise Funds</u>
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%	\$ 2,375,000	\$ -
2001 Public Building, Series 2001, due in annual installments of \$35,000 to \$125,000 through 2011, plus interest at 4.0%	410,000	-
2004 Refunding Public Improvement, Series 1993 due in annual installments of \$175,000 to \$275,000 through 2013, plus interest from 2.0 to 3.5%	1,620,000	-
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%	970,000	-
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%	<u>7,615,000</u>	<u>5,100,000</u>
Total serviced by the City's governmental funds	<u>\$ 12,990,000</u>	<u>\$ 5,100,000</u>

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

	<u>Governmental Funds</u>			<u>Nonmajor Enterprise Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 840,000	\$ 541,433	\$ 1,381,433	\$ 90,000	\$ 221,455	\$ 311,455
2009	835,000	510,370	1,345,370	90,000	217,630	307,630
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
2013-2017	3,412,000	1,629,131	5,041,131	1,038,000	907,362	1,945,362
2018-2022	2,853,000	928,925	3,781,925	1,722,000	599,790	2,321,790
2023-2027	<u>2,686,000</u>	<u>343,575</u>	<u>15,262,621</u>	<u>1,814,000</u>	<u>229,050</u>	<u>2,043,050</u>
Totals	<u>\$12,990,000</u>	<u>\$ 5,302,196</u>	<u>\$30,525,242</u>	<u>\$ 5,100,000</u>	<u>\$ 2,805,677</u>	<u>\$ 7,905,677</u>

CITY OF GREENVILLE, NORTH CAROLINA  
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Certificates of Participation

A summary of the City's Certificates of Participation is as follows:

<u>Original Issue</u>			<u>Payment Information</u>		<u>Outstanding</u>
<u>Amount</u>	<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>
\$ 14,600,000	September 1998	3.5% - 5%	Annual	\$615,000 - 850,000	\$ 8,355,000
15,985,000	October 2004	3.0% - 5.25%	Annual	\$810,000 - 815,000	<u>13,825,000</u>
Total certificates of participation					<u>\$ 22,180,000</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,465,000	\$ 959,521	\$ 2,424,521
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
2013-2017	7,335,000	2,818,075	10,153,075
2018-2022	5,900,000	1,156,525	7,056,525
2023-2027	1,620,000	106,718	1,726,718
	<u>\$ 22,180,000</u>	<u>\$ 8,362,686</u>	<u>\$ 30,542,686</u>

Special Obligation Revenue Bonds

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

2001 Special Obligation Revenue Bonds, series 2001, due in annual installments of \$160,000 to \$510,000 through 2021, plus interest from 4.0 to 5.0%	<u>\$ 5,365,000</u>
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CITY OF GREENVILLE, NORTH CAROLINA  
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Annual debt service requirements to maturity for the City's special obligation revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 285,000	\$ 251,815	\$ 536,815
2009	295,000	240,415	535,415
2010	310,000	228,246	538,246
2011	320,000	215,226	535,226
2012	335,000	201,466	536,466
2013-2017	1,920,000	763,798	2,683,798
2018-2022	1,900,000	243,250	2,143,250
	<u>\$ 5,365,000</u>	<u>\$ 2,144,216</u>	<u>\$ 7,509,216</u>

**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>Security</u>
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>	
<b>Governmental Funds:</b>					
December 2002	2.278%	Quarterly	\$ 39,960	\$ 36,175	Equipment
September 2003	1.97%	Quarterly	86,544	305,009	Equipment
June 2004	3.12%	Quarterly	137,455	1,001,780	Equipment
September 2005	3.89%	Semi-annual	92,866	1,179,020	Equipment
				<u>\$ 2,521,984</u>	
<b>Enterprise Funds:</b>					
November 2003	3.02%	Semi-annual	\$ 72,053	\$ 864,632	Equipment
December 2002	2.278%	Quarterly	3,329	3,560	Equipment
September 2003	1.97%	Quarterly	8,190	39,734	Equipment
September 2004	3.12%	Quarterly	7,797	84,480	Equipment
				<u>\$ 992,406</u>	

CITY OF GREENVILLE, NORTH CAROLINA  
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Annual debt service requirements to maturity for the City’s installment purchase contracts are as follows:

	<b>Governmental Funds</b>			<b>Enterprise Funds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 1,157,673	\$ 69,982	\$ 1,227,655	\$ 217,054	\$ 26,957	\$ 244,011
2009	844,822	38,758	883,580	174,696	21,271	195,967
2010	349,416	15,532	364,948	168,338	16,620	184,958
2011	170,072	2,628	172,700	144,105	11,968	156,073
2012	-	-	-	144,105	7,616	151,721
2013-2017	-	-	-	144,105	3,264	147,369
	<u>\$ 2,521,984</u>	<u>\$ 126,899</u>	<u>\$ 2,648,883</u>	<u>\$ 992,406</u>	<u>\$ 87,695</u>	<u>\$ 1,080,101</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, 2007, net debt outstanding subject to the limit was \$46,056,984. The statutory limit at that date was \$360,000,000 providing a debt margin of \$316,943,016.

**Accounts Payable and Interfund Balances**

**Accounts Payable Disaggregate Information**

<b>Type of Payable</b>	<b>Governmental Activities</b>	<b>Nonmajor Business-Type Activities</b>
Trade payables	\$ 627,883	\$ 144,695
Accrued salaries and fringes	1,368,207	56,304
Total	<u>\$ 1,996,090</u>	<u>\$ 200,999</u>

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The composition of internal balances as of June 30, 2007 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 111,810	\$ 2,170,626
Nonmajor Special Revenue Funds:		
Community Development Fund	373,090	-
Capital Reserve Fund	130,726	-
Small Business Loan Program	5,732	-
Community Development Home Program	-	-
Sheppard Memorial Library	-	-
Nonmajor Capital Project Funds:		
Cemetery Development Fund	327,694	-
Affordable Housing Project	-	1,580
Greene Street Bridge & Streetscape Improvements	60,684	-
Nonmajor Enterprise Funds:		
Aquatic and Fitness Center Fund	97,420	-
Public Transportation Fund	-	9,980
Bradford Creek Golf Course Fund	177,561	-
Stormwater Fund	84,318	185,335
Internal Service Fund:		
Dental Reimbursement Fund	42,755	
Greenville Utility Commission (blended component unit)	1,065,962	110,231
	<u>\$ 2,477,752</u>	<u>\$ 2,477,752</u>

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

#### 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



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Coverages

	<u>Liability Coverage Limits</u>
Blanket property and personal property	\$ 65,747,847
Excess liability (general, auto, public officials, law enforcement, firefighters, errors & 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 The Hartford Fire Insurance Company for one of its off-site locations. The City has coverage of \$500,000 on the building and \$150,000 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 \$25,764 for workers compensation and \$24,066 general liability. Total reserves are \$49,830.

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

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.

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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 Utility 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, 2007 was \$430 million.

6. Joint Ventures

Convention Center

The City is a participant with the County of Pitt 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 the County of Pitt (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 \$102,470 in contributions to the Authority during the fiscal year ended June 30, 2007. 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, 2007. 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.

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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. The City's share of the obligation is \$8,957 per year until 2022.

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.

11. Adjustment to Capital Project Beginning Fund Balance

The City's nonmajor Convention Center capital project fund balance reported in 2006 was understated by \$235,633. The beginning fund balance has been restated to correct the prior period reporting error.

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12. Transfers

Interfund operating transfers are summarized as follows:

<u>Fund Name</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Purpose</u>
General Fund	\$ 11,600,296		
Debt Service Fund		\$ 5,252,829	Annual Debt Service
Special Revenue Funds			
Capital Reserve		1,615,084	Annual Transfer
Sheppard Library		953,735	Local contribution
Community Development		389,228	Local contribution
Capital Project Funds			
Employee Parking Lot/Expansion		193,683	Establish project
Intermodal Transportation		16,226	Establish project
Nonmajor Enterprise Funds			
Aquatics and Fitness Center		70,000	Purchase equipment
Bradford Creek Golf Course		125,000	Lighting project
Transit		325,512	Local contribution
Internal Service Fund			
Vehicle Replacement Fund		2,658,999	Initial start up funds
<hr/>			
Computerized Traffic Signal CP	115,000		Replace fleet maintenance doors
Stormwater Drainage Capital Project	220,776		Transfer overages back to General Fund
Capital Reserve	247,806		Reimburse GF for various projects
General Fund		583,582	
<hr/>			
Community Development SR	525,000		
Affordable Housing CP		525,000	Funds to redevelopment partner
<hr/>			
Greenville Utility Commission:			
Electric	3,450,727	-	Turnover
Electric	535,434	-	Street Lighting Reimbursement
Gas	1,003,633	-	Turnover
General Fund	-	4,989,794	
<hr/>			
	<u>\$ 17,698,672</u>	<u>\$ 17,698,672</u>	

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

### 13. 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 non-exchange transactions or ancillary activities.

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

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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.

### 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 economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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.

Amounts reported as operating revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions, including special assessments. Internally dedicated resources are reported as non-operating revenues rather than as operating revenues.

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.

### 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.

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Budgetary control is exercised over aggregated funds by departments, at the personnel, operating and capital outlay levels. 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.

#### 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.

For purposes of the statements of cash flows, the Commission considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Investments, as presented in the financial statements, consist of securities authorized by State law with an original maturity greater than three months.

#### 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.

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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 and spare parts are reported at the lower of cost or market, cost being determined on the weighted-average 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. Gains and losses on disposals are credited or charged to operations. 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.

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.

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.



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Net Assets

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

14. Detail Notes on All Funds (GUC)

Assets

Deposits

All the deposits of the Commission are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Commission's agent in the Commission's 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 Commission, these deposits are considered to be held by the Commission's agent in the Commission's 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 undercollateralization, 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.

At June 30, 2007, the Commission's deposits had a carrying amount of \$39,367,386 and a bank balance of \$39,986,405. Of the bank balance, \$200,000 was covered by Federal depository insurance, and \$39,786,405 was covered by collateral held under the Pooling Method. The Commission's cash on hand at June 30, 2007 consisted of various petty cash funds totaling \$3,550.

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Investments

At June 30, 2007, the Commission's investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1 - 3 Years</u>
Federal Farm Credit Bank	\$ 825,335	\$ 825,335	\$ -	\$ -
Federal Home Loan Bank	2,392,250	746,798	648,577	996,875
Federal Home Loan Mortgage Corp.	1,494,830	1,494,830	-	-
Federal National Mortgage Assoc.	2,615,866	998,130	1,617,736	-
NC Capital Management Trust				
Cash Portfolio	<u>9,498,920</u>	<u>9,498,920</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,827,201</u>	<u>\$ 13,564,013</u>	<u>\$ 2,266,313</u>	<u>\$ 996,875</u>

**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, 2007. The Commission's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

**Custodial Credit Risk.** For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City 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.

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Receivables

Receivables at the government-wide level for the business type activities at June 30, 2007, were as follows:

	<u>2007</u>
Billed customer accounts	\$ 18,923,641
Estimated unbilled customer services	10,331,508
Other receivables	<u>880,918</u>
Total accounts receivable	<u>30,136,067</u>
Allowance for uncollectible accounts	<u>(6,116,155)</u>
Net accounts receivable	<u>\$ 24,019,912</u>

Estimated unbilled customer services represents the portion of the utility services provided to customers in June 2007 which was not billed until July 2007 due to the timing of our billing cycles. The revenues associated with these services were estimated and accrued in order to accurately reflect the Commission's financial position at June 30.

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 2007 the allowance increased by \$387,537, representing a total outstanding amount of \$6,116,155.

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

	<u>2007</u>
Sales tax refund	<u>\$ 1,070,878</u>
Total due from other governments	<u>\$ 1,070,878</u>

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Capital Assets

Capital asset activity for the year ended June 30, 2007, was as follows:

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2007</u>
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 3,462,748	\$ -	\$ -	\$ -	\$ 3,462,748
Construction in progress	<u>17,915,549</u>	<u>7,664,192</u>	<u>-</u>	<u>(12,562,416)</u>	<u>13,017,325</u>
Total capital assets not being depreciated	<u>21,378,297</u>	<u>7,664,192</u>	<u>-</u>	<u>(12,562,416)</u>	<u>16,480,073</u>
<b>Capital Assets Being Depreciated:</b>					
Land rights	368,768	-	-	-	368,768
Buildings	104,395,806	361,256	-	6,312,498	111,069,560
Furniture and office equipment	6,975,133	118,930	-	-	7,094,063
Vehicles and equipment	15,807,711	907,544	(164,639)	-	16,550,616
Distribution systems	305,150,452	15,766,128	-	6,249,918	327,166,498
Transmission systems	<u>20,091,254</u>	<u>418,394</u>	<u>-</u>	<u>-</u>	<u>20,509,648</u>
Total capital assets being depreciated	<u>452,789,124</u>	<u>17,572,252</u>	<u>(164,639)</u>	<u>12,562,416</u>	<u>482,759,153</u>
<b>Less Accumulated Depreciation For:</b>					
Land rights	368,768	-	-	-	368,768
Buildings	28,546,638	3,403,192	-	-	31,949,830
Furniture and office equipment	5,034,857	441,525	-	-	5,476,382
Vehicles and equipment	12,868,721	1,059,069	(149,223)	-	13,778,567
Distribution systems	122,218,038	9,043,963	-	-	131,262,001
Transmission systems	<u>12,676,431</u>	<u>607,183</u>	<u>-</u>	<u>-</u>	<u>13,283,614</u>
Total accumulated depreciation	<u>181,713,453</u>	<u>\$ 14,554,932</u>	<u>\$ (149,223)</u>	<u>\$ -</u>	<u>196,119,162</u>
Total capital assets being depreciated, net	<u>271,075,671</u>				<u>286,639,991</u>
Net Capital Assets	<u>\$ 292,453,968</u>				<u>\$ 303,120,064</u>

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Depreciation expense is charged to the electric, water, sewer, and gas funds. Amounts charged to these four funds for the year ended June 30, 2007 totaled \$6,594,349, \$2,863,915, \$3,730,047, and \$1,366,621, respectively.

A summary of capital assets, by fund, at June 30, 2007 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Total</u>
At June 30, 2007:					
Land	\$ 1,023,831	\$ 548,301	\$ 1,633,795	\$ 256,821	\$ 3,462,748
Land rights	189,535	71,580	80,285	27,368	368,768
Buildings	5,174,446	47,011,826	47,309,037	11,574,251	111,069,560
Furniture and office equipment	4,229,376	1,062,026	1,040,701	761,960	7,094,063
Vehicles and equipment	7,833,337	2,676,065	3,968,857	2,072,357	16,550,616
Distribution systems	141,569,858	60,880,495	96,344,065	28,372,080	327,166,498
Transmission systems	<u>20,509,648</u>	-	-	-	<u>20,509,648</u>
Total capital assets being depreciated	\$ 180,530,031	\$ 112,250,293	\$ 150,376,740	\$ 43,064,837	\$ 486,221,901
Less accumulated depreciation	<u>(108,526,285)</u>	<u>(32,919,757)</u>	<u>(40,248,505)</u>	<u>(14,424,615)</u>	<u>(196,119,162)</u>
Total capital assets being depreciated, net	72,003,746	79,330,536	110,128,235	28,640,222	290,102,739
Construction in progress	<u>6,798,444</u>	<u>5,329,211</u>	<u>357,031</u>	<u>532,639</u>	<u>13,017,325</u>
Net capital assets	<u>\$ 78,802,190</u>	<u>\$ 84,659,747</u>	<u>\$ 110,485,266</u>	<u>\$ 29,172,861</u>	<u>\$ 303,120,064</u>

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Construction Commitments

The Commission has active construction projects as of June 30, 2007. The projects include: Mount Pleasant Substation, Mount Pleasant Transmission Line, Geographic Information System Phase II, Dickinson Avenue Substation, Dickinson Avenue Transmission Line, Aquifer Storage and Recovery Phase I, Allen Road/Greenville Boulevard Major Transmission Main Extension, Fire Tower Road Water Improvements, Inter-Basin Transfer Analysis, Frog Level Road Water Main Extension, Sewer System Master Plan, Wastewater Treatment Plant Electrical and SCADA Upgrade, Fire Tower Road Sewer Improvements, Natural Gas Gate Station #4, and Fire Tower Road NCDOT Relocations. At June 30, 2007, the Commission's commitments with contractors are as follows:

<u>Project Name</u>	<u>Spent-to-Date</u>	<u>Remaining Commitments</u>
Mount Pleasant Transmission Line	\$ 2,154,213	693,732
Geographic Information System Phase II	295,204	\$ 153,158
Dickinson Avenue Substation	190,000	923,291
Fire Tower Road Improvements	-	1,136,089
Inter-Basin Transfer Analysis	50,222	295,280
Frog Level Road Water Main Ext.	-	83,386
Sewer System Master Plan	127,531	221,869
Fire Tower Road Improvements	-	319,178
Fire Tower Road NCDOT Reloc.	<u>15,675</u>	<u>199,450</u>
 Total	 <u>\$ 2,832,845</u>	 <u>\$ 4,025,433</u>

Liabilities

Payables

Payables at the government-wide level at June 30, 2007, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<b>Business-Type Activities:</b>				
Electric	\$ 13,312,865	\$ 317,379	\$ 979	\$ 13,631,223
Water	261,346	104,841	3,721	369,908
Sewer	256,152	67,641	-	323,793
Gas	<u>2,628,283</u>	<u>73,144</u>	<u>217</u>	<u>2,701,644</u>
 Total	 <u>\$ 16,458,646</u>	 <u>\$ 563,005</u>	 <u>\$ 4,917</u>	 <u>\$ 17,026,568</u>

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Long-Term Obligations

Debt Serviced by Electric Fund:

Revenue Bonds

1998 Revenue Bonds due in annual installments of \$88,153 to \$144,692 with varying interest rates from 4.0% to 5.0%, final payment will be on September 1, 2018	\$ 1,360,592
2000 Revenue Bonds due in annual installments of \$35,268 to \$69,569 with varying interest rates from 5.0% to 5.6% and final payment will be made on September 1, 2020	703,904
2001 Revenue Bonds due in annual installments of \$447,971 to \$704,097 with varying interest rates from 4.25% to 5.5%, final payment will be made on September 1, 2021	7,702,740
2003A Revenue Bonds due in annual installments of \$198,417 to \$216,801 with an interest rate of 2.95%, final payment will be made on November 14, 2010	1,452,982
2003B Revenue Bonds due in annual installments of \$18,290 to \$26,904 with an interest rate of 3.67%, final payment will be made on September 1, 2025	492,087
2005 Revenue Bonds due in annual installments of \$96,167 to \$177,664 with interest rate of 3.43%, final payment will be made on September 1, 2025	2,515,002
2007 revenue Bonds due in annual installments of \$330,178 to \$471,685 with an interest rate of 3.79%, final payment will be made on May 11, 2027	<u>7,940,306</u>
Total	<u>\$ 22,167,613</u>

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,434,787	\$ 928,390	\$ 2,363,177
2009	1,482,253	874,170	2,356,423
2010	1,530,886	817,830	2,348,716
2011	1,364,743	756,239	2,120,982
2,012	1,193,639	699,076	1,892,715
2013-2017	6,755,092	2,603,504	9,358,596
2018-2022	5,460,382	1,174,964	6,635,346
2023-2027	<u>2,945,831</u>	<u>308,849</u>	<u>3,254,680</u>
 Total	 <u>\$ 22,167,613</u>	 <u>\$ 8,163,022</u>	 <u>\$ 30,330,635</u>

**Take or Pay Contract** – The Commission has a long-term take or pay all requirements contract with the North Carolina Eastern Municipal Power Agency (NCEMPA) for the delivery of wholesale electric power. NCEMPA is a joint agency formed by 32 municipal entities, including the Commission, which has ownership interests in two coal-fired and three nuclear-fueled generation plants. The Commission, through its agreement with NCEMPA, has the right to 16.13% of the combined generating capacity of the agency and is obligated to pay its relative share of the agency's debt. The Commission is obligated to pay its share of the indebtedness regardless of the ability of NCEMPA to provide electricity or to meet the Commission's need for the electricity.

This contract constitutes an obligation of the Electric Enterprise Fund to make debt service payments from operating revenues. The Electric Enterprise Fund's share of debt is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses. The Commission's share of NCEMPA's debt at June 30, 2007 was \$430 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.



CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Debt Serviced by Water Fund:

Revenue Bonds

1998 Revenue Bonds due in annual installments of \$193,300 to \$317,278 with varying interest rates from 4.0% to 5.0%, final payment will be made on September 1, 2018	\$ 2,983,478
2000 Revenue Bonds due in annual installments of \$694,732 to \$1,370,431 with varying interest rates from 5.0% to 5.6%, final payment will be made on September 1, 2020	13,866,096
2001 Revenue Bonds due in annual installments of \$218,167 to \$343,236 with varying interest rates from 4.25% to 5.5%, final payment will be made on September 1, 2021	3,642,431
2003B Revenue Bonds due in annual installments of \$9,145 to \$13,452 with an interest rate of 3.67%, final payment will be made May 1, 2018	246,043
2005 Revenue Bonds due in annual installments of \$50,004 to \$92,379 with an interest rate of 3.43%, final payment will be made on September 1, 2025	<u>1,307,721</u>
	<u>\$ 22,045,769</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>
2008	\$ 1,174,709	\$ 1,090,345	\$ 2,265,054
2009	1,227,683	1,034,760	2,262,443
2010	1,286,909	976,123	2,263,032
2011	1,347,140	912,912	2,260,052
2012	1,415,329	844,556	2,259,885
2012-2016	8,256,925	3,035,614	11,292,539
2017-2021	6,987,049	828,208	7,815,257
2022-2026	350,025	24,550	374,575
Total	\$ 22,045,769	\$ 8,747,068	\$ 30,792,837

CITY OF GREENVILLE, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Other Types of Debt

2.55% State Revolving Loan, \$3 million authorized and \$3 million drawn to date, annual installments of \$236,654 to \$277,846, including interest, issued in 1997 with final payment on May 1, 2015	\$ 1,846,154
2.87% State Revolving Loan, \$3 million authorized and \$3 million drawn to date, annual installments of \$205,740 to \$230,140, including interest, issued in 1998 with final payment on May 1, 2018	2,200,000
2.305% State Revolving Loan, \$4,014,597 authorized and \$3,566,889 drawn to date, estimated annual installments of \$205,354 to \$320,520, including interest, issued in 2004 with final payment on May 1, 2027	<u>3,566,889</u>
	<u>\$ 7,613,043</u>

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

Year Ending June 30	Principal	Interest	Total
2008	\$ 609,113	\$ 216,648	\$ 825,761
2009	609,113	176,698	785,811
2010	609,113	160,963	770,076
2011	609,113	145,227	754,340
2012	609,113	129,492	738,605
2013-2017	2,584,029	417,313	3,001,342
2018-2022	1,091,720	170,174	1,261,894
2023-2027	<u>891,729</u>	<u>61,663</u>	<u>953,392</u>
Total	<u>\$ 7,613,043</u>	<u>\$ 1,478,178</u>	<u>\$ 9,091,221</u>

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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, 2007, were comprised of the following individual issues:

2003 GO Bonds due in annual installments of \$230,000 to \$1,115,000 with varying interest rates from 3.0% to 3.4%, final payment will be on March 1, 2012 \$ 4,565,000

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,115,000	\$ 140,495	\$ 1,255,495
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	<u>230,000</u>	<u>7,820</u>	<u>237,820</u>
Total	<u>\$ 4,565,000</u>	<u>\$ 371,500</u>	<u>\$ 4,936,500</u>

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Revenue Bonds

1998 Revenue Bonds due in annual installments of \$342,990 to \$562,977 with varying interest rates of 4.0% to 5.0%, final payment will be made on September 1, 2018	\$ 5,293,877
2001 Revenue Bonds due in annual installments of \$256,042 to \$402,527 with varying interest rates of 4.25% to 5.5%, final payment will be made on September 1, 2021	4,371,887
2003A Revenue Bonds due in annual installments of \$109,725 to \$119,891 with an interest rate of 2.95%, final payment will be made on November 14, 2010	803,499
2003B Revenue Bonds due in annual installments of \$143,987 to \$211,804 with an interest rate of 3.67%, final payment will be made on May 1, 2018	3,873,958
2005 Revenue Bonds due in annual installments of \$148,830 to \$274,957 with an interest rate of 3.43%, final payment will be made on September 1, 2025	<u>3,892,278</u>
	<u>\$ 18,235,499</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,260,444	\$ 752,869	\$ 2,013,313
2009	1,308,428	704,406	2,012,834
2010	1,358,976	653,776	2,012,752
2011	1,289,062	598,969	1,888,031
2012	1,218,518	545,545	1,764,063
2013-2017	6,966,767	1,850,478	8,817,245
2018-2022	3,791,495	501,120	4,292,615
2023-2025	<u>1,041,809</u>	<u>73,069</u>	<u>1,114,878</u>
Total	<u>\$ 18,235,499</u>	<u>\$ 5,680,233</u>	<u>\$ 23,915,732</u>

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Other Types of Debt

2.57% State Revolving Loan, \$11,694,486 authorized and \$11,629,783 drawn to date, annual installments of \$795,245 to \$1,034,353, including interest, issued in 2001 with a final payment on May 1, 2020 \$ 10,079,145

Bethel Interlocal Agreement, with an effective interest rate of 5.53%, annual installments of \$21,994 to \$276,297, including interest, final principal payment due on May 1, 2023 2,422,106

Total \$ 12,501,251

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 926,700	\$ 383,949	\$ 1,310,649
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
2013-2017	4,633,504	1,093,126	5,726,630
2018-2022	3,082,865	522,608	3,605,473
2023	<u>151,382</u>	<u>91,529</u>	<u>242,911</u>
Total	<u>\$ 12,501,251</u>	<u>\$ 3,390,832</u>	<u>\$ 15,892,083</u>

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Debt Serviced by Gas Fund:

Revenue Bonds

1998 Revenue Bonds due in annual installments of \$100,558 to \$165,053 with varying interest rates of 4.0% to 5.0%, final payment will be made on September 1, 2018	\$ 1,552,053
2001 Revenue Bonds due in annual installments of \$362,820 to \$570,140 with varying interest rates of 4.25% to 5.5%, final payment will be made on September 1, 2021	6,277,942
2003B Revenue Bonds due in annual installments of \$72,394 to \$106,492 with an interest rate of 3.67%, final payment will be made on May 1, 2018	1,947,762
2007 Revenue Bonds due in annual installments of \$79,472 to \$113,532 with an interest rate of 3.79%, final payment will be made on May 11, 2027	<u>1,909,694</u>
<b>Total</b>	<b><u>\$ 11,687,451</u></b>

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

Year Ending June 30	Principal	Interest	Total
2008	\$ 689,305	\$ 528,193	\$ 1,217,498
2009	716,170	499,607	1,215,777
2010	743,661	469,694	1,213,355
2011	775,105	435,874	1,210,979
2,012	810,070	398,208	1,208,278
2013-2017	4,653,123	1,360,644	6,013,767
2018-2022	2,753,427	416,723	3,170,150
2023-2027	<u>546,590</u>	<u>62,925</u>	<u>609,515</u>
<b>Total</b>	<b><u>\$ 11,687,451</u></b>	<b><u>\$ 4,171,868</u></b>	<b><u>\$ 15,859,319</u></b>

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Other Types of Debt

North Carolina General Global TransPark Loan payable in quarterly installments of \$15,233 with an interest rate of 3.5%, issued May 26, 2000, with a final payment due June 1, 2010

\$ 172,811

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 55,608	\$ 5,324	\$ 60,932
2009	57,580	3,352	60,932
2010	<u>59,623</u>	<u>1,310</u>	<u>60,933</u>
Total	<u>\$ 172,811</u>	<u>\$ 9,986</u>	<u>\$ 182,797</u>

The following is a summary of changes in long-term for the year ended June 30, 2007:

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2007</u>	<u>Current</u>
<b>Business-type activities:</b>					
Other type of debts	\$ 19,668,855	\$ 2,025,110	\$ (1,406,860)	\$ 20,287,105	\$ 1,613,808
General obligation bonds	5,710,000	-	(1,145,000)	4,565,000	1,115,000
Revenue bonds	68,271,143	9,850,000	(3,984,811)	74,136,332	4,559,244
Discounts and Premiums	(542,991)	-	91,840	(451,151)	-
Compensated absences	1,467,626	1,319,158	(1,205,416)	1,581,368	1,259,662
Unearned Revenue	<u>724,129</u>	<u>-</u>	<u>(142,394)</u>	<u>581,735</u>	<u>74,441</u>
Total	<u>\$ 95,298,762</u>	<u>\$ 13,194,268</u>	<u>\$ (7,792,641)</u>	<u>\$ 100,700,389</u>	<u>\$ 8,622,155</u>

In prior years, the Commission defeased certain general obligation 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 are not included in the Commission's financial statements.

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.

CITY OF GREENVILLE, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Unearned revenue in the Sewer Fund totaling \$581,735 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.

Compensated absences are accounted for on LIFO basis, assuming that employees are taking leave time as it is earned. Compensated absences are liquidated in the enterprise funds.

## 15. 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 Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

### Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The 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, 2007, 2006 and 2005 were \$1,045,204, \$1,016,749, and \$924,909, respectively. The contributions made by the Commission equaled the required contributions for the year.

## 16. 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.

The Commission's contributions for the years ended June 30, 2007, 2006, and 2005 were \$373,855, \$370,825, and \$369,145, respectively. These contributions represent 1.8%, 1.8%, and 2.1%, respectively, of covered payroll.



CITY OF GREENVILLE, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

17. Other Post Employment Benefits (GUC)

The Commission provides for post retirement health care and life insurance benefits for retired or disabled employees. An employee is eligible for retirement when he/she reaches 50 years of age and has completed 20 years of service or reaches age 60 and has completed 5 years of service. Also, an employee is eligible for disability retirement when he/she has completed 5 years of service. Life insurance benefits equal an employee's annual salary not to exceed \$50,000, except for disability retirees whose benefit equals their last annual salary up until they reach age 65 when the coverage becomes \$7,000. However, employees who began working after August 1, 1975 are not eligible for continued life insurance coverage upon retirement. There are 66 Commission retirees who have life insurance benefits.

Currently, there are 99 Commission retirees receiving health care benefits, 12 of which also have dependent coverage. The Commission pays a portion of the cost of coverage for the retirees, and those who elect to have dependent health care pay for this at the Commission's group rate.

For the fiscal years ended June 30, 2007, 2006, and 2005, the Commission paid \$380,179, \$341,533, and \$369,269, respectively, for retiree health care coverage, and \$527, \$684, and \$694, respectively, for retiree life insurance coverage. The Commission obtains health care and life insurance coverage through a private insurer.

18. 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 and 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. Contributions are determined as a percentage of monthly payrolls based upon rates established annually by the State. Because the benefit payments are made by the Death Benefit Plan and not by the Commission, the Commission does not determine the number of eligible participants. For the fiscal years ended June 30, 2007, 2006, and 2005, the Commission made contributions to the State for death benefits of \$14,978, \$14,614, and \$13,294, respectively. The Commission's required contributions represented 0.07%, 0.07%, and 0.07%, respectively, of covered payroll. The contributions to the Death Benefit 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, 2007

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 \$180 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.

The Chief Financial Officer of the Commission is covered by a performance bond through a commercial surety provider. The limits of this bond are consistent with the requirements of the North Carolina General Statutes.

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 plan is a Point of Service Plan called Choice Plus. The plan provides for in-network coverage where services must be provided or approved by a primary care physician and approved by CIGNA, and out-of-network coverage where members pay a higher share of the costs. Deductibles are now applicable for in-network and out-of-network coverage.

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. The accompanying financial statements include a provision of \$7,533 refund of the grant monies received from the Federal and State Emergency Management Agencies for Hurricane Floyd.

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 spot market. The terms of the contract require PNG to transport natural gas through its pipeline to the Commission in exchange for annual payments of \$2,150,000 as guaranteed margins. 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. The Commission will pay its share of PNG's under-collected deferred account balance of \$1,309,181 or 5.547% in varying monthly amounts over a 30 month period.

CITY OF GREENVILLE, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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.

21. Excess of Expenditures Over Appropriations (GUC)

For the fiscal year ended June 30, 2007, excess of expenditures over appropriations at the level of budget ordinance control consisted of the following:

<u>Department</u>	<u>Sub-Category</u>	<u>Budget</u>	<u>Actual</u>	<u>(Over) Budget</u>
Non-Department	Personnel	\$ 411,985	\$ 418,452	\$ (6,467)
Electric Department	Personnel	3,772,145	3,868,160	(96,015)
Electric Department	Capital	8,246,444	8,822,383	(575,939)

The Commission is committed to providing essential services to our customers. Every effort is made to anticipate and plan for customer requirements and growth as part of the annual budget process. However, such planning is partially dependent on customer demand and can not be fully anticipated. Resources within each department are allocated to operating, maintenance, and capital as necessary in order to meet customer requests and to maintain our infrastructure to ensure reliability of all services. Although the expenditures noted above exceeded the appropriation at the sub-category, every department remained within its budget at the total department level. For fiscal year 2007-2008, the budget ordinance control has been set at the total department level. Management determined this level of control will allow us to be responsive to customer needs and provide accountability. The change was approved by the Board of Commissioners and the City Council.

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## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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## CITY OF GREENVILLE, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2007**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		B					
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%
12/31/2001	-	2,436,059		2,436,059	0.00%	6,559,387	37.14%

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution (ARC)		Amount Contributed By Employer	Percentage of ARC Contributed
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%
2002	228,204		71,674	31.41%

## 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	12/31/2006	
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	

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COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES

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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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year operations	\$ 23,765,932	\$ 23,854,110		\$ 22,266,204
Prior year	127,128	97,044		343,530
Interest and penalties	188,700	206,378		202,562
Tax discounts	(242,550)	(250,294)		(227,664)
Tax refunds	(42,000)	(11,048)		(19,957)
Total Ad Valorem Taxes	<u>23,797,210</u>	<u>23,896,190</u>	\$ 98,980	<u>22,564,675</u>
<b>Other Taxes:</b>				
Local options sales tax	6,128,764	5,503,515		5,387,657
Cable TV franchise tax	643,016	679,553		794,691
One-half percent sales tax	7,738,396	8,055,623		7,305,638
Rental vehicle - gross receipts	93,992	101,441		90,831
Total Other Taxes	<u>14,604,168</u>	<u>14,340,132</u>	(264,036)	<u>13,578,817</u>
<b>Unrestricted Intergovernmental:</b>				
Other unrestricted revenues	23,896	5,597		6,386
Utilities franchise tax	3,930,653	4,389,335		3,935,007
Beer and wine tax	305,808	311,689		298,254
Total Unrestricted Intergovernmental	<u>4,260,357</u>	<u>4,706,621</u>	446,264	<u>4,239,647</u>
<b>Restricted Intergovernmental:</b>				
NC DOT traffic control lights	160,000	148,534		156,793
Pitt County Fire contribution	9,005	10,000		9,751
Housing Authority Drug Grant	114,628	81,975		64,394
Special Federal, State and Local Grants	82,500	5,320		6,739
Federal Emergency Management Asst.	-	-		39,055
Section 104F Planning Grant	160,000	180,210		(11,125)
Law enforcement block grant	254,010	306,137		392,719
Other restricted intergovernmental revenue	629,841	559,789		491,743
Powell Bill - State allocation payment	1,982,094	1,948,928		1,943,229
Total Restricted Intergovernmental	<u>3,392,078</u>	<u>3,240,893</u>	(151,185)	<u>3,093,298</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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Licenses, Permits and Fees:</b>				
Privilege licenses	594,758	545,657		563,689
Auto licenses	824,643	807,764		787,497
Inspection fees	1,497,475	1,560,829		1,503,441
State fire protection	318,995	318,995		318,995
Planning department fees	306,980	257,379		239,856
Police department fees	129,775	141,976		144,931
Fire and rescue department fees	127,100	133,556		125,961
Refuse fees	3,950,000	4,003,982		3,881,596
Other permits and fees	140,550	157,302		121,240
Total Licenses, Permits and Fees	7,890,276	7,927,440	37,164	7,687,206
<b>Sales and Services:</b>				
Rescue fees	1,620,800	2,207,750		1,708,787
Recreation department programs and fees	558,793	556,487		401,456
Utilities street cuts	214,500	275,160		311,401
Rents and concessions	153,110	148,530		150,074
Other sales and services	899,228	817,911		894,385
Pitt County Board of Education	268,247	210,338		210,338
Total Sales and Services	3,714,678	4,216,176	501,498	3,676,441
<b>Investment earnings</b>	1,092,871	1,883,014	790,143	1,205,004
<b>Other Revenues:</b>				
Parking violation penalty	130,000	241,953		118,401
Other revenues	231,787	429,247		364,517
Total Other Revenues	361,787	671,200	309,413	482,918
<b>Total Revenues</b>	59,113,425	60,881,666	1,768,241	56,528,006
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Mayor and City Council:</b>				
Salaries and benefits	56,757	50,017	6,740	41,674
Operating expenses	236,048	206,484	29,564	231,943
Fees paid to elected officials	56,800	56,800	-	55,109
Total Mayor and City Council	349,605	313,301	36,304	328,726

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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>City Manager:</b>				
Salaries and benefits	811,878	810,596	1,282	710,950
Operating expenses	309,553	272,590	36,963	152,534
Total City Manager	1,121,431	1,083,186	38,245	863,484
<b>City Clerk:</b>				
Salaries and benefits	202,269	201,829	440	189,994
Operating expenses	24,334	15,173	9,161	67,280
Total City Clerk	226,603	217,002	9,601	257,274
<b>City Attorney:</b>				
Salaries and benefits	330,823	332,505	(1,682)	305,530
Operating expenses	53,878	35,182	18,696	29,302
Total City Attorney	384,701	367,687	17,014	334,832
<b>Human Resources</b>				
Salaries and benefits	1,330,232	1,106,467	223,765	1,190,480
Operating expenses	559,087	440,238	118,849	959,224
Total Human Resources	1,889,319	1,546,705	342,614	2,149,704
<b>Financial Services:</b>				
Salaries and benefits	1,101,061	1,058,842	42,219	976,353
Operating expenses	753,164	690,432	62,732	712,760
Total Financial Services	1,854,225	1,749,274	104,951	1,689,113
<b>Information Technology:</b>				
Salaries and benefits	1,443,159	1,436,360	6,799	1,311,467
Operating expenses	2,371,837	1,792,368	579,469	1,476,750
Total Information Technology	3,814,996	3,228,728	586,268	2,788,217
<b>Airport (reimbursed services):</b>				
Salaries and benefits	-	(21,882)	21,882	35,250
Allotment	-	(33,130)	33,130	554
Total Airport	-	(55,012)	55,012	35,804
Total General Government	9,640,880	8,450,871	1,190,009	8,447,154



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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Public Safety:</b>				
<b>Fire and Rescue:</b>				
Salaries and benefits	9,392,052	9,150,039	242,013	8,424,792
Operating expenses	<u>1,465,257</u>	<u>1,268,890</u>	<u>196,367</u>	<u>851,014</u>
Total Fire and Rescue	<u>10,857,309</u>	<u>10,418,929</u>	<u>438,380</u>	<u>9,275,806</u>
<b>Police:</b>				
Salaries and benefits	13,997,912	14,181,302	(183,390)	13,184,169
Operating expenses	<u>3,173,697</u>	<u>2,762,836</u>	<u>410,861</u>	<u>2,626,122</u>
Total Police	<u>17,171,609</u>	<u>16,944,138</u>	<u>227,471</u>	<u>15,810,291</u>
Total Public Safety	<u>28,028,918</u>	<u>27,363,067</u>	<u>665,851</u>	<u>25,086,097</u>
<b>Public Works</b>				
<b>Other Public Works</b>				
Salaries and benefits	4,691,471	4,404,378	287,093	4,074,834
Operating expenses	<u>4,229,172</u>	<u>2,901,538</u>	<u>1,327,634</u>	<u>2,711,960</u>
Total Public Works	<u>8,920,643</u>	<u>7,305,916</u>	<u>1,614,727</u>	<u>6,786,794</u>
<b>Streets</b>				
Salaries and benefits	577,172	691,521	(114,349)	653,844
Operating expenses	<u>510,911</u>	<u>388,298</u>	<u>122,613</u>	<u>242,527</u>
Total Streets	<u>1,088,083</u>	<u>1,079,819</u>	<u>8,264</u>	<u>896,371</u>
Total Public Works	<u>10,008,726</u>	<u>8,385,735</u>	<u>1,622,991</u>	<u>7,683,165</u>
<b>Environmental Protection:</b>				
<b>Sanitation:</b>				
Salaries and benefits	3,177,339	3,081,842	95,497	3,001,664
Operating expenses	<u>902,827</u>	<u>867,817</u>	<u>35,010</u>	<u>523,383</u>
Total Sanitation	<u>4,080,166</u>	<u>3,949,659</u>	<u>130,507</u>	<u>3,525,047</u>
<b>Economic and Physical Development:</b>				
<b>Community Development</b>				
Salaries and benefits	1,378,558	1,464,707	(86,149)	1,229,619
Operating expenses	<u>266,058</u>	<u>134,452</u>	<u>131,606</u>	<u>104,112</u>
Total Community Development	<u>1,644,616</u>	<u>1,599,159</u>	<u>45,457</u>	<u>1,333,731</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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Cultural and Recreational:</b>				
<b>Recreation and Parks</b>				
Salaries and benefits	3,353,271	3,275,930	77,341	3,018,992
Operating expenses	1,627,049	1,432,719	194,330	1,301,319
Total Recreation	4,980,320	4,708,649	271,671	4,320,311
<b>Library:</b>				
Salaries and benefits	-	(43,438)	43,438	60,453
Allotment	-	12,368	(12,368)	8,060
Total Library	-	(31,070)	31,070	68,513
Total Cultural and Recreational	4,980,320	4,677,579	302,741	4,388,824
<b>Capital outlay</b>	2,646,875	1,427,598	1,219,277	2,891,723
Total expenditures	61,030,501	55,853,668	5,176,833	53,355,741
<b>Revenues over (under) expenditures</b>	(1,917,076)	5,027,998	6,945,074	3,172,265
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
Greenville Utilities Commission turnover	4,376,992	4,410,559	33,567	4,267,037
Greenville Utilities Commission, lighting reimbursement	525,000	579,235	54,235	553,722
Other funds	362,806	362,806	-	1,562,178
Transfers out	(11,610,067)	(11,600,296)	9,771	(9,065,641)
Long term debt issued	-	-	-	1,667,048
Contingency	(242,277)	-	242,277	-
Appropriated fund balance	8,504,622	-	(8,504,622)	-
Total other financing sources (uses)	1,917,076	(6,247,696)	(8,164,772)	(1,015,656)
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ -	(1,219,698)	\$ (1,219,698)	2,156,609
Fund balance, Beginning of year - July 1st		28,678,338		26,521,729
Fund balance, End of year - June 30th		\$ 27,458,640		\$ 28,678,338

## CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,845,014	\$ 1,755,874	\$ 9,787,935	\$ 21,388,823
Accounts receivable, net	14,185	-	-	14,185
Interest receivable	15,172	-	-	15,172
Loans receivable	310,298	-	113,075	423,373
Due from other funds	-	-	1,580	1,580
Due from other governments	208,371	-	(2,688)	205,683
Prepaid items and deposits	62,200	-	-	62,200
Total assets	<u>\$ 10,455,240</u>	<u>\$ 1,755,874</u>	<u>\$ 9,899,902</u>	<u>\$ 22,111,016</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 77,611	\$ -	\$ 63,144	\$ 140,755
Due to other funds	509,548	-	388,378	897,926
Deferred revenue	316,686	-	113,075	429,761
Total liabilities	<u>903,845</u>	<u>-</u>	<u>564,597</u>	<u>1,468,442</u>
<b>Fund Balances:</b>				
Reserved by State statute	59,031	-	1,580	60,611
Reserved for prepaid items and inventories	62,200	-	-	62,200
Fund balance - unreserved, undesignated	9,430,164	1,755,874	9,333,725	20,519,763
Total fund balances	<u>9,551,395</u>	<u>1,755,874</u>	<u>9,335,305</u>	<u>20,642,574</u>
Total liabilities and fund balances	<u>\$ 10,455,240</u>	<u>\$ 1,755,874</u>	<u>\$ 9,899,902</u>	<u>\$ 22,111,016</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, 2007

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>	<b>Total</b>
<b>Revenues:</b>				
Other taxes	\$ -	\$ 661,433	\$ -	\$ 661,433
Restricted	2,165,301	-	925,003	3,090,304
Sales and services	143,411	-	-	143,411
Investment earnings	260,763	92,871	506,366	860,000
Other revenues	67,474	-	1,201,915	1,269,389
Total revenues	<u>2,636,949</u>	<u>754,304</u>	<u>2,633,284</u>	<u>6,024,537</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Cultural and recreational	2,053,577	-	-	2,053,577
Economic and physical development	1,541,243	-	-	1,541,243
Capital outlay	-	-	6,043,654	6,043,654
Principal retirement	-	3,693,179	-	3,693,179
Interest and fees	-	1,967,302	-	1,967,302
Total expenditures	<u>3,594,820</u>	<u>5,660,481</u>	<u>6,043,654</u>	<u>15,298,955</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(957,871)</u>	<u>(4,906,177)</u>	<u>(3,410,370)</u>	<u>(9,274,418)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	-	-	7,615,000	7,615,000
Premium received on debt issue	-	-	30,032	30,032
Transfers from other funds	2,958,046	5,252,829	955,685	9,166,560
Transfers to other funds	(772,806)	-	(115,000)	(887,806)
Total other financing sources (uses)	<u>2,185,240</u>	<u>5,252,829</u>	<u>8,485,717</u>	<u>15,923,786</u>
<b>Net change in fund balances</b>	1,227,369	346,652	5,075,347	6,649,368
<b>Fund Balances:</b>				
Fund balances as previously stated	8,324,026	1,409,222	4,024,325	13,757,573
Prior period adjustment	-	-	235,633	235,633
Fund balances, restated	<u>8,324,026</u>	<u>1,409,222</u>	<u>4,259,958</u>	<u>13,993,206</u>
Fund balances, end of year - June 30th	<u>\$ 9,551,395</u>	<u>\$ 1,755,874</u>	<u>\$ 9,335,305</u>	<u>\$ 20,642,574</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, 2007

	<b>Community Development Fund</b>	<b>Capital Reserve Fund</b>	<b>Sheppard Memorial Library</b>	<b>Housing Trust Fund</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 940,323	\$ 8,084,622	\$ 628,317	\$ 52,299
Accounts receivable, net	-	-	14,185	-
Interest receivable	-	-	15,172	-
Loans receivable	156,615	-	-	14,230
Due from other governments	179,052	-	29,319	-
Prepaid items and deposits	-	-	57,075	-
Total assets	<u>\$ 1,275,990</u>	<u>\$ 8,084,622</u>	<u>\$ 744,068</u>	<u>\$ 66,529</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 51,761	\$ -	\$ 25,850	\$ -
Due to other funds	373,090	130,726	-	-
Deferred revenue	163,358	-	-	13,875
Total liabilities	<u>588,209</u>	<u>130,726</u>	<u>25,850</u>	<u>13,875</u>
<b>Fund Balances:</b>				
Reserved by State statute	-	-	58,676	355
Reserved for prepaid items and inventories	-	-	57,075	-
Fund balance - unreserved, undesignated	687,781	7,953,896	602,467	52,299
Total fund balance	<u>687,781</u>	<u>7,953,896</u>	<u>718,218</u>	<u>52,654</u>
Total liabilities and fund balances	<u>\$ 1,275,990</u>	<u>\$ 8,084,622</u>	<u>\$ 744,068</u>	<u>\$ 66,529</u>



**Schedule C-1**

	<b>Small Business Loan Program</b>	<b>Total</b>
\$	139,453	\$ 9,845,014
	-	14,185
	-	15,172
	139,453	310,298
	-	208,371
	<u>5,125</u>	<u>62,200</u>
<b>\$</b>	<b><u>284,031</u></b>	<b>\$ <u>10,455,240</u></b>

\$	-	\$ 77,611
	5,732	509,548
	<u>139,453</u>	<u>316,686</u>
	<u>145,185</u>	<u>903,845</u>

	-	59,031
	5,125	62,200
	<u>133,721</u>	<u>9,430,164</u>
	<u>138,846</u>	<u>9,551,395</u>
<b>\$</b>	<b><u>284,031</u></b>	<b>\$ <u>10,455,240</u></b>

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, 2007

	<b>Community Development Fund</b>	<b>Capital Reserve Fund</b>	<b>Sheppard Memorial Library</b>	<b>Housing Trust Fund</b>
<b>Revenues:</b>				
Restricted	\$ 1,305,176	\$ -	\$ 858,125	\$ 2,000
Sales and services	-	-	115,574	-
Investment earnings	24,803	207,555	25,431	2,085
Other revenues	-	-	66,410	1,064
Total revenues	<u>1,329,979</u>	<u>207,555</u>	<u>1,065,540</u>	<u>5,149</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Cultural and recreational	-	-	2,053,577	-
Economic and physical development	<u>1,511,928</u>	-	-	<u>421</u>
Total expenditures	<u>1,511,928</u>	-	<u>2,053,577</u>	<u>421</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(181,949)</u>	<u>207,555</u>	<u>(988,037)</u>	<u>4,728</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers	-	-	-	-
Transfers from other funds	389,227	1,615,084	953,735	-
Transfers to other funds	<u>(525,000)</u>	<u>(247,806)</u>	-	-
Total other financing sources (uses)	<u>(135,773)</u>	<u>1,367,278</u>	<u>953,735</u>	-
<b>Net change in fund balances</b>	(317,722)	1,574,833	(34,302)	4,728
<b>Fund Balances:</b>				
Fund balances, beginning of year	<u>1,005,503</u>	<u>6,379,063</u>	<u>752,520</u>	<u>47,926</u>
Fund balances, end of year	<u>\$ 687,781</u>	<u>\$ 7,953,896</u>	<u>\$ 718,218</u>	<u>\$ 52,654</u>

Schedule C-2

<u>Small Business Loan Program</u>	<u>Total</u>
\$ -	\$ 2,165,301
27,837	143,411
889	260,763
<u>-</u>	<u>67,474</u>
28,726	2,636,949
-	2,053,577
<u>28,894</u>	<u>1,541,243</u>
28,894	3,594,820
<u>(168)</u>	<u>(957,871)</u>
-	-
-	2,958,046
<u>-</u>	<u>(772,806)</u>
<u>-</u>	<u>2,185,240</u>
(168)	1,227,369
139,014	8,324,026
<u>\$ 138,846</u>	<u>\$ 9,551,395</u>

## CITY OF GREENVILLE, NORTH CAROLINA

COMMUNITY DEVELOPMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
<b>CDBG Entitlement Program:</b>				
Property owners matching fund	\$ 146,083	\$ 212,172	\$ 10,207	\$ 222,379
Federal grant - HUD	18,963,845	15,012,773	1,249,434	16,262,207
Consortium members	34,000	-	11,676	11,676
Loan payments	329,948	401,752	26,000	427,752
Interest income	134,792	156,270	24,803	181,073
Sale of acquired property	147,930	151,543	7,859	159,402
Total CDBG entitlement program	<u>19,756,598</u>	<u>15,934,510</u>	<u>1,329,979</u>	<u>17,264,489</u>
<b>Expenditures:</b>				
<b>CDBG Entitlement Program:</b>				
Administration	2,532,930	2,132,354	291,616	2,423,970
Rehab - third party owned dwellings	7,083,288	5,929,983	392,540	6,322,523
Rehab - rental	152,716	152,716	-	152,716
Outside agency funding	1,209,350	1,042,835	41,450	1,084,285
Acquisition dilapidated	531,267	531,267	-	531,267
Code enforcement	751,487	288,334	13,423	301,757
Conversion program	253,000	243,154	1,148	244,302
Small area revitalization	787,830	787,851	-	787,851
Demolition grants	117,410	112,437	21,993	134,430
Secondary mortgage	666,205	421,592	59,325	480,917
Ecnom. Dev. Study - West Grn./Meadowbrook	69,255	40,993	-	40,993
Neighborhood input grants	2,964	2,963	-	2,963
Concentrated needs	1,997,299	1,766,283	52,484	1,818,767
Sewer Oakgrove	25,482	15,130	-	15,130
Other expenses	58,010	58,010	-	58,010
Contribution to other consortium members	4,311,497	2,436,464	637,949	3,074,413
Capital outlay	12,403	11,834	-	11,834
Total CDBG entitlement program	<u>20,562,393</u>	<u>15,974,200</u>	<u>1,511,928</u>	<u>17,486,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(805,795)</u>	<u>(39,690)</u>	<u>(181,949)</u>	<u>(221,639)</u>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers In (Out):</b>				
Transfers in	1,473,295	1,187,693	389,227	1,576,920
Transfers out	<u>(667,500)</u>	<u>(142,500)</u>	<u>(525,000)</u>	<u>(667,500)</u>
Total other financing sources (uses)	<u>805,795</u>	<u>1,045,193</u>	<u>(135,773)</u>	<u>909,420</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,005,503</u>	<u>\$ (317,722)</u>	<u>\$ 687,781</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, 2007

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 207,555	\$ 207,555
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	1,615,084	1,615,084	-
Transfers to other funds	(1,862,890)	(247,806)	1,615,084
Appropriated fund balance	<u>247,806</u>	<u>-</u>	<u>(247,806)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,367,278</u>	<u>1,367,278</u>
Total revenues and other financing sources	<u>\$ -</u>	<u>1,574,833</u>	<u>\$ 1,574,833</u>
<b>Fund Balances:</b>			
Fund balances, beginning of year		<u>6,379,063</u>	
Fund balances, end of year		<u>\$ 7,953,896</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, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Restricted Intergovernmental:</b>			
County of Pitt	\$ 485,563	\$ 476,867	\$ (8,696)
Town of Bethel	23,155	23,155	-
Town of Winterville	113,206	113,206	-
State aid	213,221	213,221	-
Housing Authority	9,900	9,900	-
Other miscellaneous grants	20,776	21,776	1,000
Total restricted intergovernmental revenue	<u>865,821</u>	<u>858,125</u>	<u>(7,696)</u>
<b>Other Revenues:</b>			
Fines and fees	97,613	111,015	13,402
Photocopies	4,300	4,559	259
Interest earnings	12,000	25,431	13,431
Miscellaneous	69,459	66,410	(3,049)
Total other revenues	<u>183,372</u>	<u>207,415</u>	<u>24,043</u>
Total revenues	<u>1,049,193</u>	<u>1,065,540</u>	<u>16,347</u>
<b>Expenditures:</b>			
<b>Cultural and Recreational:</b>			
Salaries and benefits	1,350,333	1,344,958	5,375
Capital outlay	-	226,947	(226,947)
Maintenance and repairs	-	128,872	(128,872)
Other operating expenditures	769,465	352,800	416,665
Total expenditures	<u>2,119,798</u>	<u>2,053,577</u>	<u>66,221</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,070,605)</u>	<u>(988,037)</u>	<u>82,568</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	971,096	953,735	(17,361)
Appropriated fund balance	99,509	-	(99,509)
Total other financing sources (uses)	<u>1,070,605</u>	<u>953,735</u>	<u>(116,870)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(34,302)</u>	<u>\$ (34,302)</u>
Fund Balance, beginning of year		<u>752,520</u>	
Fund Balance, end of year		<u>\$ 718,218</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, 2007

	<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	\$ 168,476	\$ 2,000	\$ 170,476
<b>Other Revenues:</b>				
Bank contribution				
Investment earnings	4,265	8,211	2,085	10,296
Application fees				
Loan payments	<u>7,210</u>	<u>21,365</u>	<u>1,064</u>	<u>22,429</u>
Total other revenues	<u>11,475</u>	<u>29,576</u>	<u>3,149</u>	<u>32,725</u>
Total revenues	<u>331,975</u>	<u>198,052</u>	<u>5,149</u>	<u>203,201</u>
<b>Expenditures:</b>				
Secondary mortgage loan	150,000	-	-	-
Small area revitalization	19,332	19,330	78	19,408
Rehabilitation	221,113	215,374	-	215,374
Loans made	<u>62,530</u>	<u>36,422</u>	<u>343</u>	<u>36,765</u>
Total expenditures	<u>452,975</u>	<u>271,126</u>	<u>421</u>	<u>271,547</u>
<b>Revenues over (under) expenditures</b>	(121,000)	(73,074)	4,728	(68,346)
<b>Other Financing Sources (Uses):</b>				
<b>Transfers From:</b>				
Community Development Fund	<u>121,000</u>	<u>121,000</u>	-	<u>121,000</u>
<b>Revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 47,926</u>	<u>\$ 4,728</u>	<u>\$ 52,654</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, 2007

	<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	331,443	27,837	359,280
Application fees	2,000	1,550	-	1,550
Investment earnings	1,706	3,938	889	4,827
Total revenues	<u>732,258</u>	<u>785,174</u>	<u>28,726</u>	<u>813,900</u>
<b>Expenditures:</b>				
Administration	2,000	7	-	7
Payments to banks	255,258	334,997	28,894	363,891
Loans made	475,000	448,242	-	448,242
Loan loss reserve	142,500	5,414	-	5,414
Total expenditures	<u>874,758</u>	<u>788,660</u>	<u>28,894</u>	<u>817,554</u>
<b>Revenues over (under) expenditures</b>	(142,500)	(3,486)	(168)	(3,654)
<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 expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 139,014</u>	<u>\$ (168)</u>	<u>\$ 138,846</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, 2007, 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.

**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.

**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.

**WEST 3<sup>RD</sup> STREET PROJECT** – The West 3<sup>rd</sup> 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 / 10<sup>TH</sup> STREET CONNECTOR** – The Stantonsburg Road / 10<sup>th</sup> Street Connector Project involves the extension of Tenth Street on new location to Stantonsburg Road at Memorial Drive with a grade separation at the CSX Railroad near Dickinson Avenue.

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

**SIDEWALK CONSTRUCTION PROJECT** – The Sidewalk Construction Project provides for the installation of sidewalks along thoroughfares and other high priority locations.

**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 Cotanche 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.

**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.

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2007

	<u>Cemetery Development Fund</u>	<u>Affordable Housing Project</u>	<u>Convention Center Project</u>	<u>Computerized Traffic Signal System</u>	<u>River Park North Project</u>	<u>Greene Street Bridge &amp; Streetscape Improvements</u>	<u>West 3rd Street Project</u>	<u>2005 COPS Various City Projects</u>	<u>City Hall Facility</u>
<b>Assets:</b>									
Cash and cash equivalents	\$ 359,756	\$ 1,586,328	\$ 1,126,025	\$ 119,390	\$ 19,604	\$ -	\$ 863,374	\$ 564,839	\$ 838,348
Loans receivable	-	113,075	-	-	-	-	-	-	-
Intrafund loans	-	-	-	-	-	(394,457)	-	-	-
Due from other funds	-	1,580	-	-	-	-	-	-	-
Due from other governments	-	18	-	45	-	30,448	-	(30,640)	(2,779)
<b>Total assets</b>	<u>\$ 359,756</u>	<u>\$ 1,701,001</u>	<u>\$ 1,126,025</u>	<u>\$ 119,435</u>	<u>\$ 19,604</u>	<u>\$ (364,009)</u>	<u>\$ 863,374</u>	<u>\$ 534,199</u>	<u>\$ 835,569</u>
<b>Liabilities and Fund Balances:</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ -	\$ 33,804	\$ -	\$ -	\$ -	\$ -	\$ 121	\$ 23,234	\$ -
Due to other funds	327,694	-	-	-	-	60,684	-	-	-
Deferred revenue	-	113,075	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>327,694</u>	<u>146,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,684</u>	<u>121</u>	<u>23,234</u>	<u>-</u>
<b>Fund Balances:</b>									
Fund balance	<u>32,062</u>	<u>1,554,122</u>	<u>1,126,025</u>	<u>119,435</u>	<u>19,604</u>	<u>(424,693)</u>	<u>863,253</u>	<u>510,965</u>	<u>835,569</u>
<b>Total fund balance</b>	<u>32,062</u>	<u>1,554,122</u>	<u>1,126,025</u>	<u>119,435</u>	<u>19,604</u>	<u>(424,693)</u>	<u>863,253</u>	<u>510,965</u>	<u>835,569</u>
<b>Total liabilities and fund balances</b>	<u>\$ 359,756</u>	<u>\$ 1,701,001</u>	<u>\$ 1,126,025</u>	<u>\$ 119,435</u>	<u>\$ 19,604</u>	<u>\$ (364,009)</u>	<u>\$ 863,374</u>	<u>\$ 534,199</u>	<u>\$ 835,569</u>

<u>45 Block Revitalization</u>	<u>Center City Revitalization</u>	<u>Stantonsburg Road / 10th St Connector</u>	<u>South Tar River Greenway</u>	<u>Sidewalk Construction Project</u>	<u>Reade/Hodges Parking Lot Improvement Project</u>	<u>Thomas Langston Road Extension Project</u>	<u>Intermodal Transportation Center Project</u>	<u>Employee Parking Lot Expansion Project</u>	<u>Total</u>
\$ 1,326,002	\$ 2,393,133	\$ 76,846	\$ -	\$ 47,767	\$ 256,443	\$ -	\$ 16,255	\$ 193,825	\$ 9,787,935
-	594,218	-	(135,319)	-	-	(64,442)	-	-	113,075
-	-	-	-	-	-	-	-	-	-
177	-	32	-	11	-	-	-	-	1,580
<u>\$ 1,326,179</u>	<u>\$ 2,987,351</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>\$ 9,899,902</u>
\$ 5,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,144
-	-	-	-	-	-	-	-	-	388,378
-	-	-	-	-	-	-	-	-	113,075
5,985	-	-	-	-	-	-	-	-	564,597
<u>1,320,194</u>	<u>2,987,351</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>9,335,305</u>
<u>1,320,194</u>	<u>2,987,351</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>9,335,305</u>
<u>\$ 1,326,179</u>	<u>\$ 2,987,351</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>\$ 9,899,902</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2007

	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
<b>Revenues:</b>									
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,464	\$ -	\$ 250,000	\$ 121,028
Investment earnings	2,287	6,805	-	7,200	71	98	27,331	33,871	242,352
Other revenues	-	66,288	921,835	-	500	-	3,724	-	-
Total revenues	<u>2,287</u>	<u>73,093</u>	<u>921,835</u>	<u>7,200</u>	<u>571</u>	<u>81,562</u>	<u>31,055</u>	<u>283,871</u>	<u>363,380</u>
<b>Expenditures:</b>									
Current:									
Capital outlay	825	35,342	31,443	8,907	-	417,533	7,802	161,959	2,566,649
Total expenditures	<u>825</u>	<u>35,342</u>	<u>31,443</u>	<u>8,907</u>	<u>-</u>	<u>417,533</u>	<u>7,802</u>	<u>161,959</u>	<u>2,566,649</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,462</u>	<u>37,751</u>	<u>890,392</u>	<u>(1,707)</u>	<u>571</u>	<u>(335,971)</u>	<u>23,253</u>	<u>121,912</u>	<u>(2,203,269)</u>
<b>Other Financing Sources (Uses):</b>									
Long-term debt issued	-	-	-	-	-	-	840,000	-	-
Premium received on debt issue	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	525,000	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	(115,000)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>525,000</u>	<u>-</u>	<u>(115,000)</u>	<u>-</u>	<u>-</u>	<u>840,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>1,462</u>	<u>562,751</u>	<u>890,392</u>	<u>(116,707)</u>	<u>571</u>	<u>(335,971)</u>	<u>863,253</u>	<u>121,912</u>	<u>(2,203,269)</u>
<b>Fund Balances:</b>									
Fund balances, as previously stated	30,600	991,371	-	236,142	19,033	(88,722)	-	389,053	3,038,838
Prior period adjustment	-	-	235,633	-	-	-	-	-	-
Fund balances, as restated	<u>30,600</u>	<u>991,371</u>	<u>235,633</u>	<u>236,142</u>	<u>19,033</u>	<u>(88,722)</u>	<u>-</u>	<u>389,053</u>	<u>3,038,838</u>
Fund balances, end of year	<u>\$ 32,062</u>	<u>\$ 1,554,122</u>	<u>\$ 1,126,025</u>	<u>\$ 119,435</u>	<u>\$ 19,604</u>	<u>\$ (424,693)</u>	<u>\$ 863,253</u>	<u>\$ 510,965</u>	<u>\$ 835,569</u>

<u>45 Block Revitalization</u>	<u>Center City Revitalization</u>	<u>Stantonsburg Road / 10th St Connector</u>	<u>South Tar River Greenway</u>	<u>Sidewalk Construction Project</u>	<u>Reade/Hodges Parking Lot Improvement Project</u>	<u>Stormwater Drainage Project</u>	<u>Thomas Langston Road Extension Project</u>	<u>Intermodal Transportation Center Project</u>	<u>Employee Parking Lot Expansion Project</u>	<u>Total</u>
\$ -	\$ -	\$ 350,000	\$ -	\$ 122,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 925,003
90,304	94,939	56	-	138	743	-	-	29	142	506,366
<u>209,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,201,915</u>
<u>299,872</u>	<u>94,939</u>	<u>350,056</u>	<u>-</u>	<u>122,649</u>	<u>743</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>142</u>	<u>2,633,284</u>
<u>2,364,384</u>	<u>49,732</u>	<u>261,535</u>	<u>73,032</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>64,442</u>	<u>-</u>	<u>-</u>	<u>6,043,654</u>
<u>2,364,384</u>	<u>49,732</u>	<u>261,535</u>	<u>73,032</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>64,442</u>	<u>-</u>	<u>-</u>	<u>6,043,654</u>
<u>(2,064,512)</u>	<u>45,207</u>	<u>88,521</u>	<u>(73,032)</u>	<u>122,580</u>	<u>743</u>	<u>-</u>	<u>(64,442)</u>	<u>29</u>	<u>142</u>	<u>(3,410,370)</u>
3,775,000	3,000,000	-	-	-	-	-	-	-	-	7,615,000
16,734	13,298	-	-	-	-	-	-	-	-	30,032
-	-	-	-	-	-	220,776	-	16,226	193,683	955,685
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,000)</u>
<u>3,791,734</u>	<u>3,013,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,776</u>	<u>-</u>	<u>16,226</u>	<u>193,683</u>	<u>8,485,717</u>
<u>1,727,222</u>	<u>3,058,505</u>	<u>88,521</u>	<u>(73,032)</u>	<u>122,580</u>	<u>743</u>	<u>220,776</u>	<u>(64,442)</u>	<u>16,255</u>	<u>193,825</u>	<u>5,075,347</u>
(407,028)	(71,154)	(11,643)	(62,287)	(74,802)	255,700	(220,776)	-	-	-	4,024,325
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,633</u>
<u>(407,028)</u>	<u>(71,154)</u>	<u>(11,643)</u>	<u>(62,287)</u>	<u>(74,802)</u>	<u>255,700</u>	<u>(220,776)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,259,958</u>
<u>\$ 1,320,194</u>	<u>\$ 2,987,351</u>	<u>\$ 76,878</u>	<u>\$ (135,319)</u>	<u>\$ 47,778</u>	<u>\$ 256,443</u>	<u>\$ -</u>	<u>\$ (64,442)</u>	<u>\$ 16,255</u>	<u>\$ 193,825</u>	<u>\$ 9,335,305</u>

## 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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Special Federal/State/Local grants	\$ 105,000	\$ 107,521	\$ -	\$ 107,521
Interest earnings	-	7,600	2,287	9,887
Total revenues	<u>105,000</u>	<u>115,121</u>	<u>2,287</u>	<u>117,408</u>
<b>Expenditures:</b>				
Capital improvements	<u>390,000</u>	<u>369,521</u>	<u>825</u>	<u>370,346</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(285,000)</u>	<u>(254,400)</u>	<u>1,462</u>	<u>(252,938)</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>-</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) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 30,600</u>	<u>\$ 1,462</u>	<u>\$ 32,062</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ 160,500	\$ 173,308	\$ 6,805	\$ 180,113
Loan payments	142,100	158,652	10,288	168,940
Sale of property	1,176,000	1,310,783	56,000	1,366,783
Total revenues	<u>1,478,600</u>	<u>1,642,743</u>	<u>73,093</u>	<u>1,715,836</u>
<b>Expenditures:</b>				
Bond administration cost	6,349	6,349	-	6,349
Home ownership	2,021,151	724,037	13,016	737,053
Land banking	733,000	688,274	-	688,274
Rehabilitation	243,100	233,187	22,326	255,513
Total expenditures	<u>3,003,600</u>	<u>1,651,847</u>	<u>35,342</u>	<u>1,687,189</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,525,000)</u>	<u>(9,104)</u>	<u>37,751</u>	<u>28,647</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	1,000,000	1,000,475	-	1,000,475
Transfer from General Fund	525,000	-	525,000	525,000
Total other financing sources (uses)	<u>1,525,000</u>	<u>1,000,475</u>	<u>525,000</u>	<u>1,525,475</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 991,371</u>	<u>\$ 562,751</u>	<u>\$ 1,554,122</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, 2007

	<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
Total revenues	<u>-</u>	<u>-</u>	<u>921,835</u>	<u>921,835</u>
<b>Expenditures:</b>				
Renovations	<u>271,199</u>	<u>35,566</u>	<u>31,443</u>	<u>67,009</u>
Total expenditures	<u>271,199</u>	<u>35,566</u>	<u>31,443</u>	<u>67,009</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(271,199)</u>	<u>(35,566)</u>	<u>890,392</u>	<u>854,826</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>271,199</u>	<u>271,199</u>	<u>-</u>	<u>271,199</u>
Total other financing sources (uses)	<u>271,199</u>	<u>271,199</u>	<u>-</u>	<u>271,199</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 235,633</u>	<u>\$ 890,392</u>	<u>\$ 1,126,025</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ 430,000	\$ 457,234	\$ 7,200	\$ 464,434
NCDOT grant	600,000	600,000	-	600,000
Miscellaneous	-	900	-	900
Total revenues	<u>1,030,000</u>	<u>1,058,134</u>	<u>7,200</u>	<u>1,065,334</u>
<b>Expenditures:</b>				
Bond administration cost	47,285	42,590	-	42,590
Traffic signal maintenance facility	<u>4,693,000</u>	<u>4,570,371</u>	<u>8,907</u>	<u>4,579,278</u>
Total expenditures	<u>4,740,285</u>	<u>4,612,961</u>	<u>8,907</u>	<u>4,621,868</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,710,285)</u>	<u>(3,554,827)</u>	<u>(1,707)</u>	<u>(3,556,534)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	3,825,285	3,790,969	-	3,790,969
Transfers out	<u>(115,000)</u>	<u>-</u>	<u>(115,000)</u>	<u>(115,000)</u>
Total other financing sources (uses)	<u>3,710,285</u>	<u>3,790,969</u>	<u>(115,000)</u>	<u>3,675,969</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 236,142</u>	<u>\$ (116,707)</u>	<u>\$ 119,435</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal emergency mgmt. assistance	\$ 420,000	\$ 369,787	\$ -	\$ 369,787
Recreation donations	146,840	276,997	500	277,497
Recreation & parks trust	250,000	250,000	-	250,000
Investment earnings	4,000	18,694	71	18,765
Total revenues	<u>820,840</u>	<u>915,478</u>	<u>571</u>	<u>916,049</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>(902,977)</u>	<u>571</u>	<u>(902,406)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	750,000	750,000	-	750,000
Transfer from General Fund	100,000	172,010	-	172,010
Appropriated fund balance	19,182	-	-	-
Total other financing sources (uses)	<u>869,182</u>	<u>922,010</u>	<u>-</u>	<u>922,010</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 19,033</u>	<u>\$ 571</u>	<u>\$ 19,604</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 1,414,836	\$ 862,217	\$ 81,464	\$ 943,681
Miscellaneous	-	1,671	-	1,671
Investment earnings	-	1,817	98	1,915
Total revenues	<u>1,414,836</u>	<u>865,705</u>	<u>81,562</u>	<u>947,267</u>
<b>Expenditures:</b>				
<b>Greene Street Bridge Relocation:</b>				
Engineering	125,000	94,368	1,415	95,783
Land acquisition	63,000	73,981	-	73,981
Construction	1,108,590	1,099,748	11,188	1,110,936
<b>Greene Street Streetscape Improvements:</b>				
Engineering	52,300	36,822	10,040	46,862
Construction	<u>518,786</u>	<u>102,348</u>	<u>394,890</u>	<u>497,238</u>
Total expenditures	<u>1,867,676</u>	<u>1,407,267</u>	<u>417,533</u>	<u>1,824,800</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(452,840)</u>	<u>(541,562)</u>	<u>(335,971)</u>	<u>(877,533)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	<u>452,840</u>	<u>452,840</u>	<u>-</u>	<u>452,840</u>
Total other financing sources (uses)	<u>452,840</u>	<u>452,840</u>	<u>-</u>	<u>452,840</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (88,722)</u>	<u>\$ (335,971)</u>	<u>\$ (424,693)</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Other revenues	\$ -	\$ -	\$ 3,724	\$ 3,724
Interest earnings	-	-	27,331	27,331
Total revenues	<u>-</u>	<u>-</u>	<u>31,055</u>	<u>31,055</u>
<b>Expenditures:</b>				
Construction	840,000	-	121	121
Bond administration	-	-	7,681	7,681
Total expenditures	<u>840,000</u>	<u>-</u>	<u>7,802</u>	<u>7,802</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(840,000)</u>	<u>-</u>	<u>23,253</u>	<u>23,253</u>
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	<u>840,000</u>	<u>-</u>	<u>840,000</u>	<u>840,000</u>
Total other financing sources (uses)	<u>840,000</u>	<u>-</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>\$ -</u>	<u>\$ 863,253</u>	<u>\$ 863,253</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental revenues	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Interest earnings	150,000	187,320	33,871	221,191
Total revenues	<u>400,000</u>	<u>187,320</u>	<u>283,871</u>	<u>471,191</u>
<b>Expenditures:</b>				
Fire and rescue project	3,095,506	2,770,706	49,418	2,820,124
Guy Smith Stadium	900,000	864,930	8,693	873,623
Greenfield Terrace	399,131	344,911	18,335	363,246
SW Park Development	169,872	89,740	85,513	175,253
Carver Library	1,194,700	1,065,620	-	1,065,620
Total expenditures	<u>5,759,209</u>	<u>5,135,907</u>	<u>161,959</u>	<u>5,297,866</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,359,209)</u>	<u>(4,948,587)</u>	<u>121,912</u>	<u>(4,826,675)</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	150,000	168,211	-	168,211
COPS 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>\$ 389,053</u>	<u>\$ 121,912</u>	<u>\$ 510,965</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 121,028	\$ -	\$ 121,028	\$ 121,028
Other income	-	31,916	-	31,916
Interest earnings	<u>558,550</u>	<u>496,687</u>	<u>242,352</u>	<u>739,039</u>
Total revenues	<u>679,578</u>	<u>528,603</u>	<u>363,380</u>	<u>891,983</u>
<b>Expenditures:</b>				
Construction	9,252,523	7,191,312	2,232,912	9,424,224
Capital outlay	1,230,997	912,097	279,518	1,191,615
Acquisition	950,000	950,000	-	950,000
Bond administration cost	250,000	102,049	-	102,049
Design	<u>1,115,000</u>	<u>619,054</u>	<u>54,219</u>	<u>673,273</u>
Total expenditures	<u>12,798,520</u>	<u>9,774,512</u>	<u>2,566,649</u>	<u>12,341,161</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(12,118,942)</u>	<u>(9,245,909)</u>	<u>(2,203,269)</u>	<u>(11,449,178)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	425,000	425,000	-	425,000
COPS issued	10,723,942	10,889,747	-	10,889,747
Transfers from other funds	<u>970,000</u>	<u>970,000</u>	<u>-</u>	<u>970,000</u>
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>\$ 3,038,838</u>	<u>\$ (2,203,269)</u>	<u>\$ 835,569</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Other income	\$ 400,000	\$ -	\$ 209,568	\$ 209,568
Interest earnings	-	-	90,304	90,304
Total revenues	<u>400,000</u>	<u>-</u>	<u>299,872</u>	<u>299,872</u>
<b>Expenditures:</b>				
Acquisition	2,100,000	303,316	1,692,982	1,996,298
Demolition	475,000	61,509	128,887	190,396
Construction	400,000	-	444,112	444,112
Infrastructure	1,000,000	41,789	9,264	51,053
Development financing	550,000	-	429	429
Relocation assistance	475,000	-	28,856	28,856
Owner occupied rehabilitation	400,000	414	26,367	26,781
Bond administration	-	-	33,487	33,487
Total expenditures	<u>5,400,000</u>	<u>407,028</u>	<u>2,364,384</u>	<u>2,771,412</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,000,000)</u>	<u>(407,028)</u>	<u>(2,064,512)</u>	<u>(2,471,540)</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	-	-	16,734	16,734
Bonds issued	<u>5,000,000</u>	<u>-</u>	<u>3,775,000</u>	<u>3,775,000</u>
Total other financing sources (uses)	<u>5,000,000</u>	<u>-</u>	<u>3,791,734</u>	<u>3,791,734</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (407,028)</u>	<u>\$ 1,727,222</u>	<u>\$ 1,320,194</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ -	\$ -	\$ 94,939	\$ 94,939
Total revenues	<u>-</u>	<u>-</u>	<u>94,939</u>	<u>94,939</u>
<b>Expenditures:</b>				
Acquisition	\$ 2,250,000	\$ -	\$ 9,550	\$ 9,550
Demolition	500,000	-	-	-
Infrastructure	1,250,000	71,154	14,165	85,319
Development financing	500,000	-	-	-
Bond administration	-	-	26,017	26,017
Business retention	500,000	-	-	-
Total expenditures	<u>5,000,000</u>	<u>71,154</u>	<u>49,732</u>	<u>120,886</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,000,000)</u>	<u>(71,154)</u>	<u>45,207</u>	<u>(25,947)</u>
<b>Other Financing Sources (Uses):</b>				
Premium received on debt issue	-	-	13,298	13,298
Bonds issued	5,000,000	-	3,000,000	3,000,000
Total other financing sources (uses)	<u>5,000,000</u>	<u>-</u>	<u>3,013,298</u>	<u>3,013,298</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (71,154)</u>	<u>\$ 3,058,505</u>	<u>\$ 2,987,351</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 4,000,000	\$ 350,000	\$ 350,000	\$ 700,000
Interest earnings	<u>22,000</u>	<u>-</u>	<u>56</u>	<u>56</u>
Total revenues	<u>4,022,000</u>	<u>350,000</u>	<u>350,056</u>	<u>700,056</u>
<b>Expenditures:</b>				
Bond administration cost	22,000	-	-	-
Engineering	3,000,000	361,643	261,535	623,178
Right of way	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,022,000</u>	<u>361,643</u>	<u>261,535</u>	<u>623,178</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,000,000)</u>	<u>(11,643)</u>	<u>88,521</u>	<u>76,878</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>\$ (11,643)</u>	<u>\$ 88,521</u>	<u>\$ 76,878</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,480,000	\$ -	\$ -	\$ -
Total revenues	<u>1,480,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Testing	25,000	-	-	-
Construction	1,243,000	-	-	-
Engineering	162,000	62,287	73,032	135,319
Right of way	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,480,000</u>	<u>62,287</u>	<u>73,032</u>	<u>135,319</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ (62,287)</u>	<u>\$ (73,032)</u>	<u>\$ (135,319)</u>
<b>Excess of revenues and other financing sources and over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (62,287)</u>	<u>\$ (73,032)</u>	<u>\$ (135,319)</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, 2007

	<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	\$ 122,511
Interest earnings	-	-	138	138
Total revenues	<u>375,600</u>	<u>-</u>	<u>122,649</u>	<u>122,649</u>
<b>Expenditures:</b>				
Construction	<u>575,600</u>	<u>274,802</u>	<u>69</u>	<u>274,871</u>
Total expenditures	<u>575,600</u>	<u>274,802</u>	<u>69</u>	<u>274,871</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(200,000)</u>	<u>(274,802)</u>	<u>122,580</u>	<u>(152,222)</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>\$ (74,802)</u>	<u>\$ 122,580</u>	<u>\$ 47,778</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ -	\$ -	\$ 743	\$ 743
<b>Expenditures:</b>				
Construction	255,700	-	-	-
Revenues over (under) expenditures	(255,700)	-	743	743
<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>\$ 255,700</u>	<u>\$ 743</u>	<u>\$ 256,443</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ 204,000	\$ -	\$ 145,312	\$ 145,312
Total revenues	<u>204,000</u>	<u>-</u>	<u>145,312</u>	<u>145,312</u>
<b>Expenditures:</b>				
Stormwater drainage projects	<u>5,384,232</u>	<u>220,776</u>	<u>1,912,686</u>	<u>2,133,462</u>
Total expenditures	<u>5,384,232</u>	<u>220,776</u>	<u>1,912,686</u>	<u>2,133,462</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,180,232)</u>	<u>(220,776)</u>	<u>(1,767,374)</u>	<u>(1,988,150)</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>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>5,180,232</u>	<u>-</u>	<u>5,122,607</u>	<u>5,122,607</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ (220,776)</u>	<u>\$ 3,355,233</u>	<u>\$ 3,134,457</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Interest earnings	\$ 114,400	\$ -	\$ -	\$ -
Total revenues	<u>114,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Engineering	190,000	-	64,442	64,442
Construction	<u>2,784,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,974,400</u>	<u>-</u>	<u>64,442</u>	<u>64,442</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,860,000)</u>	<u>-</u>	<u>(64,442)</u>	<u>(64,442)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds issued	2,860,000	-	-	-
Transfers in	<u>-</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>\$ -</u>	<u>\$ (64,442)</u>	<u>\$ (64,442)</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>Revenues:</b>				
Federal and State grants	\$ 146,034	\$ -	\$ -	\$ -
Interest earnings	-	-	29	29
Total revenues	<u>146,034</u>	<u>-</u>	<u>29</u>	<u>29</u>
<b>Expenditures:</b>				
Renovations	157,360	-	-	-
Construction	4,900	-	-	-
Total expenditures	<u>162,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(16,226)</u>	<u>-</u>	<u>29</u>	<u>29</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>-</u>	<u>16,226</u>	<u>16,226</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,255</u>	<u>\$ 16,255</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, 2007

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

## 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.

### 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.

### 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.

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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<b>Variance Positive (Negative)</b>	<u>2006</u>
	<b>Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 165,359,638	\$ 160,742,872	\$ (4,616,766)	\$ 152,459,360
Fees and charges	630,000	639,939	9,939	574,037
U.G. temp service charges	431,000	428,011	(2,989)	533,117
Miscellaneous	281,919	356,491	74,572	315,741
	<u>166,702,557</u>	<u>162,167,313</u>	<u>(4,535,244)</u>	<u>153,882,255</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	1,835,000	1,832,299	(2,701)	1,279,681
FEMA/Insurance reimbursements	-	-	-	34,295
Bond proceeds	40,300	40,306	6	-
Miscellaneous	408,062	740,792	332,730	647,705
	<u>2,283,362</u>	<u>2,613,397</u>	<u>330,035</u>	<u>1,961,681</u>
Total revenues	<u>168,985,919</u>	<u>164,780,710</u>	<u>(4,205,209)</u>	<u>155,843,936</u>
<b>Expenditures</b>				
Non-Department:				
Personnel	191,937	197,163	(5,226)	193,150
Operations	3,152,470	2,992,048	160,422	5,689,809
Capital	-	-	-	26,774
	<u>3,344,407</u>	<u>3,189,211</u>	<u>155,196</u>	<u>5,909,733</u>
<b>Governing Body Department:</b>				
Personnel	875,905	777,597	98,308	264,625
Operations	1,392,809	1,228,736	164,073	188,240
Capital	220,092	159,525	60,567	-
	<u>2,488,806</u>	<u>2,165,858</u>	<u>322,948</u>	<u>452,865</u>
<b>Finance Department:</b>				
Personnel	431,889	420,697	11,192	116,794
Operations	3,265,736	2,883,933	381,803	47,979
	<u>3,697,625</u>	<u>3,304,630</u>	<u>392,995</u>	<u>164,773</u>
<b>Information Technology Department:</b>				
Personnel	316,995	308,752	8,243	299,784
Operations	1,020,852	834,757	186,095	617,542
Capital	53,600	52,010	1,590	63,759
	<u>1,391,447</u>	<u>1,195,519</u>	<u>195,928</u>	<u>981,085</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Human Resources Department:</b>				
Personnel	427,981	380,259	47,722	-
Operations	261,791	233,705	28,086	-
Capital	12,800	12,427	373	-
	702,572	626,391	76,181	-
<b>Customer Relations Department:</b>				
Personnel	1,666,434	1,617,107	49,327	1,195,869
Operations	925,734	580,908	344,826	247,976
Capital	8,666	8,666	-	2,827
	2,600,834	2,206,681	394,153	1,446,672
<b>Supporting Services Department:</b>				
Personnel	-	-	-	1,938,598
Operations	-	-	-	2,471,571
Capital	-	-	-	11,293
	-	-	-	4,421,462
<b>Utility Locating Services:</b>				
Personnel	77,350	73,873	3,477	67,924
Operations	14,425	11,454	2,971	13,764
Capital	8,550	8,473	77	-
	100,325	93,800	6,525	81,688
<b>Meter Department:</b>				
Personnel	831,550	861,407	(29,857)	-
Operations	369,662	436,979	(67,317)	-
Capital	20,746	43,271	(22,525)	-
	1,221,958	1,341,657	(119,699)	-
<b>Electric Department:</b>				
Personnel	3,772,145	3,868,160	(96,015)	3,735,321
Operations	141,419,356	137,935,134	3,484,222	129,241,806
Capital	8,246,444	8,822,383	(575,939)	6,479,326
	153,437,945	150,625,677	2,812,268	139,456,453
Total expenditures	168,985,919	164,749,424	4,236,495	152,914,731
<b>Excess of revenues over (under) expenditures</b>	-	31,286	31,286	2,929,205

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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Other Financing Sources (Uses):</b>				
Intra-fund transfers	-	103,684	103,684	-
Total other financing sources (uses)	-	103,684	103,684	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 134,970	\$ 134,970	\$ 2,929,205
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>				
Revenues over (under) expenditures		\$ 134,970		\$ 2,929,205
Budgetary appropriations - capital		9,106,755		6,583,979
Budgetary appropriations - debt principal		1,064,490		1,276,338
Depreciation		(6,594,349)		(6,790,961)
Bond proceeds		(40,306)		-
Amortization of bond premium/discount		(22,681)		(16,458)
Amortization of bond issuance costs		(34)		-
Capitalization of bond interest		57,941		4,797
Intra-fund transfers		(103,684)		-
Changes in unrealized gains/losses on investments		222,235		29,129
Revenue recognized in Capital Projects		1,482,854		71,358
		5,173,221		1,158,182
Change in net assets - GAAP Basis		\$ 5,308,191		\$ 4,087,387

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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 10,676,632	\$ 10,852,530	\$ 175,898	\$ 10,439,411
Fees and charges	869,700	1,014,793	145,093	807,523
Miscellaneous	192,419	56,637	(135,782)	89,920
	<u>11,738,751</u>	<u>11,923,960</u>	<u>185,209</u>	<u>11,336,854</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	125,000	135,536	10,536	85,537
FEMA/Insurance reimbursements	-	-	-	12,003
Miscellaneous	45,000	53,048	8,048	37,231
	<u>170,000</u>	<u>188,584</u>	<u>18,584</u>	<u>134,771</u>
Total revenues	<u>11,908,751</u>	<u>12,112,544</u>	<u>203,793</u>	<u>11,471,625</u>
<b>Expenditures:</b>				
<b>Non-Department:</b>				
Personnel	116,323	116,445	(122)	112,754
Operations	1,092,822	1,016,457	76,365	4,015,371
Capital	-	-	-	4,873
	<u>1,209,145</u>	<u>1,132,902</u>	<u>76,243</u>	<u>4,132,998</u>
<b>Governing Body Department:</b>				
Personnel	210,027	214,981	(4,954)	134,418
Operations	590,363	559,243	31,120	705,248
Capital	13,757	65,303	(51,546)	-
	<u>814,147</u>	<u>839,527</u>	<u>(25,380)</u>	<u>839,666</u>
<b>Finance Department:</b>				
Personnel	176,226	173,733	2,493	116,793
Operations	2,998,313	2,964,844	33,469	47,883
	<u>3,174,539</u>	<u>3,138,577</u>	<u>35,962</u>	<u>164,676</u>
<b>Information Technology Department:</b>				
Personnel	316,994	307,497	9,497	299,264
Operations	(15,715)	53,418	(69,133)	48,900
Capital	3,350	3,251	99	3,985
	<u>304,629</u>	<u>364,166</u>	<u>(59,537)</u>	<u>352,149</u>
<b>Human Resources Department:</b>				
Personnel	26,749	23,767	2,982	214,495
Operations	16,362	18,243	(1,881)	(160,795)
Capital	800	777	23	2,827
	<u>43,911</u>	<u>42,787</u>	<u>1,124</u>	<u>56,527</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Customer Relations Department:</b>				
Personnel	104,152	101,728	2,424	67,922
Operations	(49,142)	79,309	(128,451)	11,540
Capital	542	542	-	-
	<u>55,552</u>	<u>181,579</u>	<u>(126,027)</u>	<u>79,462</u>
<b>Support Services Department:</b>				
Personnel	-	-	-	332,909
Operations	-	-	-	284,134
Capital	-	-	-	706
	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,749</u>
<b>Utility Locating Department</b>				
Personnel	77,350	73,873	3,477	67,922
Operations	14,425	10,283	4,142	11,540
Capital	8,550	8,473	77	-
	<u>100,325</u>	<u>92,629</u>	<u>7,696</u>	<u>79,462</u>
<b>Meter Department:</b>				
Personnel	256,950	246,253	10,697	2,399,185
Operations	131,544	69,033	62,511	1,533,967
Capital	20,748	23,602	(2,854)	1,188,345
	<u>409,242</u>	<u>338,888</u>	<u>70,354</u>	<u>5,121,497</u>
<b>Water Department:</b>				
Personnel	2,499,496	2,473,718	25,778	134,417
Operations	2,172,529	2,118,905	53,624	127,114
Capital	1,125,236	1,113,679	11,557	-
	<u>5,797,261</u>	<u>5,706,302</u>	<u>90,959</u>	<u>261,531</u>
Total expenditures	<u>11,908,751</u>	<u>11,837,357</u>	<u>71,394</u>	<u>11,705,717</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>275,187</u>	<u>275,187</u>	<u>(234,092)</u>
<b>Other Financing Sources (Uses):</b>				
Contractor's Contributions	-	1,622,495	1,622,495	2,027,657
Intra-fund transfers	-	20,355	20,355	258,000
Total other financing sources (uses)	<u>-</u>	<u>1,642,850</u>	<u>1,642,850</u>	<u>2,285,657</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,918,037</u>	<u>\$ 1,918,037</u>	<u>\$ 2,051,565</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	Budget	Actual	Actual
		Variance Positive (Negative)	
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>			
Revenues over (under) expenditures	\$ 1,918,037		\$ 2,051,565
Budgetary appropriations - capital	1,215,627		1,200,736
Budgetary appropriations - debt principal	1,548,995		1,717,804
Depreciation	(2,863,915)		(2,796,430)
Amortization of bond premium/discount	(14,104)		(10,750)
Capitalization of bond interest	24,507		10,449
Intra-fund transfers	70,346		(258,000)
Changes in unrealized gains/losses on investments	22,164		(2,994)
Revenue recognized in Capital Projects	72,355		260,158
Revenue recognized in Capital Reserve	-		41
	75,975		121,014
Change in Net Assets - GAAP Basis	\$ 1,994,012		\$ 2,172,579

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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 11,507,472	\$ 11,802,583	\$ 295,111	\$ 11,061,575
Fees and charges	816,000	826,808	10,808	597,831
Acreage	542,155	438,787	(103,368)	642,718
Miscellaneous	46,419	90,786	44,367	37,773
	<u>12,912,046</u>	<u>13,158,964</u>	<u>246,918</u>	<u>12,339,896</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	343,329	355,139	11,810	260,633
Pitt County Dev. Comm.	430,437	430,438	1	430,438
FEMA/Insurance reimbursements	-	-	-	4,001
Miscellaneous	62,091	23,550	(38,541)	47,945
	<u>835,857</u>	<u>809,127</u>	<u>(26,730)</u>	<u>743,017</u>
Total revenues	<u>13,747,903</u>	<u>13,968,091</u>	<u>220,188</u>	<u>13,082,914</u>
<b>Expenditures</b>				
<b>Non-Department</b>				
Personnel	42,900	43,148	(248)	39,750
Operations	1,031,153	943,807	87,346	3,168,551
Capital	-	-	-	4,874
	<u>1,074,053</u>	<u>986,955</u>	<u>87,098</u>	<u>3,213,175</u>
<b>Governing Body Department:</b>				
Personnel	210,027	234,660	(24,633)	134,417
Operations	329,963	310,550	19,413	127,114
Capital	13,757	9,970	3,787	-
	<u>553,747</u>	<u>555,180</u>	<u>(1,433)</u>	<u>261,531</u>
<b>Finance Department:</b>				
Personnel	176,226	173,732	2,494	116,794
Operations	4,836,339	4,744,605	91,734	47,883
	<u>5,012,565</u>	<u>4,918,337</u>	<u>94,228</u>	<u>164,677</u>
<b>Information Technology Department:</b>				
Personnel	316,994	309,019	7,975	299,264
Operations	89,945	53,418	36,527	48,314
Capital	3,350	3,251	99	3,985
	<u>410,289</u>	<u>365,688</u>	<u>44,601</u>	<u>351,563</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Human Resources Department:</b>				
Personnel	26,749	23,766	2,983	212,467
Operations	16,362	18,253	(1,891)	272,385
Capital	800	777	23	706
	<u>43,911</u>	<u>42,796</u>	<u>1,115</u>	<u>485,558</u>
<b>Customer Relations Department:</b>				
Personnel	104,152	101,726	2,426	214,494
Operations	57,858	83,982	(26,124)	45,557
Capital	542	542	-	2,827
	<u>162,552</u>	<u>186,250</u>	<u>(23,698)</u>	<u>262,878</u>
<b>Support Services Department:</b>				
Personnel	-	-	-	212,467
Operations	-	-	-	272,385
Capital	-	-	-	706
	<u>-</u>	<u>-</u>	<u>-</u>	<u>485,558</u>
<b>Utility Locating Services:</b>				
Personnel	77,350	73,872	3,478	67,923
Operations	14,425	10,696	3,729	11,540
Capital	8,550	8,473	77	-
	<u>100,325</u>	<u>93,041</u>	<u>7,284</u>	<u>79,463</u>
<b>Meter Department:</b>				
Personnel	124,950	102,559	22,391	59,944
Operations	11,544	1,360	10,184	2,207,590
Capital	20,748	-	20,748	4,874
	<u>157,242</u>	<u>103,919</u>	<u>53,323</u>	<u>2,272,408</u>
<b>Sewer Department:</b>				
Personnel	2,714,092	2,577,626	136,466	2,357,694
Operations	2,704,901	2,781,120	(76,219)	2,125,082
Capital	1,516,743	1,345,132	171,611	1,220,086
	<u>6,935,736</u>	<u>6,703,878</u>	<u>231,858</u>	<u>5,702,862</u>
Total expenditures	<u>14,450,420</u>	<u>13,956,044</u>	<u>494,376</u>	<u>13,279,673</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(702,517)</u>	<u>12,047</u>	<u>714,564</u>	<u>(196,759)</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Other Financing Sources (Uses):</b>				
Contractor's Contributions	-	2,825,131	2,825,131	5,014,954
Intra-fund transfers	702,517	6,235	(696,282)	199,000
Total other financing sources (uses)	702,517	2,831,366	2,128,849	5,213,954
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ -	\$ 2,843,413	\$ 2,843,413	\$ 5,017,195
<b>Reconciliation to Full Accrual Basis From Modified Accrual Basis:</b>				
Revenues over (under) expenditures		\$ 2,843,413		\$ 5,017,195
Budgetary appropriations - capital		1,368,145		1,232,478
Budgetary appropriations - debt principal		3,283,600		3,426,571
Depreciation		(3,730,047)		(3,640,948)
Amortization of bond premium/discount		(44,594)		(40,963)
Capitalization of bond interest		-		75,295
Intra-fund transfers		272,265		(199,000)
Changes in unrealized gains/losses on investments		48,736		9,620
Revenue recognized in Capital Projects		81,454		112,958
Revenue recognized in Capital Reserve		-		125
		1,279,559		976,136
Change in Net Assets - GAAP Basis		\$ 4,122,971		\$ 5,993,331

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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Rates and charges	\$ 38,927,846	\$ 37,965,531	\$ (962,315)	\$ 36,938,809
Fees and charges	168,827	172,035	3,208	161,320
Miscellaneous	56,919	67,746	10,827	58,091
	<u>39,153,592</u>	<u>38,205,312</u>	<u>(948,280)</u>	<u>37,158,220</u>
<b>Non-Operating Revenues:</b>				
Interest on temporary investments	95,000	125,090	30,090	90,791
FEMA/Insurance reimbursements	-	-	-	6,859
Bond proceeds	9,700	9,694	-	-
Miscellaneous	60,000	61,632	1,632	42,404
	<u>164,700</u>	<u>196,416</u>	<u>31,716</u>	<u>140,054</u>
Total revenues	<u>39,318,292</u>	<u>38,401,728</u>	<u>(916,564)</u>	<u>37,298,274</u>
<b>Expenditures</b>				
<b>Non-Department:</b>				
Personnel	60,825	61,696	(871)	59,944
Operations	810,511	751,352	59,159	1,865,831
Capital	-	-	-	4,874
	<u>871,336</u>	<u>813,048</u>	<u>58,288</u>	<u>1,930,649</u>
<b>Governing Body Department:</b>				
Personnel	254,418	250,895	3,523	143,098
Operations	395,630	348,269	47,361	138,783
Capital	27,512	19,940	7,572	-
	<u>677,560</u>	<u>619,104</u>	<u>58,456</u>	<u>281,881</u>
<b>Finance Department:</b>				
Personnel	193,271	190,197	3,074	116,794
Operations	1,392,949	1,295,001	97,948	47,896
	<u>1,586,220</u>	<u>1,485,198</u>	<u>101,022</u>	<u>164,690</u>
<b>Information Technology Department:</b>				
Personnel	316,994	307,588	9,406	299,500
Operations	146,020	105,506	40,514	83,607
Capital	6,700	6,501	199	7,970
	<u>469,714</u>	<u>419,595</u>	<u>50,119</u>	<u>391,077</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Human Resources Department:</b>				
Personnel	53,498	47,532	5,966	279,918
Operations	32,724	30,647	2,077	59,014
Capital	1,600	1,554	46	2,827
	<u>87,822</u>	<u>79,733</u>	<u>8,089</u>	<u>341,759</u>
<b>Customer Relations Department:</b>				
Personnel	208,304	202,751	5,553	359,057
Operations	115,717	108,772	6,945	467,857
Capital	1,083	1,083	-	1,412
	<u>325,104</u>	<u>312,606</u>	<u>12,498</u>	<u>828,326</u>
<b>Support Services Department:</b>				
Personnel	-	-	-	279,918
Operations	-	-	-	59,014
Capital	-	-	-	2,827
	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,759</u>
<b>Utility Locating Services:</b>				
Personnel	77,350	73,872	3,478	67,922
Operations	14,425	11,643	2,782	12,933
Capital	8,550	8,472	78	-
	<u>100,325</u>	<u>93,987</u>	<u>6,338</u>	<u>80,855</u>
<b>Meter Department:</b>				
Personnel	209,550	200,242	9,308	1,427,397
Operations	350,234	325,341	24,893	31,264,716
Capital	20,748	11,801	8,947	1,122,535
	<u>580,532</u>	<u>537,384</u>	<u>43,148</u>	<u>33,814,648</u>
<b>Gas Department:</b>				
Personnel	1,618,003	1,493,803	124,200	-
Operations	31,612,279	31,531,577	80,702	-
Capital	1,438,000	1,329,354	108,646	-
	<u>34,668,282</u>	<u>34,354,734</u>	<u>313,548</u>	<u>-</u>
Total expenditures	<u>39,366,895</u>	<u>38,715,389</u>	<u>651,506</u>	<u>38,175,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,603)</u>	<u>(313,661)</u>	<u>(265,058)</u>	<u>(877,370)</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, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Budget	Actual		Actual
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	48,603	68,254	19,651	-
Intra-fund transfers	48,603	68,254	19,651	-
Total other financing sources (uses)				
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (245,407)	\$ (245,407)	\$ (877,370)

**Reconciliation to Full Accrual Basis From Modified Accrual Basis:**

<b>Revenues over (under) expenditures</b>	\$ (245,407)	\$ (877,370)
Budgetary appropriations - capital	1,378,705	1,139,618
Budgetary appropriations - debt principal	639,586	803,808
Depreciation	(1,366,621)	(1,348,723)
Bond proceeds	(9,694)	-
Amortization of bond premium/discount	(10,460)	(5,570)
Amortization of bond issuance costs	(8)	-
Capitalization of bond interest	2,026	9,371
Intra-fund transfers	(68,254)	-
Changes in unrealized gains/losses on investments	21,453	11,163
Revenue recognized in Capital Projects	(15,406)	34,629
Revenue recognized in Capital Reserve	-	809
	571,327	645,105
Change in net assets - GAAP basis	\$ 325,920	\$ (232,265)

## CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2007

	<u>Aquatic and Fitness Center Fund</u>	<u>Public Transportation Fund</u>	<u>Bradford Creek Golf Course Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total</u>
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ -	\$ 1,014,679	\$ -	\$ 6,721,368	\$ 7,736,047
Accounts receivable, net	24,677	1,176	6,962	-	32,815
Due from other governments	2,121	1,741	8,106	20,776	32,744
Due from other funds	-	9,980	-	499,395	509,375
Intrafund receivable (payable)	(324,161)	-	(92,313)	416,474	-
Inventories	-	-	14,197	-	14,197
Prepaid items and deposits	-	-	250	-	250
Total current assets	<u>(297,363)</u>	<u>1,027,576</u>	<u>(62,798)</u>	<u>7,658,013</u>	<u>8,325,428</u>
<b>Noncurrent Assets:</b>					
Non depreciable capital assets	199,200	-	2,667,190	2,031,969	4,898,359
Depreciable capital assets, net	<u>7,189,814</u>	<u>1,434,252</u>	<u>552,357</u>	<u>296,041</u>	<u>9,472,464</u>
Total noncurrent assets	<u>7,389,014</u>	<u>1,434,252</u>	<u>3,219,547</u>	<u>2,328,010</u>	<u>14,370,823</u>
Total assets	<u>7,091,651</u>	<u>2,461,828</u>	<u>3,156,749</u>	<u>9,986,023</u>	<u>22,696,251</u>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued liabilities	26,230	21,684	27,040	126,045	200,999
Due to other funds	97,420	-	177,561	84,318	359,299
Deferred revenue	-	-	-	287,352	287,352
Compensated absences payable	9,000	23,000	20,725	-	52,725
Current maturities of long-term debt	-	-	147,666	159,389	307,055
Total current liabilities	<u>132,650</u>	<u>44,684</u>	<u>372,992</u>	<u>657,104</u>	<u>1,207,430</u>
<b>Noncurrent Liabilities</b>					
Noncurrent portion of compensated absences	4,368	11,134	7,094	-	22,596
Noncurrent portion of long-term debt	-	-	<u>720,527</u>	<u>5,064,824</u>	<u>5,785,351</u>
Total noncurrent liabilities	<u>4,368</u>	<u>11,134</u>	<u>727,621</u>	<u>5,064,824</u>	<u>5,807,947</u>
Total liabilities	<u>137,018</u>	<u>55,818</u>	<u>1,100,613</u>	<u>5,721,928</u>	<u>7,015,377</u>
<b>Net Assets:</b>					
Investment in capital assets, net of related debt	7,389,014	1,434,252	2,351,354	(2,896,203)	8,278,417
Unrestricted net assets	<u>(434,381)</u>	<u>971,758</u>	<u>(295,218)</u>	<u>7,160,298</u>	<u>7,402,457</u>
Total net assets	<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>



## CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

	<b>Aquatic and Fitness Center Fund</b>	<b>Public Transportation Fund</b>	<b>Bradford Creek Golf Course Fund</b>	<b>Stormwater Utility Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>					
Charges for services	\$ 538,794	\$ 165,038	\$ 842,587	\$ 2,800,049	\$ 4,346,468
Other operating revenues	-	941	-	-	941
Total operating revenue	<u>538,794</u>	<u>165,979</u>	<u>842,587</u>	<u>2,800,049</u>	<u>4,347,409</u>
<b>Operating Expenses:</b>					
Administrative and general	-	18,673	-	-	18,673
Operations and maintenance	1,007,235	990,094	777,412	1,761,527	4,536,268
Depreciation and amortization	513,992	379,794	77,028	75,925	1,046,739
Total operating expenses	<u>1,521,227</u>	<u>1,388,561</u>	<u>854,440</u>	<u>1,837,452</u>	<u>5,601,680</u>
<b>Operating income (loss)</b>	<u>(982,433)</u>	<u>(1,222,582)</u>	<u>(11,853)</u>	<u>962,597</u>	<u>(1,254,271)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Investment earnings	234	3,261	215	172,531	176,241
Restricted intergovernmental revenues	-	929,701	-	-	929,701
Contributed capital	7,902,078	-	-	-	7,902,078
Other nonoperating revenues	-	-	-	22,607	22,607
Interest expense	-	-	(16,840)	(10,506)	(27,346)
Loss on disposal of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>7,902,312</u>	<u>932,962</u>	<u>(16,625)</u>	<u>184,632</u>	<u>9,003,281</u>
<b>Income (loss) before transfers and contributions</b>	6,919,879	(289,620)	(28,478)	1,147,229	7,749,010
Transfers in	<u>70,000</u>	<u>325,512</u>	<u>125,000</u>	<u>-</u>	<u>520,512</u>
<b>Change in net assets</b>	6,989,879	35,892	96,522	1,147,229	8,269,522
Fund balance, beginning of year	<u>(35,246)</u>	<u>2,370,118</u>	<u>1,959,614</u>	<u>3,116,866</u>	<u>7,411,352</u>
Fund balance, end 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>

## CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Aquatic and Fitness Center Fund</u>	<u>Public Transportation Fund</u>	<u>Bradford Creek Golf Course Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total</u>
<b>Operating Activities:</b>					
Cash received from customers	\$ 541,042	\$ 180,234	\$ 848,467	\$ 2,824,229	\$ 4,393,972
Cash paid to vendors	(652,374)	(500,996)	(392,394)	(563,688)	(2,109,452)
Cash paid to employees	(355,390)	(512,978)	(380,017)	(1,125,846)	(2,374,231)
Net cash provided by (used in) operating activities	<u>(466,722)</u>	<u>(833,740)</u>	<u>76,056</u>	<u>1,134,695</u>	<u>(89,711)</u>
<b>Noncapital Financing Activities:</b>					
Transfer from other funds	70,000	325,512	125,000	-	520,512
Change in due from other funds	394,161	4,138	80,758	(471,362)	7,695
Net cash provided by (used in) noncapital financing activities	<u>464,161</u>	<u>329,650</u>	<u>205,758</u>	<u>(471,362)</u>	<u>528,207</u>
<b>Capital and Related Financing Activities:</b>					
Proceeds from issuance of long-term debt	-	-	-	5,100,000	5,100,000
Premium received on issuance of long-term debt	-	-	-	22,607	22,607
Repayment of principal of long-term debt	-	-	(156,641)	(58,925)	(215,566)
Capital grants	-	929,276	-	-	929,276
Interest paid	-	-	(16,840)	(10,506)	(27,346)
Acquisition and construction of capital assets	-	-	(100,045)	(2,051,169)	(2,151,214)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>929,276</u>	<u>(273,526)</u>	<u>3,002,007</u>	<u>3,657,757</u>
<b>Investing Activities:</b>					
Interest received on investments	234	3,261	215	172,531	176,241
Net cash provided by (used in) investing activities	<u>234</u>	<u>3,261</u>	<u>215</u>	<u>172,531</u>	<u>176,241</u>
<b>Net increase in cash and cash equivalents</b>	<b>(2,327)</b>	<b>428,447</b>	<b>8,503</b>	<b>3,837,871</b>	<b>4,272,494</b>
<b>Cash and Cash Equivalents/Investments:</b>					
Beginning of year	<u>2,327</u>	<u>586,232</u>	<u>(8,503)</u>	<u>2,883,497</u>	<u>3,463,553</u>
End of year	<u>\$ -</u>	<u>\$ 1,014,679</u>	<u>\$ -</u>	<u>\$ 6,721,368</u>	<u>\$ 7,736,047</u>
<b>Reconciliation of Operating Income (loss) to Net Cash Provided by (used in) Operating Activities:</b>					
Operating income (loss)	\$ (982,433)	\$ (1,222,582)	\$ (11,853)	\$ 962,597	\$ (1,254,271)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Depreciation	513,992	379,794	77,028	75,925	1,046,739
<b>Change in Assets and Liabilities:</b>					
Accounts receivable	922	2,688	(2,624)	-	986
Accounts payable and accrued expenses	6,429	5,470	10,123	71,993	94,015
Deferred revenues	-	-	-	24,180	24,180
Compensated absences	(5,632)	890	3,382	-	(1,360)
Net cash provided by (used in) operating activities	<u>\$ (466,722)</u>	<u>\$ (833,740)</u>	<u>\$ 76,056</u>	<u>\$ 1,134,695</u>	<u>\$ (89,711)</u>

**Noncash Transactions:**

Land and building was contributed to the Aquatic and Fitness Center with a value of \$7,902,078.

## 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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Revenues:</b>				
Charges for services	\$ 544,258	\$ 538,794	\$ (5,464)	\$ 558,724
Investment earnings	-	234	234	27
Total operating revenues	<u>544,258</u>	<u>539,028</u>	<u>(5,230)</u>	<u>558,751</u>
<b>Expenditures:</b>				
Operations and maintenance		185,950		202,406
Salaries and benefits		351,035		344,597
Capital outlay		<u>2,234</u>		<u>19,529</u>
Total operating expenses	<u>614,278</u>	<u>539,219</u>	<u>75,059</u>	<u>566,532</u>
<b>Revenues over (under) expenditures</b>	(70,020)	(191)	69,829	(7,781)
<b>Other Financing Sources (Uses):</b>				
Transfers in	70,000	70,000	-	-
Appropriated fund balance	<u>20</u>	<u>-</u>	<u>(20)</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>69,809</u>	<u>\$ 69,809</u>	<u>\$ (7,781)</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		(513,992)		
Capital project renovation expenditures		(468,016)		
Contributed assets		<u>7,902,078</u>		
Change in net assets - GAAP basis		<u>\$ 6,989,879</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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Revenues:</b>				
Charges for services	\$ 120,044	\$ 165,038	\$ 44,994	\$ 130,628
Public transportation planning and operating grants	1,357,295	929,701	(427,594)	1,080,611
Investment earnings	1,068	3,261	2,193	3,586
Other operating revenues	1,073	941	(132)	1,113
Total operating revenue	<u>1,479,480</u>	<u>1,098,941</u>	<u>(380,539)</u>	<u>1,215,938</u>
<b>Expenditures:</b>				
Administrative and general		18,673		19,378
Operations and maintenance		138,785		298,180
Salaries and benefits		604,876		581,184
Capital outlay		246,433		483,368
Retirement of long-term debt		-		11,280
Total operating expenses	<u>1,743,466</u>	<u>1,008,767</u>	<u>734,699</u>	<u>1,393,390</u>
<b>Revenues over (under) expenditures</b>	<u>(263,986)</u>	<u>90,174</u>	<u>354,160</u>	<u>(177,452)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from General Fund	<u>263,986</u>	<u>325,512</u>	<u>61,526</u>	<u>380,581</u>
Total other financing sources (uses)	<u>263,986</u>	<u>325,512</u>	<u>61,526</u>	<u>380,581</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>415,686</u>	<u>\$ 415,686</u>	<u>\$ 203,129</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		<u>(379,794)</u>		
Change in net assets - GAAP basis		<u>\$ 35,892</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, 2007  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Revenues:</b>				
Charges for services	\$ 909,917	\$ 842,587	\$ (67,330)	\$ 850,092
Investment earnings	500	215	(285)	406
Other operating revenues	-	-	-	(448)
Total operating revenue	<u>910,417</u>	<u>842,802</u>	<u>(67,615)</u>	<u>850,050</u>
<b>Expenditures:</b>				
Operations and maintenance		554,559		557,857
Salaries and benefits		194,906		177,220
Capital outlay		127,992		991
Retirement of long-term debt		156,641		156,580
Interest expense		16,840		21,474
Total operating expenses	<u>1,042,918</u>	<u>1,050,938</u>	<u>(8,020)</u>	<u>914,122</u>
<b>Revenues over (under) expenditures</b>	<u>(132,501)</u>	<u>(208,136)</u>	<u>(75,635)</u>	<u>(64,072)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	125,000	125,000	-	-
Appropriated fund balance	<u>7,501</u>	<u>-</u>	<u>(7,501)</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>(83,136)</u>	<u>\$ (83,136)</u>	<u>\$ (64,072)</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		(77,028)		
Capitalized expenditures		100,045		
Retirement of long-term debt		<u>156,641</u>		
Change in net assets - GAAP basis		<u>\$ 96,522</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, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 200

	2007		Variance Positive (Negative)	2006
	Final Budget	Actual		Actual
<b>Revenues:</b>				
Charges for services	\$ 2,780,000	\$ 2,800,049	\$ 20,049	\$ 2,668,931
Investment earnings	25,000	27,219	2,219	56,916
Total operating revenues	<u>2,805,000</u>	<u>2,827,268</u>	<u>22,268</u>	<u>2,725,847</u>
<b>Expenditures:</b>				
Operations and maintenance		1,579,569		1,439,485
Salaries and benefits		55,436		72,957
Capital outlay		44,229		168,198
Retirement of long-term debt		58,925		57,152
Interest paid		10,506		7,130
Total operating expenses	<u>3,739,179</u>	<u>1,748,665</u>	<u>1,990,514</u>	<u>1,744,922</u>
<b>Revenues over (under) expenditures</b>	<u>(934,179)</u>	<u>1,078,603</u>	<u>2,012,782</u>	<u>980,925</u>
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	-	-	-	145,000
Contingency	934,179	-	(934,179)	-
Total other financing sources (uses)	<u>934,179</u>	<u>-</u>	<u>(934,179)</u>	<u>145,000</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>1,078,603</u>	<u>\$ 1,078,603</u>	<u>\$ 1,125,925</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>				
Depreciation		(75,925)		
Capital project revenues		167,919		
Other capital project activity		(101,493)		
Capitalized expenditures		19,200		
Retirement of long-term debt		58,925		
Change in net assets - GAAP basis		<u>\$ 1,147,229</u>		

## CITY OF GREENVILLE, NORTH CAROLINA

GAFC 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, 2007

	<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	475,000	-	468,016	468,016
Total expenditures	<u>475,000</u>	<u>-</u>	<u>468,016</u>	<u>468,016</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ (468,016)</u>	<u>\$ (468,016)</u>
<b>Other Financing Sources (Uses):</b>				
Contingency	(25,000)	-	-	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (468,016)</u>	<u>\$ (468,016)</u>

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## 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.

### JOINT DENTAL REIMBURSEMENT FUND

The Joint 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, 2007

	<u>Dental Reimbursement Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Totals</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash, cash equivalents, and investments	\$ 6,184	\$ 4,112,090	\$ 4,118,274
Total current assets	<u>6,184</u>	<u>4,112,090</u>	<u>4,118,274</u>
<b>Noncurrent Assets:</b>			
Other capital assets, net	-	350,903	350,903
Total assets	<u>6,184</u>	<u>4,462,993</u>	<u>4,469,177</u>
<b>Liabilities and Net Assets:</b>			
<b>Current Liabilities:</b>			
Due to other funds	42,755	-	42,755
Total liabilities	<u>42,755</u>	<u>-</u>	<u>42,755</u>
<b>Net Assets:</b>			
Investment in capital assets, net of related debt	-	-	-
Unrestricted net assets	<u>(36,571)</u>	<u>4,462,993</u>	<u>4,426,422</u>
Total net assets	<u>\$ (36,571)</u>	<u>\$ 4,462,993</u>	<u>\$ 4,426,422</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, 2007

	<b>Dental Reimbursement Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 257,343	\$ 1,740,482	\$ 1,997,825
Other operating revenues	-	63,713	63,713
Total operating revenues	<u>257,343</u>	<u>1,804,195</u>	<u>2,061,538</u>
<b>Operating Expenses:</b>			
Operations and maintenance	-	7,874	7,874
Depreciation	-	13,678	13,678
Claims	<u>312,480</u>	-	<u>312,480</u>
Total operating expenses	<u>312,480</u>	<u>21,552</u>	<u>334,032</u>
<b>Operating income (loss)</b>	<u>(55,137)</u>	<u>1,782,643</u>	<u>1,727,506</u>
<b>Nonoperating Revenues (Expenses):</b>			
Investment earnings	<u>1,199</u>	<u>21,351</u>	<u>22,550</u>
Total nonoperating revenue (expenses)	<u>1,199</u>	<u>21,351</u>	<u>22,550</u>
<b>Income (loss) before transfers and contributions</b>	(53,938)	1,803,994	1,750,056
<b>Transfers In (Out) and Capital Contributions:</b>			
Transfers from other funds	<u>-</u>	<u>2,658,999</u>	<u>2,658,999</u>
<b>Change in net assets</b>	(53,938)	4,462,993	4,409,055
<b>Net Assets:</b>			
Beginning of year - July 1st	<u>17,367</u>	-	<u>17,367</u>
End of year - June 30th	<u>\$ (36,571)</u>	<u>\$ 4,462,993</u>	<u>\$ 4,426,422</u>

## CITY OF GREENVILLE, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

	<b>Dental Reimbursement Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Totals</b>
<b>Operating Activities:</b>			
Cash received from customers	\$ 257,343	\$ 1,804,195	\$ 2,061,538
Cash paid to vendors	(312,480)	(7,874)	(320,354)
Cash paid to employees	-	-	-
Other operating payments	-	-	-
Net cash provided by (used in) operating activities	(55,137)	1,796,321	1,741,184
<b>Noncapital Financing Activities:</b>			
Transfer from (to) other funds	-	2,658,999	2,658,999
Change in due from other funds	14,990	-	14,990
Noncapital contributions	-	-	-
Proceeds from operating grants	-	-	-
Net cash provided by (used in) noncapital financing activities	14,990	2,658,999	2,673,989
<b>Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(364,581)	(364,581)
Net cash provided by (used in) capital and related financing activities	-	(364,581)	(364,581)
<b>Investing Activities:</b>			
Interest received on investments	1,199	21,351	22,550
Net cash provided by (used in) investing activities	1,199	21,351	22,550
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	(38,948)	4,112,090	4,073,142
<b>Cash and Cash Equivalents/Investments</b>			
Beginning of year - July 1st	45,132	-	45,132
End of year - June 30th	\$ 6,184	\$ 4,112,090	\$ 4,118,274
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	\$ (55,137)	\$ 1,782,643	\$ 1,727,506
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation	-	13,678	13,678
<b>Net cash provided by (used in) operating activities</b>	\$ (55,137)	\$ 1,796,321	\$ 1,741,184

## CITY OF GREENVILLE, NORTH CAROLINA

JOINT DENTAL REIMBURSEMENT INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES  
 (USES) - PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>2007</u>		
	<u>Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 353,240	\$ 257,342	\$ (95,898)
Investment earnings	-	1,199	1,199
Total operating revenue	<u>353,240</u>	<u>258,541</u>	<u>(94,699)</u>
<b>Expenditures:</b>			
Claims			
Total operating expenses	<u>353,240</u>	<u>312,480</u>	<u>40,760</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ (53,939)</u>	<u>\$ (53,939)</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, 2007

	<b>2007</b>		<b>Variance Positive (Negative)</b>
	<b>Plan</b>	<b>Actual</b>	
<b>Revenues:</b>			
Charges for services	\$ 1,763,600	\$ 1,740,482	\$ (23,118)
Investment earnings	70,544	21,351	(49,193)
Other operating revenues	-	63,713	63,713
Total operating revenue	<u>1,834,144</u>	<u>1,825,546</u>	<u>(8,598)</u>
<b>Expenditures:</b>			
Operations and maintenance	<u>1,763,600</u>	<u>372,455</u>	<u>1,391,145</u>
<b>Revenues over (under) expenditures</b>	70,544	1,453,091	1,382,547
<b>Other Financing Sources (Uses):</b>			
Transfers in	2,658,999	2,658,999	-
Contingency	<u>(2,729,543)</u>	<u>-</u>	<u>2,729,543</u>
Total other financing sources (uses)	<u>(70,544)</u>	<u>2,658,999</u>	<u>2,729,543</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>4,112,090</u>	<u>\$ 4,112,090</u>
<b>Reconciliation From Budgetary Basis to Full Accrual Basis:</b>			
Depreciation		(13,678)	
Capital asset purchased		<u>364,581</u>	
Change in net assets - GAAP basis		<u>\$ 4,462,993</u>	

## DEBT SERVICE FUND

### DEBT SERVICE FUND

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

## CITY OF GREENVILLE, NORTH CAROLINA

## NONMAJOR DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

## BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2007

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Other taxes	\$ 537,814	\$ 661,433	\$ 123,619
Investment earnings	<u>-</u>	<u>92,871</u>	<u>92,871</u>
Total revenues	<u>537,814</u>	<u>754,304</u>	<u>216,490</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Principal retirement	3,693,179	3,693,179	-
Interest and fees	<u>1,811,934</u>	<u>1,967,302</u>	<u>(155,368)</u>
Total operating expenses	<u>5,505,113</u>	<u>5,660,481</u>	<u>(155,368)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,967,299)</u>	<u>(4,906,177)</u>	<u>61,122</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>4,967,299</u>	<u>5,252,829</u>	<u>(285,530)</u>
Total other financing sources (uses)	<u>4,967,299</u>	<u>5,252,829</u>	<u>(285,530)</u>
<b>Change in fund balances</b>	<u>\$ -</u>	<u>\$ 346,652</u>	<u>\$ 346,652</u>



## CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2007

<u>Fiscal Year</u>	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2007</u>
2007-2006	\$ -	\$ 25,237,917	\$ 24,356,252	\$ 881,665
2006-2005	768,490	-	590,931	\$ 177,559
2005-2004	188,859	-	71,606	117,253
2004-2003	136,404	-	27,793	108,611
2003-2002	123,218	-	19,842	103,376
2002-2001	94,213	-	11,192	83,021
2001-2000	85,356	-	5,695	79,661
2000-1999	89,018	-	7,223	81,795
1999-1998	71,435	-	598	70,837
1998-1997	53,974	-	3,106	50,868
1997-1996	43,921	-	43,921	-
	<u>\$ 1,654,888</u>	<u>\$ 25,237,917</u>	<u>\$ 25,138,159</u>	<u>1,754,646</u>
Less: Allowance for uncollectible accounts - General Fund				(652,088)
Plus other taxes for 2007				<u>486,049</u>
Ad Valorem Taxes Receivable Net - General Fund				<u>\$ 1,588,607</u>
<b><u>Reconciliation with Revenues:</u></b>				
Ad Valorem Taxes - General Fund				\$ 23,896,190
Reconciling Items:				
Amount written off per statute				42,828
Interest Collected				(206,378)
Tax Refunds				11,048
Discounts				250,294
Miscellaneous				<u>1,144,177</u>
Total Collections and Credits				<u>\$ 25,138,159</u>

## CITY OF GREENVILLE, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
CITY - WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2007

	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	\$ 3,850,291,964	0.56	\$ 21,561,635	\$ 20,219,238	\$ 1,342,397
Penalties	-		1,981	1,981	-
Total	<u>3,850,291,964</u>		<u>21,563,616</u>	<u>20,221,219</u>	<u>1,342,397</u>
<b>Discoveries:</b>					
Current year taxes	759,792,143	0.56	4,254,836	2,566,039	1,688,797
Penalties	-		25,800	-	25,800
Total	<u>759,792,143</u>		<u>4,280,636</u>	<u>2,566,039</u>	<u>1,714,597</u>
<b>Abatements</b>	<u>(108,274,107)</u>		<u>(606,335)</u>	<u>(606,335)</u>	<u>-</u>
Total property valuation	<u>\$ 4,501,810,000</u>				
Net Levy			25,237,917	22,180,923	3,056,994
Uncollected taxes as of June 30, 2007			<u>(881,665)</u>	<u>(309,187)</u>	<u>(572,478)</u>
Current year's taxes collected			<u>\$ 24,356,252</u>	<u>\$ 21,871,736</u>	<u>\$ 2,484,516</u>
Current levy collection percentage			<u>96.51%</u>	<u>98.61%</u>	<u>81.27%</u>

Note: The Motor Vehicle abatements are not separable in the tax system utilized in fiscal year ending June 30, 2007. Tax Value of Abatements not equal to current year tax rate because of prior years at varying tax rates.

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

<b>Expenses</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>Governmental activities:</b>						
General government	\$ 11,108	\$ 11,115	\$ 12,750	\$ 13,023	\$ 16,353	\$ 18,144
Public safety	19,998	20,493	21,925	23,705	23,624	28,366
Transportation	5,793	4,503	3,543	2,897	5,720	3,190
Environmental protection	3,058	3,172	3,290	3,568	3,855	4,295
Economic development	7,568	6,197	7,698	1,932	7,652	3,528
Culture and recreation	5,731	4,006	2,125	6,626	5,044	4,926
Interest on long-term debt	1,575	1,317	1,168	1,697	1,714	1,937
<b>Total governmental activities expenses</b>	<b>\$ 54,831</b>	<b>\$ 50,803</b>	<b>\$ 52,499</b>	<b>\$ 53,448</b>	<b>\$ 63,962</b>	<b>\$ 64,386</b>
<b>Business-type activities:</b>						
Electric	\$ 115,479	\$ 126,098	\$ 130,598	\$ 133,698	\$ 148,006	\$ 157,151
Water	8,825	9,023	10,019	12,302	11,584	11,836
Sewer	9,748	10,053	10,233	10,931	12,227	12,800
Gas	16,653	19,383	22,752	28,357	36,630	37,068
Public Transportation	864	830	919	1,000	1,366	1,389
Aquatics and Fitness Center	666	614	548	537	583	1,521
Bradford Creek	896	809	791	825	841	871
Stormwater Utility	-	133	1,277	1,546	1,704	1,848
<b>Total business-type activities</b>	<b>\$ 153,131</b>	<b>\$ 166,943</b>	<b>\$ 177,137</b>	<b>\$ 189,196</b>	<b>\$ 212,941</b>	<b>\$ 224,484</b>
<b>Total primary governmental expenses</b>	<b>\$ 207,962</b>	<b>\$ 217,746</b>	<b>\$ 229,636</b>	<b>\$ 242,644</b>	<b>\$ 276,903</b>	<b>\$ 288,870</b>
<b>Program Revenues</b>						
<b>Governmental activities:</b>						
<b>Charges for services:</b>						
General government	\$ 1,547	\$ 1,387	\$ 1,583	\$ 3,328	\$ 4,109	\$ 4,392
Public safety	2,210	2,486	2,603	2,518	3,811	4,189
Transportation	1,148	1,060	1,049	161	311	275
Environmental protection	2,694	3,655	3,984	3,881	3,719	4,004
Economic development	434	422	455	876	505	668
Culture and recreation	20	12	9	356	24	31
Operating grants and contributions	3,425	3,078	3,564	3,772	4,538	4,578
Capital grants and contributions	14,264	6,553	3,085	2,770	3,360	3,022
<b>Total governmental activities program revenues</b>	<b>\$ 25,742</b>	<b>\$ 18,653</b>	<b>\$ 16,332</b>	<b>\$ 17,662</b>	<b>\$ 20,377</b>	<b>\$ 21,159</b>
<b>Business-type activities:</b>						
<b>Charges for services:</b>						
Electric	\$ 121,460	\$ 131,900	\$ 136,506	\$ 138,528	\$ 154,577	\$ 164,380
Water	9,398	9,498	9,670	10,298	11,557	11,977
Sewer	10,171	10,105	11,486	12,206	12,833	13,613

Gas	19,312	21,981	24,208	30,896	37,219	38,267
Public Transportation	90	91	115	114	132	166
Aquatics and Fitness Center	585	575	534	523	559	539
Bradford Creek	945	778	848	885	850	843
Stormwater Utility	-	-	1,919	2,669	2,944	2,823
Operating grants and contributions	646	3,150	569	907	1,081	930
Capital grants and contributions	2,125	1,720	372	3,112	7,043	12,350
Total business-type activities program revenues	<u>\$ 164,732</u>	<u>\$ 179,798</u>	<u>\$ 186,227</u>	<u>\$ 200,138</u>	<u>\$ 228,795</u>	<u>\$ 245,888</u>
Total primary governmental program revenues	<u>\$ 190,474</u>	<u>\$ 198,451</u>	<u>\$ 202,559</u>	<u>\$ 217,800</u>	<u>\$ 249,172</u>	<u>\$ 267,047</u>
Net (expense)/revenue						
Governmental activities	\$ (29,089)	\$ (32,150)	\$ (36,167)	\$ (35,786)	\$ (43,585)	\$ (43,227)
Business-type activities	<u>11,601</u>	<u>12,855</u>	<u>9,090</u>	<u>10,942</u>	<u>15,854</u>	<u>21,404</u>
Total primary governmental net expense	<u>\$ (17,488)</u>	<u>\$ (19,295)</u>	<u>\$ (27,077)</u>	<u>\$ (24,844)</u>	<u>\$ (27,731)</u>	<u>\$ (21,823)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Property taxes	\$ 17,585	\$ 18,440	\$ 18,624	\$ 21,439	\$ 22,965	\$ 24,054
Other Taxes, grants and contributions	11,773	13,777	15,138	16,469	18,466	19,708
Investment earnings	852	342	283	964	1,908	2,765
Miscellaneous	709	1,151	662	-	-	-
Transfers	3,634	3,450	4,601	4,145	4,349	4,469
Total General revenues	<u>\$ 34,553</u>	<u>\$ 37,160</u>	<u>\$ 39,308</u>	<u>\$ 43,017</u>	<u>\$ 47,688</u>	<u>\$ 50,996</u>
Business-type activities:						
Unrestricted grants and contributions	\$ 9	\$ 7	\$ -	\$ -	\$ -	\$ -
Investment earnings	3,001	1,330	501	1,341	2,097	3,088
Miscellaneous	2,525	1,593	2,426	-	-	-
Transfers	(3,634)	(3,450)	(4,601)	(4,145)	(4,349)	(4,469)
Total business-type activities	<u>\$ 1,901</u>	<u>\$ (520)</u>	<u>\$ (1,674)</u>	<u>\$ (2,804)</u>	<u>\$ (2,252)</u>	<u>\$ (1,381)</u>
Total primary government	<u>\$ 36,454</u>	<u>\$ 36,640</u>	<u>\$ 37,634</u>	<u>\$ 40,213</u>	<u>\$ 45,436</u>	<u>\$ 49,615</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ 5,464	\$ 5,010	\$ 3,141	\$ 7,231	\$ 4,103	\$ 7,771
Business-type activities	<u>13,502</u>	<u>12,335</u>	<u>7,416</u>	<u>8,138</u>	<u>13,602</u>	<u>20,020</u>
Total primary government	<u>\$ 18,966</u>	<u>\$ 17,345</u>	<u>\$ 10,557</u>	<u>\$ 15,369</u>	<u>\$ 17,705</u>	<u>\$ 27,791</u>

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

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

	<u>1998</u>	<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>
General Fund										
Reserved	\$ 7,289	\$ 6,761	\$ 9,424	\$ 10,785	\$ 9,955	\$ 9,549	\$ 8,726	\$ 9,749	\$ 10,379	\$ 10,002
Unreserved	<u>10,906</u>	<u>10,105</u>	<u>7,124</u>	<u>5,779</u>	<u>7,192</u>	<u>10,930</u>	<u>14,305</u>	<u>16,773</u>	<u>18,299</u>	<u>17,457</u>
Total General Fund	<u>\$ 18,195</u>	<u>\$ 16,866</u>	<u>\$ 16,548</u>	<u>\$ 16,564</u>	<u>\$ 17,147</u>	<u>\$ 20,479</u>	<u>\$ 23,031</u>	<u>\$ 26,522</u>	<u>\$ 28,678</u>	<u>\$ 27,459</u>
All other governmental funds										
Reserved	\$ 7,479	\$ 4,205	\$ 3,419	\$ 6,285	\$ 704	\$ 62	\$ 87	\$ 83	\$ 761	\$ 123
Unreserved, reported in:										
Special revenue funds	5,478	8,003	6,181	5,872	5,674	5,091	5,230	7,158	7,965	9,430
Debt Service Funds	-	-	-	310	334	383	2,734	11,775	1,409	1,756
Capital Project Funds	<u>(4,205)</u>	<u>13,719</u>	<u>6,317</u>	<u>7,668</u>	<u>2,859</u>	<u>3,688</u>	<u>416</u>	<u>1,313</u>	<u>3,622</u>	<u>9,333</u>
Total all other governmental funds	<u>\$ 8,752</u>	<u>\$ 25,927</u>	<u>\$ 15,917</u>	<u>\$ 20,135</u>	<u>\$ 9,571</u>	<u>\$ 9,224</u>	<u>\$ 8,467</u>	<u>\$ 20,329</u>	<u>\$ 13,757</u>	<u>\$ 20,642</u>
Total Governmental funds	\$ 26,947	\$ 42,793	\$ 32,465	\$ 36,699	\$ 26,718	\$ 29,703	\$ 31,498	\$ 46,851	\$ 42,435	\$ 48,101



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

<b>Revenues</b>	<b>1998</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>
Ad Valorem Taxes	\$ 12,053	\$ 13,295	\$ 14,214	\$ 14,792	\$ 17,185	\$ 18,297	\$ 19,031	\$ 21,325	\$ 22,565	\$ 23,896
Other Taxes	8,096	8,271	8,692	8,832	9,556	9,918	11,307	12,484	14,227	15,002
Unrestricted Intergovernmental	3,577	3,745	3,696	4,069	2,217	3,859	3,832	3,985	4,239	4,706
Restricted Intergovernmental	5,387	4,567	6,324	5,317	17,672	9,631	6,649	6,542	7,683	6,331
Licenses, Permits and fees	2,942	3,692	4,067	5,175	5,409	6,220	6,699	7,199	7,687	7,927
Sales and Services	2,041	2,092	2,216	2,817	2,885	2,908	2,984	4,051	4,023	4,360
Investment Earning	1,562	1,415	1,401	1,213	852	342	283	962	1,906	2,743
Other Revenue	874	1,927	2,638	23,228	613	968	662	623	729	1,941
<b>Total revenues</b>	<b>\$ 36,532</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>Expenditures</b>										
General government	\$ 8,369	\$ 10,099	\$ 11,491	\$ 11,343	\$ 10,861	\$ 10,470	\$ 11,693	\$ 13,022	\$ 14,609	\$ 8,451
Public safety	15,390	16,546	18,311	20,250	20,004	20,076	21,631	23,763	26,332	27,363
Transportation	2,978	3,559	4,758	3,623	3,820	3,331	3,393	3,465	3,803	8,385
Environmental Protection	2,368	2,758	3,657	3,002	3,160	3,060	3,561	3,367	3,740	3,950
Cultural and Recreation	4,704	4,496	5,197	5,301	4,861	4,888	5,600	6,129	6,732	3,653
Economic and physical development	975	1,124	991	1,396	1,814	1,835	2,125	1,932	2,382	6,219
Capital Outlay	1,625	4,255	11,083	25,674	23,699	7,349	4,006	7,978	10,274	7,471
Other expenditures	300	-	-	-	-	-	-	-	-	-
<b>Debt service</b>										
Principal	\$ 791	\$ 1,164	\$ 1,681	\$ 1,698	\$ 2,639	\$ 2,549	\$ 2,576	\$ 3,612	\$ 3,904	\$ 3,693
Interest and fees	264	748	1,025	982	1,029	1,272	1,165	1,697	1,714	1,967
Other charges	-	-	-	-	-	72	-	-	-	-
<b>Total expenditures</b>	<b>\$ 37,764</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>
Excess of revenues over (under) expenditures	\$ (1,232)	\$ (5,745)	\$ (14,946)	\$ (7,826)	\$ (15,498)	\$ (2,759)	\$ (4,303)	\$ (7,794)	\$ (10,431)	\$ (4,246)
<b>Other financing sources (uses)</b>										
Transfers from other funds	\$ 10,440	\$ 10,960	\$ 9,542	\$ 8,360	\$ 8,300	\$ 10,221	\$ 10,884	\$ 13,148	\$ 15,331	\$ 14,519
Transfers to other funds	(6,869)	(7,221)	(5,412)	(4,621)	(4,666)	(6,771)	(6,282)	(9,002)	(10,982)	(12,488)
Long Term debt issued	799	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>\$ 4,370</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>Net change in fund balances</b>	<b>\$ 3,138</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>
Debt services as a percentage of noncapital expenditures	3.0%	5.0%	6.1%	6.0%	8.2%	8.8%	7.8%	10.3%	9.8%	9.8%

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
1998	490,493,797	804,856,615	1,856,342	1,381,502	6,440,533	15,579,999
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

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

Fiscal Year Ended June 30	Real Property		Personal Property	Total Taxable Assessed Value	(2) Total Direct Tax Rate	Estimated Actual Taxable/Market Value	(1) Assessed Value as a Percentage of Market Value
	Residential and Commercial Property	Motor Vehicle and Other Personal Property					
1998	1,874,396,559	457,682,842		2,332,079,401	0.0052	2,486,490,458	93.79%
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%

(1) Source Pitt County Tax Assessor's Office

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

Total assessed values are net of abatements.

(2) Per \$100 value

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Electric (per kWh)										
Residential	\$ 0.0929	\$ 0.0930	\$ 0.0937	\$ 0.0925	\$ 0.0966	\$ 0.0991	\$ 0.1015	\$ 0.1031	\$ 0.1111	\$ 0.1151
Commercial & Industrial	0.0728	0.0703	0.0711	0.0715	0.0730	0.0750	0.0769	0.0785	0.0860	0.0897
Water (per kgal)										
Residential	2.5705	2.6861	2.8160	2.8987	3.1499	3.3911	3.4133	3.5513	3.7398	3.7640
Commercial & Industrial	1.7018	1.6736	1.8903	1.9366	2.1105	2.2282	2.2364	2.3560	2.4885	2.4955
Gas (per ccf)										
Residential	0.8422	0.8304	1.0326	1.4305	1.3668	1.2010	1.4087	1.6255	2.0860	1.9046
Commercial & Industrial	0.5137	0.4195	0.5824	0.9294	0.7293	0.7839	0.9665	1.1842	1.4503	1.2560

Source: Greenville Utilities Commission

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	
1998	0.520	11,983,426	0.680	36,631,265	48,614,691
1999	0.550	13,282,368	0.680	37,415,793	50,698,161
2000	0.550	14,244,843	0.680	39,166,137	53,410,980
2001	0.550	14,716,098	0.680	42,093,619	56,809,717
2002	0.615	17,426,583	0.680	43,399,920	60,826,503
2003	0.615	18,295,565	0.680	43,369,414	61,664,979
2004	0.615	19,048,466	0.700	45,509,940	64,558,406
2005	*	21,426,583	0.700	54,824,840	76,251,423
2006		22,714,734	0.700	57,424,150	80,138,884
2007		25,237,917	0.700	60,298,700	85,536,617

\* Last date for revaluation. Revaluation occurs every four years

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

<b>Electric Fund</b>		<b>Fiscal Year 2007</b>		<b>Fiscal Year 1998</b>	
		<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Bill</b>	<b>Percentage of Total Revenue</b>
<b>Customer</b>	<b>Product/Service</b>				
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 5,842,090	3.74%	\$ 5,207,867	5.00%
Pitt County Memorial Hospital	Health Care	4,497,416	2.88%	3,374,935	3.24%
East Carolina University	Education	3,215,457	2.06%	1,784,448	1.71%
East Carolina University	Education	3,170,343	2.03%	1,687,358	1.62%
Paper-Pak Products	Medical Products	2,465,176	1.58%	1,258,244	1.21%
East Carolina University	Education	2,236,321	1.43%	2,494,521	2.39%
Vermont American Corp.	Drill Bits	2,048,049	1.32%	n/a	n/a
NACCO Material Handling	Fork Lift Trucks	1,243,550	0.80%	1,252,528	1.20%
DSM Dyneema, LLC	High Performance Fibers	1,068,208	0.68%	805,009	0.77%
ASMO of Greenville	Motors	989,084	0.63%	752,894	0.72%
<b>Totals</b>		<b>\$ 26,775,694</b>	<b>17.15%</b>	<b>\$ 18,617,804</b>	<b>17.86%</b>

<b>Water Fund</b>		<b>Fiscal Year 2007</b>		<b>Fiscal Year 1998</b>	
		<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>
<b>Customer</b>	<b>Product/Service</b>				
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 359,360	3.30%	\$ 423,900	5.95%
Pitt County Memorial Hospital	Health Care	195,043	1.79%	130,294	1.83%
East Carolina University	Education	89,531	0.82%	n/a	n/a
Greenville Housing Authority	Apartments	71,006	0.65%	4,030	0.06%
Karastan Bigelow	Carpet Yarn	65,428	0.60%	42,411	0.60%
Greenville Housing Authority	Apartments	48,527	0.45%	n/a	n/a
Fuji Silysia Chemical USA, LTD	Silica Gel	41,278	0.38%	3,672	0.05%
DSM Dyneema, LLC	High Performance Fibers	40,443	0.37%	59,038	0.83%
East Carolina University	Education	39,588	0.36%	27,423	0.39%
Pitt County	Government	29,072	0.27%	15,155	0.21%
<b>Totals</b>		<b>\$ 979,276</b>	<b>8.99%</b>	<b>\$ 705,923</b>	<b>9.92%</b>

<b>Sewer Fund</b>		<b>Fiscal Year 2007</b>		<b>Fiscal Year 1998</b>	
		<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>
<b>Customer</b>	<b>Product/Service</b>				
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 592,399	5.08%	\$ 593,594	9.02%
Pitt County Memorial Hospital	Health Care	315,998	2.71%	186,986	2.84%
Town of Bethel	Government	254,932	2.19%	n/a	n/a
Karastan Bigelow	Carpet Yarn	114,634	0.98%	5,587	0.08%
East Carolina University	Education	82,170	0.71%	n/a	n/a
Fuji Silysia Chemical USA, LTD	Silica Gel	78,536	0.67%	45,636	0.69%
Greenville Housing Authority	Apartments	68,397	0.59%	90,034	1.37%
Greenville Housing Authority	Apartments	66,536	0.57%	4,779	0.07%
East Carolina University	Education	47,768	0.41%	29,612	0.45%
Pitt County	Government	42,799	0.37%	21,483	0.33%
<b>Totals</b>		<b>\$ 1,664,169</b>	<b>14.28%</b>	<b>\$ 977,711</b>	<b>14.85%</b>

<b>Gas Fund</b>		<b>Fiscal Year 2007</b>		<b>Fiscal Year 1998</b>	
		<b>Annual Revenue</b>	<b>Percentage of Total Revenue</b>	<b>Annual Revenue</b>	<b>Percentage of Total Revenue</b>
<b>Customer</b>	<b>Product/Service</b>				
East Carolina University	Education	\$ 3,763,819	9.94%	\$ 990,352	7.38%
Pitt County Memorial Hospital	Health Care	2,287,760	6.04%	467,492	3.48%
East Carolina University	Education	1,667,927	4.40%	981,133	7.31%
DSM Pharmaceuticals, Inc.	Pharmaceuticals	1,487,024	3.93%	n/a	n/a
DSM Dyneema, LLC	High Performance Fibers	1,464,654	3.87%	307,534	2.29%
NACCO Material Handling	Fork Lift Trucks	777,151	2.05%	94,919	0.71%
Fuji Silysia Chemical USA, LTD	Silica Gel	620,423	1.64%	n/a	n/a
Metrics, Inc.	Pharmaceuticals	450,466	1.19%	112,573	0.84%
DSM Pharmaceuticals, Inc.	Pharmaceuticals	325,860	0.86%	n/a	n/a
Karastan Bigelow	Carpet Yarn	255,361	0.67%	n/a	n/a
<b>Totals</b>		<b>\$ 13,100,445</b>	<b>34.59%</b>	<b>\$ 2,954,003</b>	<b>22.01%</b>

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

City of Greenville  
Principal Property Taxpayers  
12/31/2006 for Fiscal Year 2007

<u>Taxpayer</u>	<u>2007</u>			<u>1998</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Carolina Telephone/ Sprint	\$ 40,300,000	1	0.89%	\$ 37,350,000	1	1.60%
Marelda Greenville Mall / Colonial Mall	26,978,780	2	0.60%	21,776,900	2	0.93%
Southeast Properties (Pirates Cove Apts)	19,086,006	3	0.42%			
Treybrooke LLC (Apartments)	18,139,360	4	0.40%			
JDN Realty Corp., (University Commons)	16,192,510	5	0.36%	\$ 10,459,340	6	0.45%
Speight, Maxine (Developer)	14,370,770	6	0.32%			
Waterford Place (Apartments)	14,015,545	7	0.31%			
Winterville Village (Medical Property)	12,971,650	8	0.29%			
Wal-mart (Retail)	12,433,533	9	0.28%	10,516,895	5	0.45%
GVL Lynncroft	11,022,890	10	0.24%			
Ferebee, John J. ( Apartments)				12,246,540	4	0.53%
Shadow Lake Properties/Heritage Property (Carolina East Mall)				10,098,260	7	0.43%
Wachovia				12,808,720	3	0.55%
New Shelter Ltd. Prtn. (Tar River Apartments)				9,312,010	9	0.40%
Speight, Joseph D. (Shopping Center)				9,854,050	8	0.42%
Belks (Retail Store)				8,520,840	10	0.37%
<b>Totals</b>	<b>\$ 185,511,044</b>		<b>4.56%</b>	<b>\$ 142,943,555</b>		<b>6.61%</b>

Note: Information pulled obtained from Pitt County Government



City of Greenville  
Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>*** Property Tax</b>	<b>Sales Tax</b>	<b>* Franchise Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>** Other Taxes</b>	<b>Total</b>
1998	12,053,386	7,353,020	2,981,140	245,584	729,289	23,362,419
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	914,800	43,784,364

\* Franchise Tax includes Cable TV and Utilities Franchise taxes

\*\* Includes Motor Vehicle Municipality Tax / Prior to 2003 Includes Intangibles Tax

\*\*\* Net of Collection Fees

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

Fiscal Year Ended	(1) Total Levy for  <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
1997	\$ 11,111,706	\$ 10,806,451	97.25%	\$364,765	\$ 11,171,216	100.54%
1998	11,983,426	11,661,691	97.32%	361,253	12,022,944	100.33%
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%

(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

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			
1998	4,107	-	-	1,511	29,779	15,718	-	-	51,115	1.76%	903
1999	7,361	-	14,355	1,007	47,213	14,328	-	-	84,264	2.60%	1,468
2000	6,994	-	13,505	1,029	65,449	12,951	1,873	-	101,801	3.12%	1,631
2001	7,791	6,800	12,655	1,109	80,289	11,579	1,723	5,694	127,640	3.87%	2,013
2002	7,285	6,640	11,805	2,166	77,809	10,200	1,600	7,920	125,425	3.72%	1,912
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	3.28%	1,800
2005	6,805	5,905	25,105	3,557	64,846	6,885	1,406	18,201	132,710	4.71%	1,909
2006	6,085	5,640	23,640	3,770	68,271	5,710	1,208	19,669	133,993	(1)	1,861
2007	12,990	5,365	22,180	2,522	74,136	9,665	992	20,287	148,137	(1)	2,057

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
1998	5,617	-	5,617	0.19%	0.23%	\$ 99
1999	22,723	660	22,063	0.68%	0.84%	\$ 387
2000	21,527	-	21,527	0.66%	0.74%	\$ 347
2001	28,355	244	28,111	0.85%	0.90%	\$ 441
2002	22,723	287	22,436	0.67%	0.69%	\$ 342
2003	27,649	291	27,358	0.78%	0.80%	\$ 408
2004	96,552	366	96,186	2.56%	2.57%	\$ 1,415
2005	41,372	1,313	40,059	1.42%	1.01%	\$ 576
2006	39,135	1,409	37,726	(1)	0.90%	\$ 524
2007	43,057	1,756	41,301	(1)	0.85%	\$ 574

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

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

	<u>1998</u>	<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>
Debt limit	\$ 185,323,973	\$ 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
Total net debt applicable to limit	<u>21,626,547</u>	<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>
Legal debt margin	<u>\$ 163,697,426</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	11.67%	17.87%	15.96%	15.96%	14.59%	13.52%	13.75%	15.67%	12.04%	11.96%

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

Assessed value	\$ 4,506,771,500
Debt Limit (8% of total assessed value)	360,000,000.00
Debt applicable to limit:	
General obligation bonds	12,990,000.00
Certificates of Participation	22,180,000.00
Special obligation revenue	5,365,000.00
Other Debt	<u>2,521,984.00</u>
Legal debt margin	<u>\$316,943,016.00</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, 2007  
 (amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Overlapping</b>			
Pitt County	\$ 4,095,000	49.04%	\$ <u>2,008,188</u>
			-
<b>Direct</b>			
City of Greenville			<u>43,056,984</u>
Total direct and overlapping debt			<u>\$ 45,065,172</u>

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

CITY OF GREENVILLE, NORTH CAROLINA  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(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	Coverage	Special Assessment Collections	Debt Service		
									Principal	Interest	Coverage
1998	138,861	118,628	20,232	1,030	1,339	2,369	6.99	-	-	-	N/A
1999	142,772	121,205	21,567	1,291	1,861	3,152	6.55	-	-	-	N/A
2000	150,376	130,707	19,669	2,163	2,287	4,450	7.81	-	-	-	N/A
2001	162,969	139,022	23,947	2,190	3,237	5,428	3.88	-	-	-	N/A
2002	163,024	137,080	25,944	2,939	3,733	6,673	1.88	559	160	374	1.05
2003	175,453	150,644	24,810	4,256	3,934	8,191	1.84	584	235	303	1.09
2004	183,609	157,695	25,914	4,770	3,829	8,599	3.26	571	245	293	1.06
2005	192,272	167,660	24,611	5,074	3,451	8,525	2.95	557	255	284	1.03
2006	217,706	189,991	27,716	6,050	4,007	10,057	2.76	695	265	273	1.29
2007	229,213	200,430	28,783	5,392	3,624	9,015	3.19	754	275	263	1.40

(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

City of Greenville  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	(2) Population	Personal Income (amounts expressed in thousands)	Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1997	56,000	\$ 2,787	\$ 21,802	29	19,592	4.7%
1998	56,630	2,897	22,197	(1)	19,336	5.0%
1999	57,405	3,246	21,462	(1)	20,112	4.5%
2000	62,432	3,263	24,331	32	19,817	5.5%
2001	63,815	3,296	24,396	30	20,600	6.1%
2002	65,647	3,373	24,631	31	20,412	5.5%
2003	67,048	3,499	25,262	31	20,665	5.7%
2004	68,371	3,755	26,777	(1)	21,812	5.5%
2005	69,517	4,012	28,200	33	22,116	5.1%
2006	72,052	4,789	(1)	30	22,609	5.4%
2007	72,233	(1)	(1)	(1)	22,994	5.3%

Note 1: Population and Personal Income obtained from U.S. Census Bureau

Note 2: Personal Income and Per Capita information is calculated on a County Level. Information not maintained at City level

Note 3: Median age, and educational level information are based on surveys conducted during the last quarter of the calendar year.

School information obtained from the Superintendent's Office of the Pitt County School Administrative Unit

Note 4: Unemployment rates obtained from Employment Security Commission

(1) Information unavailable for this period

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



City of Greenville  
Principal Employers  
Current Year and Nine Years Ago

Employer	<u>2007</u>			<u>1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Pitt County Memorial Hospital	6,297	1	8.86%	4,000	1	6.44%
East Carolina University	4,936	2	6.95%	3,672	2	5.91%
Pitt County Public Schools	2,940	3	4.14%	2,500	3	4.03%
DSM Pharmaceuticals (Catalytica)	1,000	5	1.41%	1,200	4	1.93%
Collins & Aikman				900	6	1.45%
County of Pitt	975	6	1.37%	800	7	1.29%
Alliance (DIMON) International	500	9	0.70%			0.00%
NACCO Materials Handling Group	1,200	4	1.69%	1,006	5	1.62%
Procter & Gamble				650	8	1.05%
Rubbermaid (Empire Brushes)				625	9	1.01%
Pitt Community College	850	8	1.20%			
City of Greenville	939	7	1.32%	600	10	0.97%
Fullarton Industries						0.00%
ASMO Greenville of North Carolina			0.00%			
Physicians East	500	10	0.70%			
Total			<u>0.00%</u>	<u>15,953</u>		<u>25.69%</u>
			<b>(1)</b>			<b>(1)</b>

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

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

<b>Function</b>	<b><u>1998</u></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>
General government	49	50	50	53	50	51	51	56	59	58
Public safety										
Police	186	188	193	194	194	197	210	212	219	211
Fire	118	124	124	124	124	124	130	142	143	143
Public Works	172	173	174	181	180	185	186	188	192	199
Culture and recreation	50	53	53	62	61	59	59	57	59	61
Planning and Comm. Dev.	27	28	29	36	35	30	25	24	24	32
Electric	176	179	183	185	189	182	181	183	182	196
Water	71	76	80	81	87	92	87	91	92	85
Sewer	57	62	65	66	63	64	67	66	67	67
Gas	59	63	64	65	64	66	68	67	68	65
	<u>965</u>	<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>

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.

City of Greenville  
Operating Indicators by Function  
Last Ten Fiscal Years

<b>Function</b>	<b><u>1998</u></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>Police</b>										
Physical arrests	4,507	4,151	6,748	4,091	4,380	4,397	4,599	4,722	3,507	4,497
Parking violations	-	-	-	-	-	-	-	-	-	2,303
Traffic violations	14,001	14,429	17,702	21,416	23,180	30,163	22,003	11,337	24,508	19,998
<b>Fire</b>										
Number of calls answered	1,877	2,167	2,207	1,948	1,549	3,461	2,530	3,062	3,598	4,152
Inspections	3,102	3,220	3,008	2,832	3,325	3,672	*	3,500	3,400	2,162
<b>EMS</b>										
Number of calls answered	8,526	8,719	8,692	8,758	8,857	9,136	9,136	9,190	9,885	10,725
<b>Highways and streets</b>										
Street resurfacing (miles)	5	10	5	(1)	6	6	5	5	(1)	7
<b>Sanitation</b>										
Refuse collected (tons/day)	23,319	23,258	25,073	24,619	24,652	26,375	28,120	25,676	27,182	27,322
Recyclables collected (tons/day)	1,697	1,680	1,865	1,677	1,631	1,839	1,804	1,850	1,792	1,816
<b>Culture and recreation</b>										
Facility reservations issued	700	757	553	777	349	382	467	393	715	817
<b>Water</b>										
Connections (of service connect)	24,186	25,934	26,283	26,644	27,217	28,411	*	29,540	30,829	32,065
Water Lines (miles)	460	475	486	511	511	531	*	565	583	593
Average daily consumption (thousands of gallons)	10,700	11,000	10,257	10,087	10,000	10,400	*	9,843	10,000	10,264
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	8,600	9,500	9,030	9,399	8,300	8,380	*	-	9,700	10,587

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><u>1998</u></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>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	98	101	101	133	138	151	151	159	160	174
Fire stations	4	4	5	5	5	5	5	6	6	6
Sanitation										
Collection trucks	32	36	39	37	38	33	36	36	37	37
Highways and streets										
Streets (miles)	187.0	191.0	196.0	204.0	204.0	212.0	212.0	220.0	230.1	234.3
Streetlights	4,582	4,763	4,853	5,171	5,171	5,529	5,529	5,785	5,983	6,166
Traffic signals	26	26	26	26	26	26	26	26	27	27
Culture and recreation										
Parks acreage	1,257	1,257	1,282	1,307	1,308	1,300	1,300	1,475	1,500	1,511
Parks	17	17	19	20	21	27	27	30	31	32
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	7	11	11	13	13	13
Electric										
Number of distribution stations	16	17	17	17	17	17	17	17	17	17
Miles of service lines	1,700	1,900	1,900	2,300	2,300	2,300	2,384	2,447	2,474	2,509
Water										
Water lines (miles)	460	477	477	477	511	531	550	565	583	593
Maximum daily treatment capacity (millions of gallons)	16.0	17.0	17.0	17.0	24.5	24.5	24.5	24.5	24.5	24.5
Sewer										
Sanitary sewers (miles)	322	329	329	329	350	364	404	423	433	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	403	433	433	433	486	500	509	530	545	562
Miles of service lines	267	282	282	282	330	344	359	375	398	394

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***

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, 2007, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 18, 2007. 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 opinion 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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity'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.

## 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*.

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.  
August 18, 2007





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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**

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, 2007. The City of Greenville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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, 2007 .

## 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.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 entity'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 entity's internal control.

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.  
August 18, 2007



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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**

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, 2007. The City of Greenville's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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, 2007.

## **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 entity'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 entity'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.  
August 18, 2007

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

I. 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

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

1. Summary of Auditors' Results (Continued)

Identification of major federal programs:

<b>Program Name</b>	<b>CFDA#</b>
CDBG Entitlement Grant	14.218
CDBG Home 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

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 that 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, 2007

Not applicable

CITY OF GREENVILLE, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

None. No uncorrected prior year findings.



CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

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>						
U.S. Department of Housing and Urban Development						
Pass-through N. C. Department of Commerce						
CDBG Entitlement Grant	14.218	B-06-MC-37-0020	\$ 459,164	\$ -	\$ 349,188	\$ 808,352
CDBG Home Program Grant	14.239		757,634	-	40,040	797,674
CDBG Demolition Grant	14.866	B045PNC0566	2,598	-	28,825	31,423
Total U.S. Department of Housing and Urban Development			<u>1,219,396</u>	<u>-</u>	<u>418,053</u>	<u>1,637,449</u>
U.S. Department of Transportation						
Direct Programs -						
Enhancement Grant (Greene St. Streetscape)	20.205	E-4107(PE & Const)	81,463	-	272,431	353,894
Planning Work Program	20.205	PL-104 (2007)	165,331	-	41,333	206,664
Federal Transit Administration (Operating)	20.507	NC-904-387	273,124	-	439,106	712,230
Federal Transit Administration (ADA)	20.507	NC-900-387	90,418	-	22,605	113,023
Federal Transit Administration (Capital)	20.507	NC-908-387	106,455	-	26,614	133,069
Total U.S. Department of Transportation			<u>716,791</u>	<u>-</u>	<u>802,088</u>	<u>1,518,879</u>
U.S. Department of Justice						
Office of Justice Programs						
Cops Technology Grant	16.540	2004CKWX0116	878	-	-	878
Bureau of Justice Assistance						
JAG 2005	16.738	2005-DJ-BX-0787	7,658	-	-	7,658
JAG 2006	16.738	2006-DJ-BX-0998	1,892	-	-	1,892
Total U.S. Department of Justice			<u>10,427</u>	<u>-</u>	<u>-</u>	<u>10,427</u>
<b>STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE:</b>						
State of North Carolina						
Department of Crime Control and Public Safety						
CHANCE		074-1-04-009-AT-921	-	112,835	-	112,835
Homeland Security-USAR	97.067	USAR-10-1026	26,988	-	-	26,988
Total Department of Crime Control and Public Safety			<u>26,988</u>	<u>112,835</u>	<u>-</u>	<u>139,823</u>
Department of Transportation						
Division of Highways -						
Powell Bill Funds			-	1,948,928	-	1,948,928
Public Transportation Division						
State Maintenance Assistance Program		07-SM-010	-	192,129	-	192,129
Planning Program		36230.17.5.6	-	28,530	3,170	31,700
N.C. Governor's Highway Safety Program						
RAIID (2005-2006)	20.600		42,124	-	14,041	56,166
RAIID (2006-2007)	20.600	PT-07-04-04-10	112,738	-	112,738	225,477
LEL (2006-2007)	20.605	K2-07-08-01-B	21,405	-	-	21,405
Total Department of Transportation			<u>176,267</u>	<u>2,169,587</u>	<u>129,950</u>	<u>2,475,804</u>
Department of Environment & Natural Resources						
Division of Environmental Health						
Water Supply Revolving Fund Loan		H-LRX-F-04-0991	-	3,566,889	-	3,566,889
Division of Parks and Recreation						
Guy Smith Stadium Renovation		P05041	-	30,864	-	30,864
Aquatics and Fitness Center Renovation		P06156	-	468,016	-	468,016
Division of Purchase and Services						
Mosquito Control Grant		T07048	-	20,960	206,992	227,952
Total Department of Cultural Resources			<u>-</u>	<u>4,086,729</u>	<u>206,992</u>	<u>4,293,721</u>
Total Federal and State Assistance			<u>\$ 2,149,870</u>	<u>\$ 6,369,151</u>	<u>\$ 1,557,083</u>	<u>\$ 10,076,104</u>

## CITY OF GREENVILLE, NORTH CAROLINA

### Notes To Schedule of Expenditures of Federal And State Awards For The Fiscal Year Ended June 30, 2007

#### 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.

#### Note 3 – Outstanding State Revolving Loan Fund Balance

The accompanying Schedule of Expenditures of Federal and State Awards includes expenditures related to the North Carolina State Revolving Loan Fund.

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