

City of Greenville

*Comprehensive
Annual
Financial
Report
June 30, 2004*



GREENVILLE, NC

City of Greenville
North Carolina

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2004

Financial Services Department Employees

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Yvonne D. Frazier, CPA, MBA, Senior Financial Services Manager
Sandy McKeel, Financial Services Department Secretary

Accounting

Audrey Daniels
Accounting Supervisor

Dora Burton
Mary Kraczon

Katherine Lilley
Jane Willoughby

Collections

Brenda Matthews
Collections Supervisor

Nancy Brown
Marion Joyner
Paula Loftin

Debra Hodges
Ruth Kinlaw

Purchasing

Angelene Edwards
Purchasing Manager

Willie Moye

Layforrest Woodhouse

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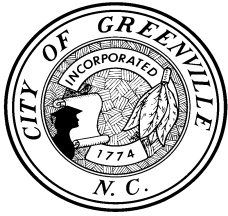
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FROM THE OFFICE OF THE DIRECTOR OF FINANCIAL SERVICES

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

We are pleased to submit this **Comprehensive Annual Financial Report (CAFR)** of the City of Greenville, North Carolina, for the fiscal year ended June 30, 2004. This report is a product of the **City's Financial Services Department**; therefore, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. This report complies in all material respects to the authoritative promulgations of the **Governmental Accounting Standards Board (GASB)**. The data, as presented, is accurate in all material respects to the best of our knowledge. Moreover, it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the **financial activity** of its various funds, and includes **all** disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The Comprehensive Annual Financial Report is presented in the following four integral parts:

INTRODUCTORY

- I. Title Page
- II. Table of Contents
- III. Letter of Transmittal
- IV. Copy of Prior Year GFOA Certificate of Achievement for Excellence in Financial Reporting
- V. City's Organization Chart
- VI. List of Greenville's Leadership

STATISTICAL

- I. Ten Years of Selected Financial and Demographic Information
- II. General Miscellaneous Information at June 30, 2004 Relative to the City

FINANCIAL

- I. Independent Auditor's Report
- II. Basic Financial Statements
- III. Notes to the Basic Financial Statements
- IV. Required Supplemental Financial Data
- V. Combining Individual Fund Financial Statements and Schedules

SINGLE AUDIT

- I. Independent Auditor's Reports on Compliance and Internal Control
- II. All Schedules and Exhibits Necessary to Satisfy the Requirements of Single Audit Grant Regulations

GENERAL DESCRIPTION

The City of Greenville (the “City”) is situated on the Tar River in the central coastal plain of North Carolina. It was founded by English settlers in 1774 and named Martinsborough. It was soon named as the seat of Pitt County (the “County”). In 1786, the residents changed the name to Greenville to honor revolutionary war hero and fellow North Carolinian, Nathaniel Greene. The City covers an area of approximately 28.49 square miles. The City has statutory authority to expand its boundaries through annexation and has extraterritorial planning and zoning jurisdiction extending up

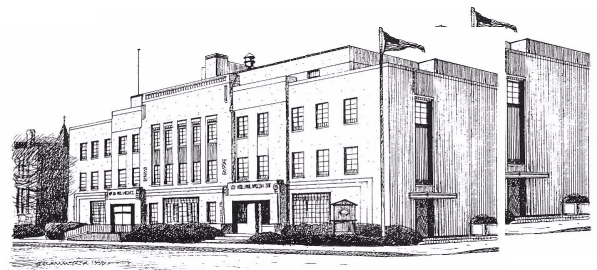


to one mile beyond its corporate limits. On December 31, 1992, the United States Department of Housing and Urban Development classified the City as a **Metropolitan Statistical Area (MSA)**. Woods and Poole Economics, Inc. has projected that the City will be among the ten fastest growing MSAs through 2005.

The City has become a commercial, educational and medical hub for eastern North Carolina. Much of the City’s growth can be attributed to East Carolina University (“ECU”), the **third largest** university in the state of North Carolina (the “State”). ECU is a member of the 16-campus University of North Carolina System and is accredited by Southern Association of Colleges and Schools. It offers professional schools of medicine, nursing, allied health sciences, health and human performance, business, education, industry and technology, human environmental sciences, social work, music, art, and a College of Arts and Sciences.

GOVERNMENT STRUCTURE

The City has a council-manager form of government. The City Council is comprised of a Mayor and six council members. The Mayor and all council members are elected every two years and serve two-year

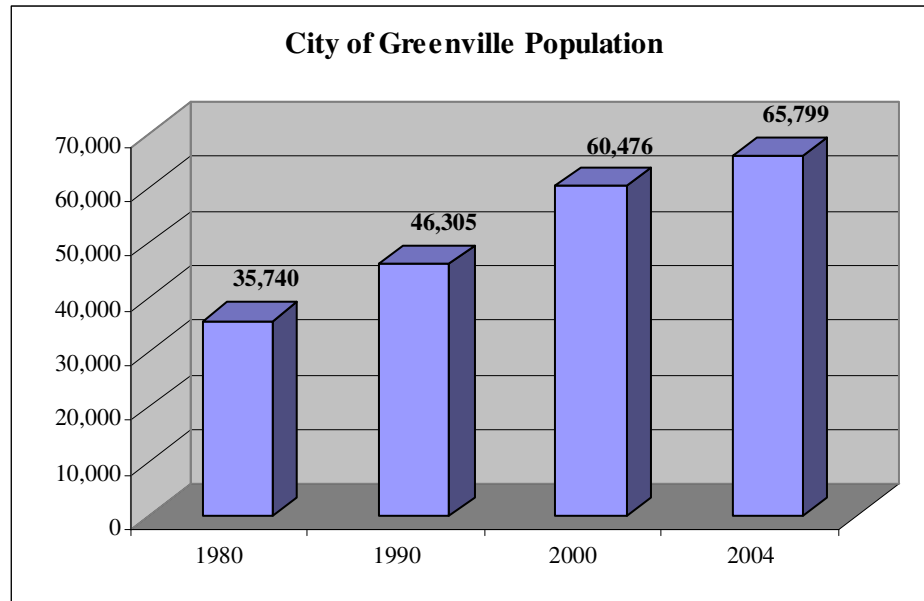


terms. All municipal elections are held on a nonpartisan basis.

The City Council is the governing body of the City. The City Council appoints the members of various boards and commissions, the City Manager, the City Attorney, and the City Clerk. The Mayor presides over the City Council meetings. The City Manager is the chief administrative officer of the City and serves at the pleasure of the City Council.

DEMOGRAPHIC CHARACTERISTICS

The United States Department of Commerce, Bureau of Census, has recorded the population of the City to be as follows:



The North Carolina Office of State Budget and Management has estimated the population of the City to be 65,799 as of July 1, 2004.

Per capita income data for the County and the State are presented in the following table.

<u>YEAR</u>	<u>COUNTY¹</u>	<u>STATE</u>
1998	\$22,499	\$24,661
1999	21,964	25,302
2000	24,599	26,882
2001	24,854	27,308
2002	24,731	27,785

Source: United States Department of Commerce, Bureau of Economic Analysis

COMMERCE AND INDUSTRY



The Pitt County Development Commission, created by voter referendum in 1957, continues to recruit new business and industry, primarily from the Northeast and Midwest. The City is within one mile of a large pharmaceutical facility operated by DSM formerly DSM Catalytica. DSM, which bought out Glaxo-Wellcome in 1997, is the largest private-sector employer in Pitt County with approximately 1,300 employees. The company provides the pharmaceutical industry with an array of services, from chemical development to medication the production and distribution.

DSM has invested an additional \$61 million and hired approximately 200 additional employees over the next five years, in addition to designating the Greenville facility as its North American corporate headquarters. DSM High Performance Fibers, a wholly-owned subsidiary of DSM announced on June 27, 2001 that the company would build a new Dyneema Uni-Directional (“UD”) facility in the City. This facility was constructed in 2004. Dyneema UD is also a wholly-owned subsidiary of DSM. Dyneema is a super strong polyethylene fiber developed by DSM and manufactured by a gel spinning process, also a DSM invention. Dyneema is used in high performance sails, marine ropes, fishing lines, fishing nets, cables, safety gloves, sporting goods, and protective clothing. Dyneema UD is a patented material built from uni-directional layers and has a much higher ballistic protection level than conventional woven fabrics. DSM will create approximately 20 jobs for this phase of the project. The Dyneema UD facility is located on the site of DSM.



Vermont American is another large company that has operations in the county. The company manufactures and markets consumer and industrial cutting tools, power tool accessories, hand tools, and lawn and garden products. Vermont American has a 34-year history in Pitt County, steadily adding employees and increasing investments. In the fall of 2000, Vermont American expanded its Greenville facility with the location of Carbide Tipped Router Bit production from Wilkesboro, NC. The move has added 50 new jobs bringing the total workforce to approximately 400.

Pactiv, formerly Tenneco Packaging, Inc., is a specialty packaging company, which entered the industry in 1959. Pactiv manufactures, markets, and sells protective packaging for use in the automotive, computer, electronic, furniture, durable goods, building and construction products industries. Pactiv was spun off from Tenneco as an independent entity on November 4, 1999. The Pitt County operation opened in 1982 as Hexagon Honeycomb, in a newly constructed 50,000 square foot plant. Pactiv expanded its product offerings through several acquisitions, including Hexacomb. The expanded facility, a consolidation of three plants, is 105,000 square feet and employs 110 people.

HammockSource, once the very small Hatteras Hammocks, is the dominant manufacturer of hammocks. The HammockSource has been an incorporated entity since 1971, evolving from a few handknotted hammocks to an Entrepreneur of the Year award for founder Walter Perkins, to the world's largest manufacturer and distributor of hammocks. In the summer of 2001, the company acquired property to begin expanding to accommodate the consolidation of distribution. With the expansion, the company added warehousing with some shipping and manufacturing. The expansion encompasses 37,000 square feet of space.



The Roberts Company, which specializes in metal fabrication for commercial and industrial use, continues to expand its extensive capabilities. The Roberts Company, a local start-up business 25 years ago, was named industry of the Year for 2000-2001 by the Pitt County Development Commission. Besides its sophisticated work for domestic companies, Roberts' products have traveled to ports as diverse as China and Trinidad. Today the Roberts Company employs approximately 260.

After eight years of planning and negotiating, City and business leaders finalized an agreement in late September 2000 to build a Greenville Convention Center adjacent to the existing Greenville Hilton. Under the agreement, the Greenville Hilton committed to expand the hotel's meeting and banquet space, which connects to the exhibit hall via a breezeway. The 13,000 square foot addition, which opened in March 2002, includes a 10,000 square foot ballroom that can accommodate 1,000 people for a sit down dinner. The hotel's meeting and banquet facilities total 25,000 square feet with the new space.



Now entering the third year of operation, the Greenville Convention Center continues to be the largest convention and meeting venue east of I-95 in North Carolina. The Convention Center campus is comprised of 32 acres and 72,000 square feet of flexible meeting space with 330 guestrooms on site and an additional 1,700 nearby. During the first two years of operation, the Convention Center hosted 300 event days and welcomed over 50,000 guests onto the campus. The business mix for the Convention Center includes 40 percent conference and convention business, 35 percent consumer and tradeshow, 15 percent entertainment and 10 percent social events. The Convention Center has proved to be a positive economic anchor to the area's hospitality industry generating over \$8 million annually in economic impact. In 2003, the Convention Center played hosted to the national sales meeting of Grady White Boats and several

other national conventions including Tupperware and the Freewill Baptists. The event venue has become home of East Carolina University’s annual Dr. Billy Taylor’s Jazz Festival and the annual Festival of Trees, as well as consumer tradeshows showcasing tools, crafts, and other wares. The Convention Center hosted the Sports Illustrated USA presentation to the City of Greenville. In September 2004, Dr. Randy Chitwood is scheduled to host the International Valve Symposium attracting 250 prominent physicians from around the world and webcasting internationally the events held at the Convention Center.

Two of the strongest features of Pitt County and the Greenville, North Carolina Metropolitan Statistical Area (“MSA”), are the diversity of business and industry in the region and the access to technology. The well educated workforce, flourishing industrial and corporate parks, cost-effective technology business incubator, and quality Shell Binding program have helped the Greenville MSA become Eastern North Carolina’s “region of progress.”

The County’s manufacturers employ over 8,500 area residents. Education, health care, public administration, distribution, communication and financial services provide over 15,000 non-manufacturing jobs. Pitt County Memorial Hospital employs over 4,500 area residents. Regional education institutions, East Carolina University and Pitt Community College make major contributions to the economy, not only by educating the workforce, but also by hiring 4,700 employees of their own. City and County agencies and other interested groups meet regularly to monitor and guide the course of the areas continuing growth. Such agencies work together to encourage new business and manufacturing in Pitt County while ensuring that commercial growth or expansion does not have a negative impact on area resources or residents’ quality of life. Meanwhile, the chambers of commerce in the area offer a wide array of services to new business owners and owners of existing businesses who wish to expand.

The following table lists the major employers in or within a few miles of the City:

COMPANY/INSTITUTION	PRODUCT/SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
Pitt County Memorial Hospital	HealthCare	4,500
East Carolina University	Education	4,397
Pitt County Public Schools	Education	3,200
DSM Pharmaceuticals	Pharmaceuticals	1,300
NACCO Materials Handling Group	Lift Trucks	1,100
Collins & Aikman	Knit Fabrics	1,000
County of Pitt	Government Administration	925
City of Greenville	Government Administration	675
Pitt Community College	Education	650
DIMON International	Tobacco Processing	550
ASMO Greenville of North Carolina	Small Electronic Motors	550

Source: Pitt County Development Commission.

CONSTRUCTION ACTIVITY

The following table indicates construction activity in the City, including the type, number, and value of permits issued by the City:

<u>CALENDAR YEAR</u>	<u>COMMERCIAL</u>		<u>RESIDENTIAL</u>		<u>TOTAL VALUE</u>
	<u>NUMBER</u>	<u>VALUE</u>	<u>NUMBER</u>	<u>VALUE</u>	
1999*	353	\$55,877,289	1,208	\$38,876,396	\$94,753,685
2000*	362	51,668,928	1,330	49,609,033	101,277,961
2001	284	38,029,069	798	38,338,014	76,367,083
2002	469	41,750,182	926	37,496,420	79,246,602
2003	207	32,401,829	1,311	76,332,746	108,734,575

Source: City Inspections Department.

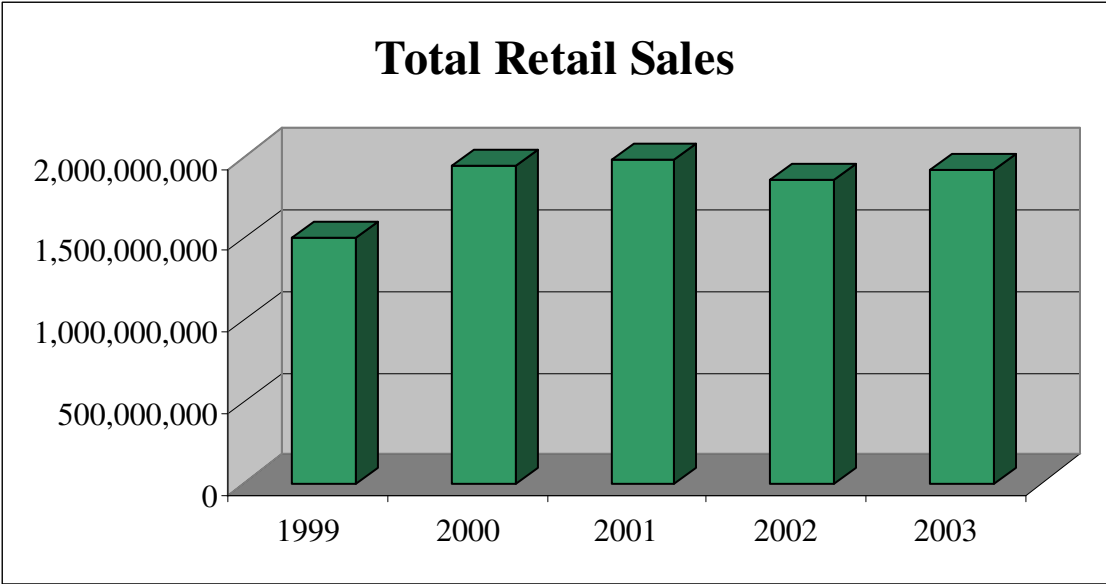
*Figures higher than normal due to the Hurricane Floyd-related flooding.

RETAIL SALES

Total retail sales in the Count for the five fiscal years ended on June 30, 2003 and for the first six months of fiscal year ended June 30, 2004 are shown in the following table:

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Total</u> <u>Retail Sales</u>	<u>Increase over</u> <u>Previous Year</u>
1999	1,499,287,717	6.4%
2000	1,944,492,729	4.3%
2001	1,977,292,038	1.7%
2002	1,855,754,346	(6.2)
2003	1,914,225,827	3.2
2004 (through 12/31/03)	1,043,987,440	N/A

Source: North Carolina Department of Revenue, Sales and Use Tax Division.



EMPLOYMENT

The North Carolina Employment Security Commission has estimated the percentage of unemployment in the County as follows:

	2001	2002	2003	2004		2001	2002	2003
January	5.5%	6.7%	6.4%	6.0%	July	6.5%	7.2%	7.5%
February	5.6%	6.6%	6.3%	6.2%	August	6.2%	6.6%	7.3%
March	5.5%	6.6%	6.6%	5.1%	September	5.8%	6.0%	6.6%
April	5.4%	6.4%	6.5%	5.1%	October	6.2%	6.0%	6.6%
May	5.8%	7.1%	7.0%	5.9%	November	6.7%	5.9%	6.2%
June	6.6%	7.5%	7.6%	6.6%	December	6.1%	5.5%	5.7%

EDUCATION

Public education is primarily a function and responsibility of State government. School operation is largely determined by State statues and State policies adopted by the State Board of Education. School officials and teachers are employees of the State. The General Assembly has delegated financial responsibility for certain areas of public education, primarily construction and maintenance of school facilities, to the counties.

Pitt County School System



The City and the County have a consolidated school system, designated as the Pitt County School Administrative Unit, which is governed by a 12-member Board of Education elected on a non-partisan basis for staggered four-year terms.

The Board of Education submits a budget request to the County Board of Commissioners annually.

The following table shows the number of schools by grade level and average daily membership for the Pitt County School Administrative Unit:

ELEMENTARY GRADES (K-5)			INTERMEDIATE GRADES (6-8)		SECONDARY GRADES (9-12)		TOTAL ADM.
SCHOOL YEAR	NO. OF SCHOOLS	ADM*	NO. OF SCHOOLS	ADM*	NO. OF SCHOOLS	ADM*	
1999-2000	21	9,825	13	4,850	6	5,437	20,112
2000-2001	21	9,952	13	4,794	6	5,431	19,817
2001-2002	22	9,971	13	4,983	7	5,646	20,600
2002-2003	22	9,719	13	5,085	7	5,608	20,412
2003-2004	22	9,928	13	5,178	7	5,559	20,665

*Average daily membership (“ADM”) (determined by actual records at the schools for the first month of school) is computed by the North Carolina Department of Public Instruction on a uniform basis for all public schools in the State. The average daily membership computations are used as a basis for teacher allotments and for distribution of local funds if there is more than one unit within a county.

Source: Superintendent’s Office of the Pitt County School Administrative Unit.

Pitt Community College. Pitt Community College (“PCC”) is a comprehensive public, two year-educational institution serving adult citizens of the City and the County. It is a member of the North Carolina Community College system. 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’s major priority is to be an active partner in workforce development. PCC offers 41 associate degree programs, numerous certificate programs, 20 diploma programs, and 18 college transfer programs.



PCC currently offers more than 2001 classes via internet and numerous real-time inter-active courses via the information highway. PCC is an active partner with the Southern (US) Regional Electronic Campus, which provides virtual classes originating from colleges and universities in the 15 southeastern states.

For the 2003-2004 academic year, PCC served over 4,923 students. PCC currently employs over approximately 324 full-time and 394 part-time and temporary employees.



East Carolina University. Chartered by the North Carolina General Assembly in 1907, East Carolina University (“ECU”) has evolved from a two-year Teacher Training School in 1929 to a four-year

Teachers College to a major comprehensive university. By 1960, ECU had become the third largest institution of higher learning in North Carolina. In 1971, the General Assembly restructured public higher education in North Carolina making ECU a constituent member of the University of North Carolina. ECU is a public institution committed to rich and distinctive education, exemplary teaching, research and scholarship, public service, and human and intellectual diversity, and serves as a focal point for higher education for many fields in eastern North Carolina.

ECU offers 100 undergraduate degrees, 80 master's degree program and 13 doctoral program. ECU consists of 17 departments within the College of Arts and Sciences, 12 Professional Schools, the General College, the Graduate School, and the Division of Continuing Studies. Enrollment for Fall 2004 was approximately 22,000. Each year more than 8,000 East Carolina University students contribute in excess of 100,000 hours of volunteer serve to more than 100 community health and human service organizations.

ECU has several construction projects that will begin over the next year and are scheduled to be completed within a three-year time horizon. New construction projects totaling \$250 million are currently underway on campus.

TRANSPORTATION

There are approximately 212 linear miles of streets maintained by the City and State within the City limits. Funding for expansion, maintenance and improvements of the local street maintained by the City is derived from the City's proportionate share of the amount produced by a one-cent State tax on each gallon of motor fuel and from other revenues.

Several highways provide access to the City. The major east-west connector, U.S. Highway 264, is a four-lane controlled-access highway. North Carolina Highway 11 - U.S. Highway 13 is the primary north-south highway crossing the City. Interstate Highway 95 is 35 miles to the west and U.S. Highway 17 is 15 miles to the east and U.S. Highway 264 may reach both.

The Pitt-Greenville Airport (the "Airport") is a 1,000-acre municipal facility owned jointly by the County and the City. The Airport is located adjacent to the Greenville Industrial Park in the northwest portion of the City. By joint resolution of the City Council and the County Board of Commissioners and by an act of the North Carolina General Assembly, the Pitt-Greenville Airport Authority, a body politic and corporate, has been created to oversee and direct the operation, maintenance and improvement of the Airport.



The Airport is a non-hub regional (commuter) airport currently served by USAir Express with five round trips daily to the USAir hub in Charlotte. Total origin and destination passengers through year 2003 were 72,869. The airport also houses four auto rental agencies, a taxi operator, and a grill.

In addition to airline activity, the Airport serves as the portal of entry for numerous corporate and business aircraft serving such clients as DSM, Lowe's, TRW, Grady-White, Weyerhaeuser Company, Collins & Aikman, DIMON International, NACCO, and Overton's Sports Center. Other services utilizing the Airport include air ambulance and airfreight companies.

Daily rail service is provided to the City by Seaboard System Railroad (CSX) and Norfolk Southern Railway, two of the nation's largest railroad systems. Interconnecting in the City, these systems allow for the transport of freight shipments to and from such cities as Atlanta, New Orleans, Miami, St. Louis, Chicago, Detroit, Philadelphia, and Pittsburg. The City is approximately 85 miles from Morehead City, a seaport city with ocean route connections.

Greenville Area Transit ("GREAT"), established in 1976, provides fixed route bus service for the City. GREAT is operated as a division of the City's Public Works Department and provides transit service within the corporate limits. In designating routes, GREAT seeks to provide transportation service for the City's transit dependent groups to the major industrial, commercial, educational and social service locations. Since the inception of GREAT in August 1976, ridership has steadily increased. Current ridership averages approximately 15,000 passenger trips each month.

MEDICAL FACILITIES

Brody School of Medicine at East Carolina University

The Brody School of Medicine at East Carolina University, located within the City, was established in 1975 by an act of the North Carolina General Assembly. The Brody School of Medicine has a threefold mission: (1) to produce primary care physicians to serve the State, (2) to increase opportunities for minorities and disadvantaged students to pursue a medical education and (3) to expand and improve the network of health care in eastern North Carolina. The Brody School of Medicine



The Brody School of Medicine graduated its first class of

physicians in 1981. Each year, the Brody School of Medicine is ranked highly among the nation's 126 medical schools in the percentage of its graduates who became primary care physicians. The Brody School of Medicine employs over 1,600 people, including 340 physicians and research scientists. Seventy-two students are enrolled in each of the four medical classes. Approximately 250 physicians are pursuing post-graduate training in nine medical residency programs and two combined programs. The Brody School of Medicine also offers doctoral programs in six of the sciences basic to medicine, with an enrollment of approximately 50 doctoral candidates.

The Brody School of Medicine, together with Pitt County Memorial Hospital (“PCMH”), is situated on an approximately 90-acre tract within a designated medical district. Medical school facilities include five major buildings, including the 550,000 square-foot Brody Medical Sciences Building. The Brody School of Medicine has a state-of-the-art cancer treatment center. The Department of Oncology, which opened in 1985, serves a 1.2 million population in 22 eastern North Carolina counties and treats an average of approximately 65 patients daily and 650 new patients a year. It specializes in high technology clinical procedures and research and has received national attention of the medical community for robotic surgery. Surgical teams from around the world have come to the City for instruction on the daVinci system, a robotic system that enables heart surgeons to operate on patients via a computer console. The ECU physicians were the first to use this robotic technology after its approval by the U.S. Food and Drug Administration.

Pitt County Memorial Hospital

Pitt County Memorial Hospital (PCMH) is a private, non-profit hospital and regional referral center licensed to operate 731 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. PCMH is affiliated with, and serves as the teaching hospital for the Brody School of Medicine at East Carolina University. Inpatient services with an average of 33,000 per year are concentrated in five bed towers containing primarily private rooms. In an average year, more than 266,000 outpatients are treated at the facilities. Ancillary clinic services are located throughout the facility and, in some cases, in separate buildings. Support services, such as purchasing, information systems and financial services are housed in several outlying buildings near or adjacent to the main hospital campus.



Pitt County Memorial Hospital

PCMH offers a comprehensive range of primary and tertiary medical services to more than 1.2 million people in 29 counties that include a heart center, a cancer center, a children's hospital, a regional rehabilitation center, a level I trauma center, a level III neonatal intensive care unit, and 24-hour emergency transport services that include both helicopter and mobile intensive care units. PCMH serves as a clinical training site for physicians, nurses, and a range of allied health professionals. The clinical staff includes more than 500



physicians and 1,200 nurses.

PCMH expects to build a new cardiovascular unit, to be called the N.C. Cardiovascular Diseases Institute. Funding for this facility will exceed \$230 million, including \$60 million approved by the North Carolina General Assembly in 2004. University Health Systems and the Brody School of Medicine will operate the facility. The new facility will add 49 beds, a new laboratory, and six operating rooms and consolidate existing cardiovascular services. Hospital officials intend to fund the project with bonds issued by University Health Systems. The first phase of the unit is scheduled to be completed by the end of 2005. PCMH is fully accredited by the Joint Commission for the accreditation of Healthcare organizations.

CULTURE AND RECREATION

Visitors and residents of the City have a number of possibilities for cultural and recreational pursuits. ECU's schools of music, art, theatre and dance, and communications have joined forces to become the new college of Fine Arts and Communications. At the Wellington B. Gray Gallery, there is a wide range of both touring and student exhibits. This gallery showcases the work of internationally renowned contemporary artists. It is a 7,500 square foot facility and is the largest gallery associated with a university arts school in the Carolinas. The music department hosts several festivals each year, including the Four Seasons Chamber Music Festival, a six-concert event featuring chamber music performers from around the world. ECU/Loessin Playhouse & Theatre presents a season of eight productions consisting of musicals, plays, dance concerts, comedies, and dramas.

The City has won state and national awards for its comprehensive recreational program. The City owns and, through its Recreation and Parks Department, operates more than 20 parks and facilities on approximately 1,050 acres. One of the highlights is River Park North, located on 359 acres of river wetland along the Tar River and has paddleboats, nature trails, fishing and picnic facilities. Also located on the park grounds is the Walter Stasavich Science and Nature Center, which offers several wildlife displays and a hands-on touch tank, and the "Adventures in Health Children's Museum" which is a hands teaching center with exhibits. The Walter Stasavich Science Center and Nature Center is currently undergoing a major expansion resulting in a total building of 10,000 square feet at an approximate cost of \$1.5 million. This facility will house a 10,000 gallon aquarium unique to the area. This facility has a 23-county regional draw and will highlight animal and plant species from eastern North Carolina. It is expected to open in April 2005. The City's Greenways Trail offers a hiking and biking nature trail throughout a major portion of the City; a 2.3 mile second phase was recently completed, extending the trail to 3.4 miles.

The Recreation and Parks Department offers over 500 different programs. Among those programs are sports for youth, adults, and seniors from baseball, soccer, and basketball to cricket and in-line hockey. The City also owns and operates the Bradford Creek Golf Course. Bradford Creek features an 18-hole golf course and a clubhouse for corporate and catered events. The clubhouse also features a pro-shop and concession area. The City also operates the Greenville Aquatics and Fitness Center. This center is exercise/wellness facility, which also houses an indoor pool and gymnasium for basketball. This facility offers exercise and wellness classes and

has weightlifting and cardiovascular exercise equipment.

The City sponsors a summer program entitled “Sunday in the Park,” which features local talent. The International Festival is held annually celebrating the diverse population that has come to make up the City and surrounding area. In addition, the Ronald McDonald House along with the National Golf Association holds the Touch Stone Energy Open each June at the Brook Valley Country Club to benefit the Ronald McDonald House. Overton’s, the world’s largest water sports equipment distributor, is headquartered in the City and has sponsored the National Water Ski Tournament in the area for the past three years.

On March 9, 2004, the City was recognized by *Sports Illustrated* as “Sportstown USA” (#1) for North Carolina. The City is one of 50 in the United States noted during its 50th Anniversary for variety and depth of programming of leisure opportunities. The Sportstown designation honors the City of Greenville for its parks, recreational and leisure programs.

MAJOR INITIATIVES

The City Council held several budget workshops to carefully examine future capital projects and prioritize them for long-term financing. Those projects included in a proposed Certificate of Participation issue for construction, renovation, and expansions are listed below.

<u>Amount</u>	<u>Project Description</u>
\$ 1,387,200	Recreation (Parks & Facilities)
2,912,000	Municipal Buildings (Fire Station & Training Center)
1,089,600	Carver Library
<u>10,611,200</u>	Municipal Building (City Administrative Facilities)
<u>\$16,000,000</u>	Total

The City Council also decided to include on a November 2, 2004 general obligation referendum with the following projects for citizen approval:

Street Improvements

Tenth Street Connector This project involves the extension of Tenth Street from Dickinson Avenue to Stantonsburg Road at Memorial Drive. The roadway project will provide for a much-needed link through the city while offering a direct connection between residential areas and East Carolina University with the regional medical center. A new overpass will allow access to Pitt County Memorial from the east. This bond represents a portion of the cost, which is a cooperative effort with the North Carolina Department of Transportation, East Carolina University and Pitt County Memorial Hospital.

West Third Street West Third Street serves West as a major neighborhood connector essential to travel into and from West Greenville. This project will improve the existing roadway by

widening portions of the street, adding sidewalks, and improving sight distance at critical intersections.

Thomas Langston Road Extension This project involves the extension of Thomas Langston Road from Memorial Drive to Evans Street. This project will help relieve traffic congestion on two major thoroughfares, Greenville Boulevard and Firetower Road. The project will give direct access from residential areas to the commercial corridor along Memorial Drive.

West Greenville Revitalization This project involves revitalization of an older, declining 45-block area of West Greenville. In an effort to curb this decline the City has embarked on a progressive eight-year program to remove blight, improve substandard housing and infrastructure, and increase home ownership. These funds will supplement federal grant funds. This effort will establish a safer, more attractive neighborhood for residents, visitors, and the entire community.

Center City Revitalization The City of Greenville is embarking on an important program to revitalize the city's center. This area, which includes the downtown area and adjacent residential and commercial areas, has declined over the years as new businesses and growth expanded outward. This public investment will serve as a catalyst for reuse of vacant buildings and to promote new development, making our center city vibrant and attractive to private investment.

Stormwater Drainage Improvement This project replaces storm drainage pipes and ditches and makes stream improvements in several locations throughout the City that are experiencing flooding, structural failures of public streets and related damage to adjoining property. Use of bond funds will accelerate the installation of these improvements. Debt service for these projects will be funded through the City's Stormwater Utility Fund.

FINANCIAL INFORMATION

Accounting. An explanation of the City's accounting, internal control and budgetary policies is contained in the notes to the basic financial statements, which are an integral part of this report. These notes explain the basis of accounting, funds and account groups used and other significant accounting information. In summary, the **City's accounting records** for governmental activities are maintained on a **modified accrual basis** whereby revenues are recognized when measurable and available, and expenditures are recorded when related liabilities are incurred. For annual financial reporting a conversion to full accrual occurs. Business-type activities of the City are reported on a **full accrual basis** of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred.

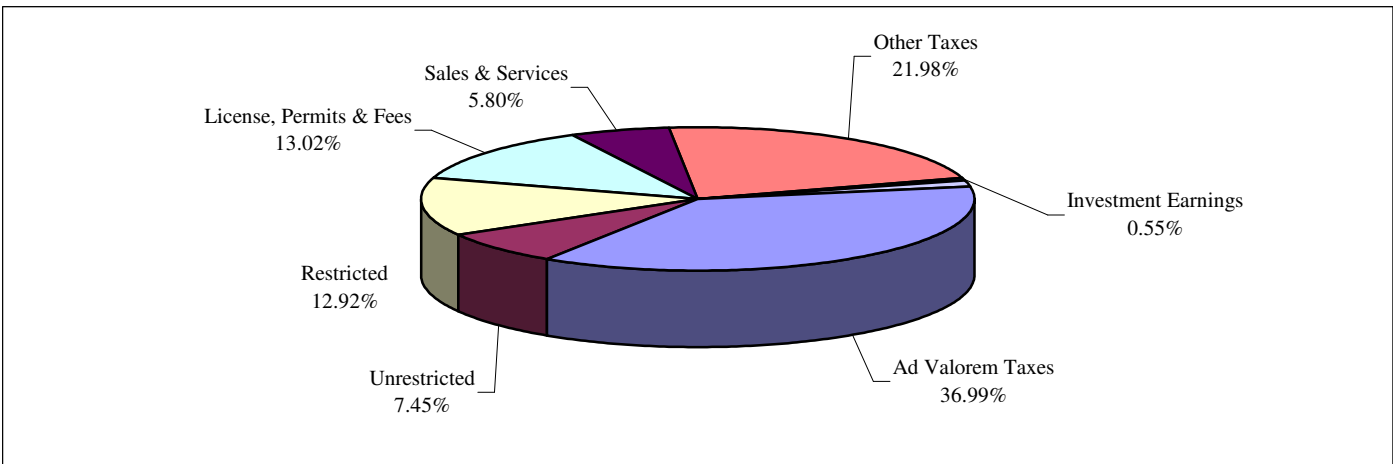
Internal Control. In developing and evaluating the City's accounting system, consideration is given to the adequacy of its internal accounting controls. **Internal accounting controls** are designed to provide reasonable, but not absolute, assurance regarding: (1) the **safeguarding of assets** against loss from unauthorized use or disposition; (2) the **reliability of financial statements**, and (3)

compliance with requirements applicable to federal and state financial assistance programs. The concept of **reasonable assurance** recognizes that: (1) the **cost of controls should not exceed the benefits** likely to be derived; and (2) the **evaluation of costs and benefits requires estimates and judgments** by management. As a recipient of federal, state, and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management, as well as, independent auditors.

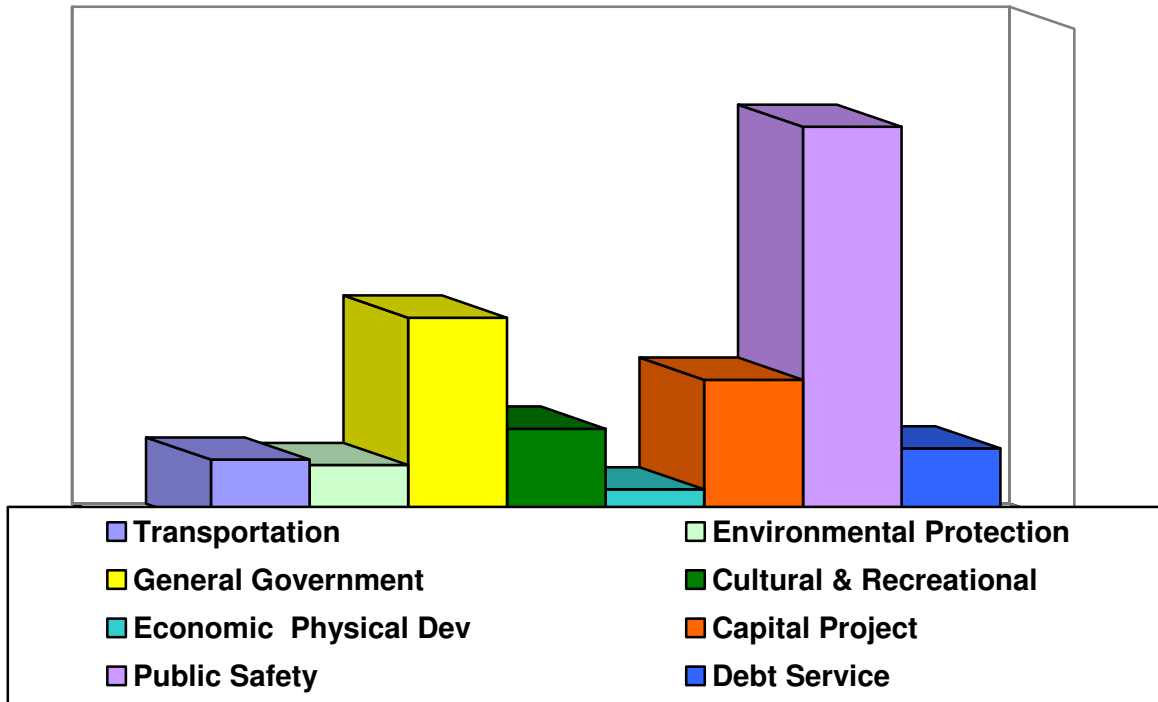
As a part of the single audit, our independent auditors performed tests of the City’s internal control structure and of its compliance with applicable laws and regulations, including those related to federal programs. **The audit for the year ended June 30, 2004, disclosed no material internal control weaknesses or material violations of laws and regulations relative to its major federal programs.**

Budgetary Controls. The North Carolina General Statutes requires all governmental units to adopt a balanced budget by July first of each year. Budgetary controls are enacted to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains budgetary control in subcategories by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Subcategories are utilized in personnel, operating and capital sections within each department. Purchase orders, which result in an overrun of subcategory balances, are not released until additional appropriations are made available. Open encumbrances for outstanding purchase orders intended to be honored are reported as reservations of fund balance at June 30, 2004.

General Government Functions. Revenues for general government functions (General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund) amounted to \$51,448,271 for the fiscal year ended June 30, 2004.



Use of Funds



The **assessed valuation of property** for fiscal year 2003-2004 was \$3,093,511,324, up approximately \$122.9 million from the previous year. A significant portion of the increase in ad

valorem taxes is attributed to the increase in new businesses locating in Greenville and the growth of single and multi-family homes.

Sales taxes (the second largest revenue source of revenue for the City) continues to be a strong source of funding for the City. Over the past four years, there has been a mean average growth of 1.5 % in sales tax. For 2003-2004 the growth in total sales tax revenue was approximately 15%. This is due to the new ½ % sales tax that went into effect December 1, 2002 and overall sales tax growth.

Powell Bill Funds are distributed by the State, and are based upon miles of streets, population and regional gasoline sales. For 2003-2004 we received \$1,680,629. Reliance on revenues generated from **Sales & Services** and **Licenses, Permits and Fees** has increased due to the City's continued goal of diversifying its revenue sources and overall growth. The City is actively pursuing all revenue sources in order to have less dependence on taxes.

General Government Functions. Expenditures for general government functions (General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund) are detailed in the graph above and amounted to \$55,814,083 for 2003-2004.

General Fund Balance. The City Council adopted a financial policy during the 1992-1993 fiscal year. This policy established reasonable parameters for the operations of the City and ensures that the operating and capital needs are being met while maintaining financial stability. This

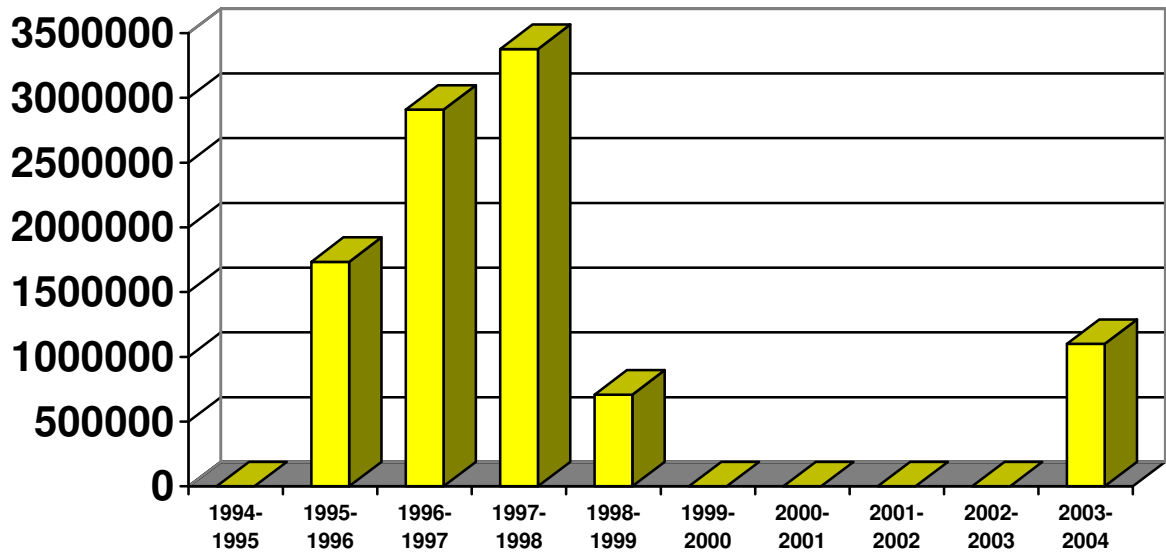
document serves as an important planning tool for the future.

In the financial policy, the excess of unappropriated General Fund balance over the current year's budget less the decrease in cash between year ends is to be transferred to the Capital Reserve Fund yearly for future capital needs. In the 2003-2004 fiscal year an additional \$1.1 million was transferred for capital projects. Since 1983, the City has financed more than **\$12.3 million** worth of capital improvements, with another \$4.3 already earmarked for future projects. Future projects to be financed by Capital Reserve are:

- Transportation Improvements
- Parking Improvements
- Police Firing Range
- Bonners Lane School Site

The transfers made from the general Fund to the Capital Reserve Fund for the past 10 years are as follows:

CAPITAL RESERVE FUND

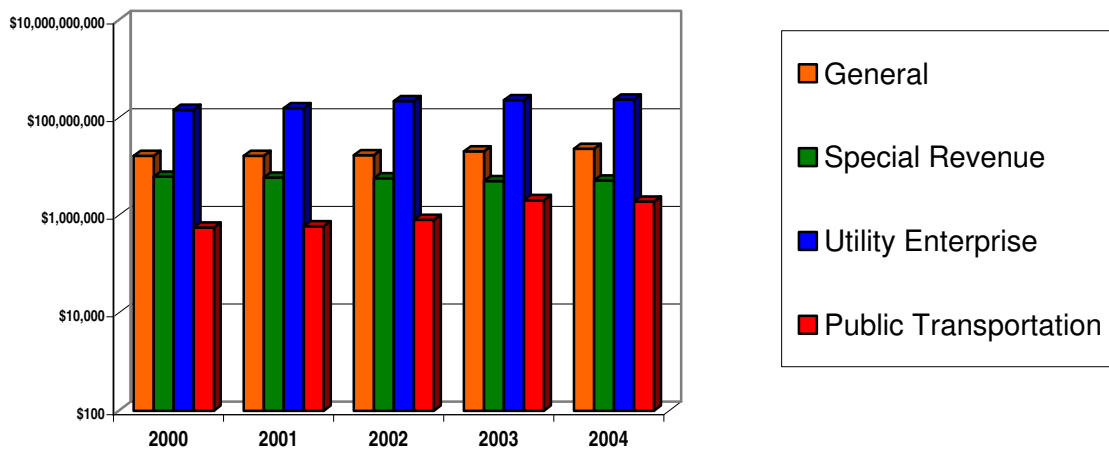


The total fund balances/retained earnings of some of the key funds have continued to remain strong over the past five years.

**CITY OF GREENVILLE, NC
FUND BALANCES/NET ASSETS - VARIOUS FUNDS
LAST FIVE YEARS**

	6/30/04	6/30/03	6/30/02	6/30/01	6/30/00
General	\$ 23,031,474	\$ 20,479,680	\$ 17,146,371	\$ 16,563,381	\$ 16,548,026
Spec. Rev.	5,165,681	5,039,814	5,739,913	5,941,771	6,241,073
Util. Ent.	235,868,647	228,764,854	217,576,185	157,578,901	144,227,329
Pub. Trans.	1,914,625	2,049,025	811,415	596,157	560,769
Fund Total	<u>\$ 266,022,117</u>	<u>\$ 256,333,373</u>	<u>\$ 241,273,884</u>	<u>\$ 180,680,210</u>	<u>\$ 167,577,197</u>

**Funds Balances/Retained Earnings-Variou
Last Five Years**



Proprietary Funds. Operating revenues for all of the **utility funds** for the year ended June 30, 2004 totaled \$182,892,688 compared to \$174,503,977 for the preceding year, an increase of \$8,388,711. The overall rise in operating revenue resulted primarily from rate increases in electric, water and sewer. During the fiscal year electric consumption of services, increased by .8% while water usage increased by 1.3%. Water rates increased by 4%. Total natural gas consumption decreased 10% when compared to the preceding year.

Total operating expenses for the same funds (except the cost of power, gas and depreciation) for the year ended June 30, 2004 was \$32,538,410, as compared to \$31,289,531 the previous year. This is an increase of \$1,248,879.

Utilities transfers are made on a monthly basis to the General Fund. The amount of the

transfer equates to **6%** of the difference between the electric and natural gas systems net fixed assets and total bonded indebtedness. The electric and gas rates charged would decrease by 2.6% and 5.0% respectively, if we eliminated the transfers. Transfers as a percentage of the overall city budget have remained constant over the last ten years. General Fund transfers totaled \$3,985,518 in the 2003-2004 fiscal year. On a quarterly basis, the utilities funds transfer an amount equal to 50% of the retail cost of service for the City of Greenville's public lighting. These transfers totaled \$477,667 during the 2003-2004 fiscal year.

Utilities franchise taxes amounting to 3% of gross utilities charges for electric, water, sewer, and telephone companies are refunded on a quarterly basis from the North Carolina State Treasurer's office. This amounted to \$3.5 million during the current fiscal year.

Capital improvement expenditures are needed to keep up with customer growth, which requires expenditures for facilities and equipment to meet the growing demand for utility services. Capital expenditures for the 2003-2004 fiscal year totaled \$17.4 million as compared to \$16.4 million for the previous fiscal year.

The customer base for utility service has grown over the past several years. At this time, no slow down in the growth of the utility service area is anticipated. Reserve funds and fund balance will be monitored to keep up with the demand for utility services.

Operating revenues of the **transportation fund** have remained steady over the past several years. Under Federal Section 9 funding, the Federal Government reimburses the City at a rate of 50% of transit expenses, with the City funding the remaining 50%. For the planning and capital expenses, Federal and State agencies reimburse the City 80% and 10% respectively, with the City absorbing the final 10%. The General Fund transferred a total of \$99,301 in order to subsidize the transportation system during the fiscal year. The City Council has supported the transit system as a needed service to Greenville citizens and will fund the system with General Fund resources at a reasonable level.

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 has one Internal Service Fund, which is the **Joint Dental Reimbursement Fund**. This fund is used to account for the financing of the City and Greenville Utilities Commissions joint dental insurance program.

Cash Management. Cash temporarily idle during the year was invested in **certificates of deposits, obligations of the U.S. Treasury, government agencies and commercial paper**. The maturities of the investments generally range from 90 days to five years, with an average maturity being 24 months. The interest earned on investments provides an important source of income for the City. The City cash management program generated interest earnings of \$784,014 for the fiscal year ended June 30, 2004. The City will continue to strengthen its portfolio and use competitive pricing for its investment decisions, while still maintaining **safety** and **liquidity** ahead of yield.

Debt Administration. Debt service requirements of the City are satisfied by an accumulation of resources in a separate **Debt Service Fund**. The accumulation is derived from payments made by the General Fund and the Utilities Funds. The City has issued general obligation bonds, revenue bonds, and certificates of participation. General obligation bonds attributable to the electric, water, sewer, and gas systems are paid from revenues of the respective systems.

The City of Greenville currently has total outstanding debt in the amount of \$125 million. Of this amount, \$98.7 million is payable from the revenues of the Enterprise Funds, primarily utilities. The ratio of net bonded debt (net of enterprise debt) to assessed valuation and the amount of bonded debt per capita are useful indications of the City's position to management, citizens, and investors. The net bonded debt situation at June 30, 2004 was as follows:

<u>Net Bonded Debt</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
\$34,019,015	.79%	\$385

Outstanding general obligation bonds at June 30, 2004 amounted to \$15,500,000 with \$8,000,000 being payable from enterprise fund revenues. The General Statutes state that units of local government in North Carolina may not incur general long-term debt exceeding 8% of the appraised value of property subject to taxation.

Risk Management. The City of Greenville has maintained emphasis on loss control and safety programs through the years. Our concern in these areas is threefold: first, by providing a safe working environment for our employees we can continue uninterrupted service to the citizens of Greenville; second, we can assure that we are in full compliance with State and Federal regulations; and third, we can obtain insurance coverage at a more favorable cost. We take great pride in being one of the safest and most insurable cities in North Carolina.

The City provides for property, liability, and Workers Compensation coverage through a third party insurance carrier and a self-insured program. The City's deductible varies based on the type of insurance policy. Workers Compensation is provided at statutory limits. The City also offers health insurance coverage to its employees through an independent insurance carrier. The City offers basic dental coverage of up to \$1000 per covered participant annually. Orthodontic coverage of up to \$2,000 a lifetime per participant is also allowed.

OTHER INFORMATION

Independent Audit. The General Statutes of North Carolina require an independent financial and single audit of all local governmental units in the State. **Martin Starnes & Associates**, a firm of independent Certified Public Accountants, has audited the general purpose financial statements of the City and their opinion dated **August 19, 2004**, has been included in this report.

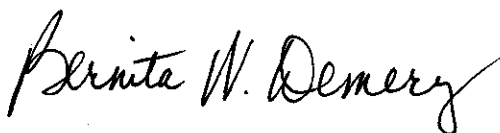
Their audit was made in accordance with generally accepted auditing standards and, accordingly, included tests of the accounting records and other auditing procedures, as they considered necessary under the circumstances. Their **unqualified opinion** indicated that the accompanying general purpose financial statements have been prepared in conformity with generally

accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles.

Awards. The **Government Finance Officers Association of the United States and Canada (GFOA)** awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City of Greenville for its comprehensive annual financial report for the fiscal year ended June 30, 2003. The Certificate of Achievement is the **highest form of recognition** for excellence in State and Local Government Financial Reporting. A Certificate of Achievement is valid for a period of one year only. The City of Greenville has received a Certificate of Achievement for the **last fifteen consecutive fiscal years** ending June 30, 1989 - June 30, 2003. We believe our current report continues to conform to the Certificate of Achievement Program requirements; therefore, we are submitting it to GFOA for consideration.

Acknowledgments. This report reflects the result of the daily responsibilities of **all employees of the Financial Services Department: Nancy Brown, Dora Burton, Audrey Daniels, Angelene Edwards, Yvonne Frazier, Debra Hodges, Wanda House, Marion Joyner, Ruth Kinlaw, Mary Krazon, Katherine Lilley, Brenda Matthews, Willie Moye, Linda Roach, Jane Willoughby, and LayForrest Woodhouse.** Their overall dedication to the common goals of sound financial management and solid internal controls is demonstrated throughout the report and resulted in the "unqualified" opinions. This commitment has been exemplified in the drive to maintain the Certificate of Achievement. Deserving special commendation are all of the skilled, talented, and dedicated employees --- the work force of the City of Greenville. Sincere appreciation also goes out to the Greenville City Council, for being supportive of these same efforts, and setting policy congruent with financial growth and stability.

Respectfully submitted,



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

October 29, 2004

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, 2003

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.



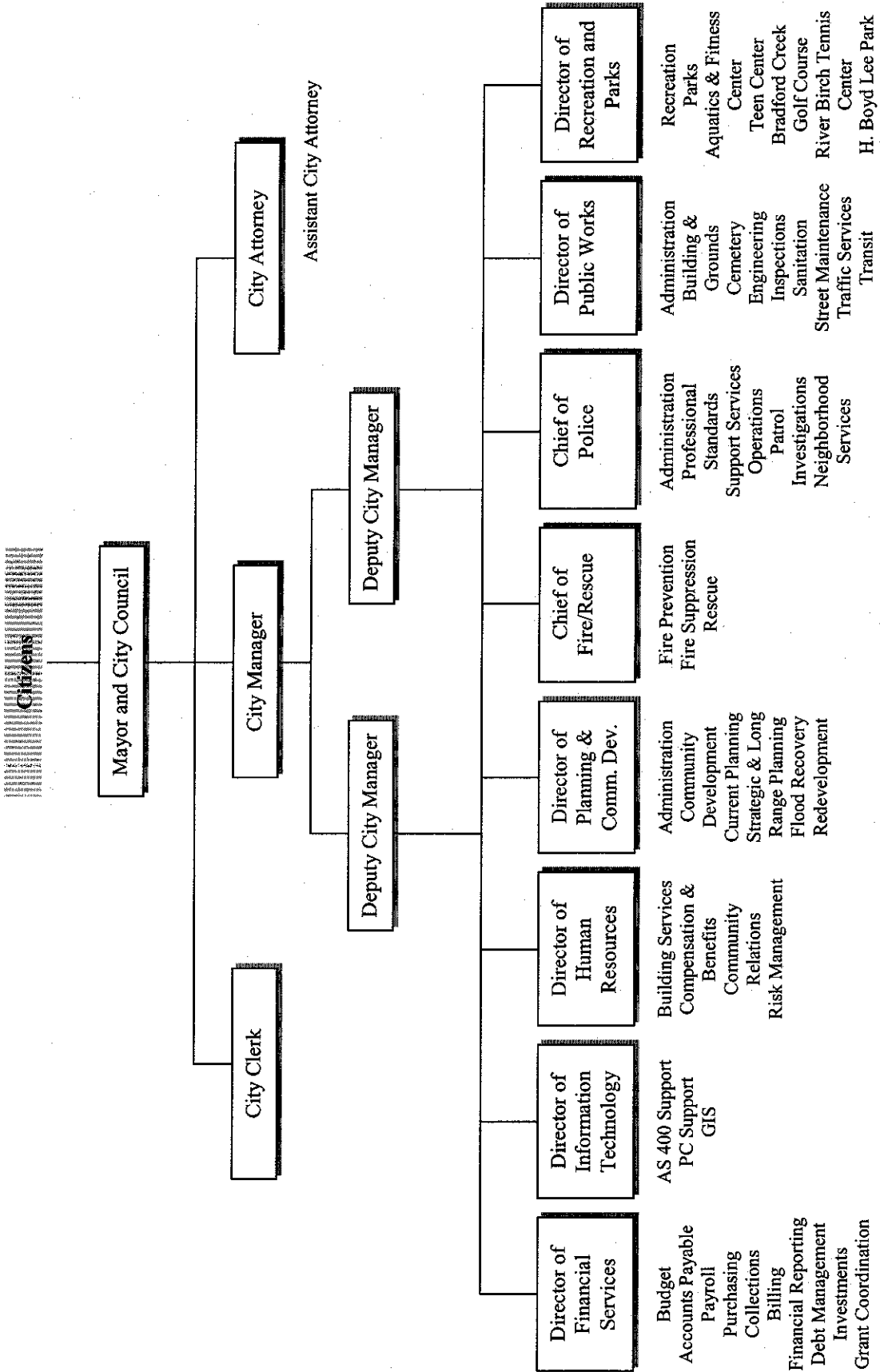
A handwritten signature in black ink, appearing to read "Edward Haney".

President

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

Executive Director

CITY OF GREENVILLE ORGANIZATIONAL CHART



CITY OF GREENVILLE
NORTH CAROLINA
City Council Members, City Officials and
Greenville Utilities Commission Board of Commissioners

CITY OF GREENVILLE
CITY COUNCIL MEMBERS

Robert D. Parrott, Mayor
Ric Miller, Mayor Pro-Tem

Mildred A. Council
Ray Craft
Pat Dunn

Rose Glover
Chip Little

CITY OFFICIALS

Marvin W. Davis
Dave Holec
Wanda T. Elks
Bill Richardson
S. Rex Wilder
Thomas N. Tysinger, Jr.
Bernita W. Demery
Vacant
Geraldine Case
Merrill Flood

Joe M. Simonowich
H. Boyd Lee, Jr.
Willie E. Nelms

City Manager
City Attorney
City Clerk
Deputy City Manager
Director of Information Systems
Director of Public Works
Director of Financial Services
Chief of Fire/Rescue
Director of Human Resources
Interim Director of Planning and
Community Development
Chief of Police
Director of Recreation and Parks
Director of Library Services

GREENVILLE UTILITIES COMMISSION
BOARD OF COMMISSIONERS

Chris Jenkins, Chair
Bryant Kittrell, Vice Chair

Marvin. W. Davis, City Manager
Lester Z. Brown
Faye Taylor

Wayne Powell, Secretary
Lynn W. Evans
Louis Zincone

GREENVILLE UTILITIES COMMISSION OFFICIALS

Vacant
Ron D. Elks

General Manager
Assistant General Manager

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FINANCIAL SECTION



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina, as of and for the year ended June 30, 2004, 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, 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, 2004, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund and the capital reserve 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 19, 2004, 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. 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 accounting principles generally accepted in the United States of America. 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 financial statements that collectively comprise the basic financial statements of City of Greenville, North Carolina. The introductory information, combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, Audits of *States, Local Governments, and Not-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual 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 19, 2004

Management's Discussion and Analysis

As management of the City of Greenville, we offer readers of the City of Greenville's financial statements this narrative overview and analysis of the financial activities of the City of Greenville for the fiscal year ended June 30, 2004. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

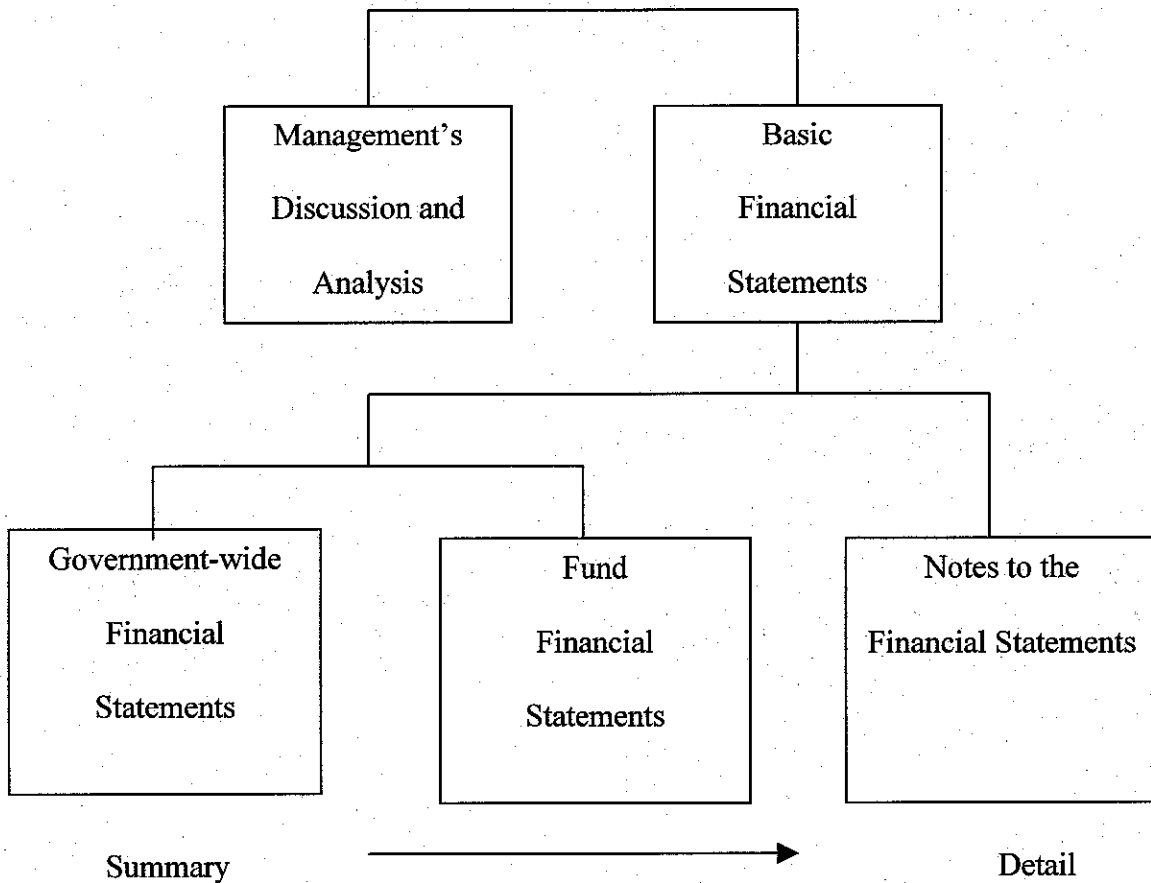
- The assets of the City of Greenville's governmental activities exceeded its liabilities at the close of the fiscal year by \$71,175,185 (*net assets*). Of this amount, \$25,703,883 can be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net assets of governmental activities increased by \$3,141,908.
- As of the close of the current fiscal year, the City of Greenville's governmental funds reported combined ending fund balances of \$31,497,545 an increase of \$1,793,674 in comparison with the prior year. Some of this increase was because of the continued overall growth in both the tax base and sales tax. Approximately 72 percent of this total amount, or \$22,684,239 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14,304,752 or 32 percent of total general fund expenditures for the fiscal year.
- The City of Greenville's total debt increased by \$2,806,115 (2.3%) during the current fiscal year. The key factors in this minimal net increase were new loans issued to take advantage of state revolving loan funds and the retirement of general obligation and revenue bonds.
- Property taxes and sales tax are the two largest sources of revenues and make up over 50% of the total revenues for governmental services to the citizens and the community in 2004.
- The City implemented a tax rate of \$.56 for fiscal year 2005 based on a re-valued property tax base.
- The City has maintained the Certificate of Achievement for excellence in Financial Reporting for the 15th consecutive year.
- The City of Greenville holds an Aa bond rating with Moody's and an AA- with Standard & Poor's.

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 1 and 2) 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 3 through 8) 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 are 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 the City charges customers to provide. These include the electric, water, sewer, gas, transportation, aquatics and fitness, and golf course services offered by the City of Greenville. The government-wide financial statements are on Exhibits 1 and 2 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 about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these 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, 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 an accounting device used to accumulate and allocate costs internally among the functions of City of Greenville and Greenville Utilities Commission. The City uses an internal service fund to account for two activities – its joint dental reimbursement and health insurance funds. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has 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 are on pages 23-49 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 to its employees and an analysis of the current tax levy. Required supplementary information can be found on pages 50-52 of this report.

Government-Wide Financial Analysis

The following is a summary of net assets for June 30, 2004 (as shown in Exhibit 1) with comparative data for June 30, 2003.

**City of Greenville's
Figure 2**

	Governmental 2003	Activities 2004	Business 2003	Type 2004	Total 2003	Total 2004
Current and other assets	\$ 37,084,780	\$39,931,610	\$ 81,630,463	\$ 84,644,951	\$ 118,715,243	\$ 124,576,561
Capital assets, net	67,196,476	66,735,836	207,766,822	204,630,292	274,963,298	271,366,128
Construction in progress	399,714	1,557,305	62,293,649	68,405,983	62,693,363	69,963,288
Total Assets	\$ 104,680,967	\$108,224,751	\$ 351,690,932	\$ 357,681,226	\$ 456,371,899	\$ 456,905,977
Long-term liabilities outstanding	\$ 25,476,305	\$24,241,262	\$ 91,334,825	\$ 88,608,744	\$ 116,811,130	\$ 112,850,006
Other liabilities	11,171,385	12,808,304	27,715,881	29,013,905	38,887,266	41,822,209
Total Liabilities	\$ 36,647,690	\$37,049,566	\$ 119,050,706	\$ 117,622,649	\$ 155,698,396	\$ 154,672,215
Net Assets						
Invested in capital assets, net of related debt	\$ 39,947,029	\$ 45,055,612	\$ 182,803,265	\$ 184,616,161	\$ 222,750,294	\$ 229,671,373
Restricted	383,368	415,690	-	-	383,368	415,690
Unrestricted	27,702,880	25,703,883	49,836,961	55,442,416	77,539,841	81,146,299
Total Net Assets	\$ 68,033,277	\$ 71,175,185	\$ 232,640,226	\$ 240,058,577	\$ 300,673,503	\$ 311,233,762

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 \$71,175,185 (*net assets*). Of this amount, \$25,703,883 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 \$3,141,908. 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.

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 Changes in Net Assets
Figure 3

	Governmental	Activities	Business	Type	Total	
	2003	2004	2003	2004	2003	2004
Program revenues:						
Charges for services	\$ 9,022,693	\$ 9,638,750	\$ 174,928,141	\$ 185,286,638	\$ 183,950,834	\$ 194,970,388
Operating grants and contributions	6,553,196	3,085,547	1,720,321	372,479	8,273,517	4,133,253
Capital grants and contributions	6,553,196	3,085,547	1,720,321	372,479	8,273,517	3,458,026
General revenues:						
Property taxes	18,440,252	18,624,227	-	-	18,440,252	18,624,227
Other taxes	9,917,565	11,307,239	-	-	9,917,565	11,307,239
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	5,352,495	4,776,545	2,930,434	2,927,498	8,285,397	7,704,043
Total Revenues	\$ 52,364,404	\$ 51,041,097	\$ 182,728,933	\$ 189,156,079	\$ 235,095,805	\$ 240,197,176
General governmental	11,115,174	12,750,156	-	-	11,115,174	12,750,156
Public safety	20,492,860	21,925,112	-	-	20,492,860	21,925,112
Environmental protection	3,172,361	3,290,175	133,051	1,277,002	3,305,412	4,567,177
Economic and physical development	4,005,718	2,125,394	-	-	4,005,718	2,125,394
Transportation	4,502,755	3,543,250	829,729	918,688	5,450,004	4,461,938
Cultural and recreation	6,196,786	7,698,538	1,423,243	1,338,940	7,656,079	9,037,478
Interest on long-term debt	1,316,761	1,167,884	-	-	1,316,761	1,167,884
Electric			126,098,734	130,598,173	126,098,734	130,598,173
Water			9,023,228	10,018,739	9,023,228	10,018,739
Sewer			10,052,717	10,233,064	10,052,717	10,233,064
Gas			19,383,179	22,751,802	19,383,179	22,751,802
Total Expenses	\$ 50,802,415	\$ 52,500,509	\$ 166,943,881	\$ 177,136,408	\$ 217,899,866	\$ 229,636,917
Increase in net assets before transfers	\$ 1,408,419	(1,459,412)	\$ 15,785,052	\$ 12,019,671	\$ 17,195,939	\$ 10,560,259
Transfers	3,449,909	4,601,320	(3,449,909)	(4,601,320)	-	-
Increase in net assets	\$ 5,011,898	\$ 3,141,908	\$ 12,335,143	\$ 7,418,351	\$ 17,347,041	\$ 10,560,259
Net assets, July 1	63,021,379	68,033,277	220,305,083	232,640,226	283,326,462	300,673,503
Net assets, June 30	\$ 68,033,277	\$ 71,175,185	\$ 232,640,226	\$ 240,058,577	\$ 300,673,503	\$ 311,233,762

Governmental activities. Governmental activities increased the City's net assets by \$3,141,098. Of total net assets, governmental activities accounted for \$71,175,185 (23%). The growth in overall city revenues particularly property and sales tax were key elements of the increase.

Business-type activities. Business-type activities increased the City of Greenville's net assets by \$7,418,351 accounting for 70% of the total growth in the government's net assets.

The assets of the Greenville Utilities Commission (Commission) exceeded its liabilities at the close of the fiscal year by \$235,868,647 (net assets). Of this amount \$54,683,920

(unrestricted net assets) may be used to meet the Commission's ongoing obligations to its customers and creditors.

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 \$14,304,752, while total fund balance reached \$23,031,474. 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 32% of total General Fund expenditures, while total fund balance represents 57% of that same amount. At June 30, 2003, the governmental funds of City of Greenville reported a combined fund balance of \$31,497,545, an 11% increase over last year. The changes in fund balance are detailed in the notes to the financial statements.

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 \$896,091.

Revenues were greater than the budgeted amounts primarily because property taxes came in over budget and a new sales tax was implemented. Sales and services were also slightly over budget. Moreover, expenditures were held in check to posture the City to respond to any further State or Federal erosion of local funding. This allowed the City to meet its annual budgetary requirements.

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, 2004, totals \$341,329,416 (net of accumulated depreciation). At June 30, 2004, the City of Greenville is obligated for \$30,030,319 in construction contract commitments. Of this amount, \$30,367,379 is related to water,

sewer, and wastewater construction contracts. The remaining contract commitments are for major road projects, parks, a convention center, and flood recovery related projects. These commitments are fully budgeted. No major demolitions were recorded during the year.

City of Greenville's Capital Assets
Figure 4

	Governmental Activities		Business Type		Total	
	2003	2004	2003	2004	2003	2004
Land	\$ 34,299,696	\$ 34,699,499	\$ 6,112,344	\$ 6,112,344	\$ 40,412,040	\$ 40,811,793
Buildings	30,878,497	31,728,246	64,523,003	91,017,892	95,401,500	122,746,138
Machinery and Equipment	28,027,056	29,208,733	19,586,760	22,352,828	47,613,816	51,561,561
Improvements other than Buildings	2,887,939	3,151,188	581,190	625,639	3,469,129	3,776,827
Infrastructure	-	1,610,584	-	-	-	1,610,584
Distribution Systems	-	-	245,835,157	258,193,174	245,835,137	258,193,174
Transmission Systems	-	-	14,042,709	19,942,745	14,042,709	19,942,745
Construction in Progress	399,716	1,557,307	62,693,365	30,030,319	62,693,365	31,587,626
Subtotal	\$ 96,492,904	\$ 101,955,507	\$ 412,974,812	\$ 428,275,551	509,467,716	\$ 530,231,058
Less Accumulated Depreciation	(28,896,714)	(33,662,366)	(142,914,341)	(155,239,276)	(171,811,055)	(188,901,642)
Total	\$ 67,596,190	\$ 68,293,141	\$ 270,060,471	\$ 273,036,275	\$ 337,656,661	\$ 341,329,416

Additional information on the City's capital assets can be found in the notes on pages 36 and 37 in the Basic Financial Statements.

Long-term Debt. As of June 30, 2004, the City of Greenville had total debt outstanding of \$123,140,273. Of this, \$15,545,000 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).

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

Figure 5

	Governmental Activities		Business-type		Total	
	2003	2004	2003	2004	2003	2004
General Obligation Bonds	\$8,120,000	\$7,455,000	\$9,355,000	\$8,090,000	\$17,475,000	\$15,545,000
State Rotating Loan, Lease	13,124,161	12,973,097	15,519,944	19,243,586	28,644,105	32,216,683
Purchase & COPS Revenue Bonds	6,405,000	6,160,000	73,422,283	69,218,590	79,827,283	75,378,590
Total	\$ 27,649,161	\$ 26,588,097	\$ 98,297,227	\$ 96,552,176	\$ 125,946,388	\$ 123,140,273

Total debt increased by \$2,806,115 (2%) during the current fiscal year. The key factor in this decrease was not no new debt was issued except for \$1.6 million in a installment purchase contract for some equipment.

As mentioned in the financial highlights section of this document, the City of Greenville maintained for the 15th consecutive year, its Aa bond rating from Moody's Investor Service and AA- rating from Standard and Poor's Corporation. 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 limit 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 government's boundaries. The legal debt margin for City of Greenville is \$213,461,891.

Additional information regarding the City of Greenville's long-term debt can be found in the notes to the financial statements on pages 41-46 of this report.

Economic Factors and Next Year's Budgets 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>2004</u>
35,740	46,305	65,799

- Growth in assessed values. The assessed valuation of property for fiscal year 2003-2004 was \$3,093,511,324 up approximately \$122.9 million from the previous year. A significant portion of the increase in property taxes is attributed to the increase in new businesses in Greenville and the growth of single and multi-family homes.
- Sales tax growth. Even with the local and national economy suffering, sales tax growth continues to be more than national and state averages for Greenville. Greenville's average growth was approximately 15%.

Budget Highlights for the Fiscal Year Ending June 30, 2004

Governmental Activities: Growth in the tax base of the assessed values as noted previously will continue to help the City fund its current operations. The city is also relying more on fees and charges for those services that are directly used by its customers. The City is fortunate to have steady and continuous growth in its property valuation. Budgeted expenditures in the General Fund are expected to increase to \$55,634,292. These increases are necessary to fund the capital and operating needs of a growing city.

Business – type Activities: Operating revenues for all of the utility funds for the year ended June 30, 2004 totaled \$182,892,688 compared to \$174,503,977 for the preceding year, and increase of \$8,388,711. The total growth as measured by the increase in retail customers was 2%.

The Commission's retail electric rates will increase on October 1, 2004 by 3.4% to cover the cost of wholesale power purchased by the Commission. Water and sewer rates will not increase. The retail price of natural gas sold normally fluctuates according to market conditions. Operating expenses are expected to increase by 2.7% to cover increased personnel, system maintenance requirements, and purchased commodities.

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, 201 Martin Luther King, Jr., Dr., Greenville, NC 27834.

Statement of Net Assets
June 30, 2004

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents/investments	\$ 31,238,115	\$ 53,976,598	\$ 85,214,713
Taxes and licenses receivable, net	1,391,831	-	1,391,831
Accounts receivable, net	1,572,610	18,613,248	20,185,858
Interest receivable	4,643	-	4,643
Loans receivable	528,179	-	528,179
Due from other governments	2,429,458	827,305	3,256,763
Inventories	96,362	3,087,435	3,183,797
Prepaid items and deposits	556,332	26,450	582,782
Internal balances	701,106	(701,106)	-
Restricted assets:			
Cash and cash equivalents	1,412,974	8,815,021	10,227,995
Capital assets:			
Land, improvements and construction in progress	36,256,756	68,405,983	104,662,739
Other capital assets, net of depreciation	32,036,385	204,630,292	236,666,677
Total capital assets	<u>68,293,141</u>	<u>273,036,275</u>	<u>341,329,416</u>
Total assets	<u>108,224,751</u>	<u>357,681,226</u>	<u>465,905,977</u>
Liabilities			
Accounts payable and accrued liabilities	3,495,335	15,736,271	19,231,606
Customer deposits	-	2,117,618	2,117,618
Accrued interest payable	146,622	1,226,981	1,373,603
Due to other governments	-	64,691	64,691
Other liabilities	295,564	46,000	341,564
Unearned revenue	3,527,715	464,117	3,991,832
Compensated absences payable	3,101,125	1,293,683	4,394,808
Long-term liabilities:			
Due within one year	2,241,943	7,252,960	9,494,903
Due in more than one year	24,241,262	88,608,744	112,850,006
Unearned revenue	-	811,584	811,584
Total liabilities	<u>37,049,566</u>	<u>117,622,649</u>	<u>154,672,215</u>
Net assets			
Investments in capital assets, net of related debt	45,055,612	184,616,161	229,671,773
Restricted for:			
Debt service	415,690	-	415,690
Unrestricted	25,703,883	55,442,416	81,146,299
Total net assets	<u>\$ 71,175,185</u>	<u>\$ 240,058,577</u>	<u>\$ 311,233,762</u>

CITY OF GREENVILLE, NORTH CAROLINA
Statement of Activities
Year Ended June 30, 2004

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 12,750,156	\$ 1,583,016	\$ 321,127	\$ -	\$ (10,846,013)	\$ -	\$ (10,846,013)
Public safety	21,925,112	2,603,547	539,322	-	(18,782,243)	-	(18,782,243)
Transportation	3,543,250	1,048,845	229,550	-	(2,264,855)	-	(2,264,855)
Environmental protection	3,290,175	3,983,850	4,585	-	698,260	-	698,260
Cultural and recreational	7,761,113	455,150	788,576	-	(6,517,387)	-	(6,517,387)
Economic and physical development	2,125,394	9,342	1,680,629	3,085,547	2,650,124	-	2,650,124
Interest and fees	1,167,884	-	-	-	(1,167,884)	-	(1,167,884)
Total governmental activities	52,500,509	9,683,750	3,563,789	3,085,547	(36,167,423)	-	(36,167,423)
Business-type activities:							
Electric	130,598,173	136,506,374	-	-	-	5,908,201	5,908,201
Water	10,018,739	9,670,277	-	115,882	-	(232,580)	(232,580)
Sewer	10,233,064	11,485,681	-	256,597	-	1,509,214	1,509,214
Gas	22,751,802	24,207,968	-	-	-	1,456,166	1,456,166
Public transportation	918,688	114,982	569,464	-	-	(234,242)	(234,242)
Aquatics and fitness center	547,644	534,304	-	-	-	(13,340)	(13,340)
Bradford Creek Golf Course	791,296	848,150	-	-	-	56,854	56,854
Stormwater Utility	1,277,002	1,918,902	-	-	-	641,900	641,900
Total business-type activities	177,136,408	185,286,638	569,464	372,479	-	9,092,173	9,092,173
Total primary government	\$ 229,636,917	\$ 194,970,388	\$ 4,133,253	\$ 3,458,026	(36,167,423)	9,092,173	(27,075,250)
General revenues:							
Ad valorem taxes					18,624,227	-	18,624,227
Other taxes					11,307,239	-	11,307,239
Unrestricted grants					3,831,583	-	3,831,583
Investment earnings					282,866	501,148	784,014
Miscellaneous					662,096	2,426,350	3,088,446
Transfers					4,601,320	(4,601,320)	-
Total general revenues and transfers					39,309,331	(1,673,822)	37,635,509
Change in net assets					3,141,908	7,418,351	10,560,259
Net assets - beginning					68,033,277	232,640,226	300,673,503
Net assets - ending					\$ 71,175,185	\$ 240,058,577	\$ 311,233,762

CITY OF GREENVILLE, NORTH CAROLINA

Balance Sheet
 Governmental Funds
 June 30, 2004

	General	Capital Reserve Fund	Flood Buyout, Relocation & Replacement	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents/investments	\$ 22,351,437	\$ 4,474,828	\$ 150,805	\$ 5,611,585	\$ 32,588,655
Taxes and licenses receivable, net	992,172	-	-	48,907	1,041,079
Accounts receivable, net	1,572,421	-	-	189	1,572,610
Interest receivable	-	-	-	4,643	4,643
Loans receivable	-	-	-	528,179	528,179
Due from other funds	2,600,798	-	-	1,580	2,602,378
Due from other governments	2,104,035	-	62,214	263,209	2,429,458
Inventories	96,362	-	-	-	96,362
Prepaid items and deposits	509,705	-	-	46,627	556,332
Total assets	\$ 30,226,930	\$ 4,474,828	\$ 213,019	\$ 6,504,919	\$ 41,419,696
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,088,302	\$ -	\$ -	\$ 407,033	\$ 3,495,335
Due to other funds	81,898	130,726	62,214	1,592,461	1,867,299
Other liabilities	295,564	-	-	-	295,564
Deferred revenue	3,202,994	-	-	524,075	3,727,069
Compensated absences payable	526,698	-	-	10,186	536,884
Total liabilities	7,195,456	130,726	62,214	2,533,755	9,922,151
Fund balances:					
Reserved by State statute	5,539,790	-	-	42,819	5,582,609
Reserved for encumbrances	1,651,481	-	-	-	1,651,481
Reserved for prepaid items and inventories	606,067	-	-	43,765	649,832
Reserved for Streets - Powell Bill	929,384	-	-	-	929,384
Designated for subsequent year's expenditures	494,857	4,344,102	150,805	79,892	5,069,656
Designated for future catastrophic losses	2,868,689	-	-	-	2,868,689
Fund Balance - unreserved - Undesignated	10,941,206	-	-	-	10,941,206
Unreserved - designated and undesignated, reported in nonmajor:					
Special revenue	-	-	-	655,103	655,103
Debt service	-	-	-	415,690	415,690
Capital projects	-	-	-	2,733,895	2,733,895
Total fund balances	23,031,474	4,344,102	150,805	3,971,164	31,497,545
Total liabilities and fund balances	\$ 30,226,930	\$ 4,474,828	\$ 213,019	\$ 6,504,919	\$ 41,419,696

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

CITY OF GREENVILLE, NORTH CAROLINA

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2004**

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

Ending fund balance - governmental funds	\$ 31,497,545
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	68,293,141
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred or not recognized in the funds.	654,986
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.	28,473
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(29,298,960)</u>
Net assets of governmental activities	<u>\$ 71,175,185</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
Year Ended June 30, 2004

	General	Capital Reserve Fund	Flood Buyout, Relocation & Replacement	Other Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 19,031,401	\$ -	\$ -	\$ -	\$ 19,031,401
Other taxes	10,740,885	-	-	566,354	11,307,239
Unrestricted	3,831,583	-	-	-	3,831,583
Restricted	2,806,543	-	119,674	3,723,119	6,649,336
Licenses, permits and fees	6,699,938	-	-	-	6,699,938
Sales and services	2,901,209	-	-	82,603	2,983,812
Investment earnings	202,589	37,869	229	42,179	282,866
Other revenues	230,424	-	-	431,672	662,096
Total revenues	46,444,572	37,869	119,903	4,845,927	51,448,271
Expenditures					
Current:					
General government	11,693,041	-	-	-	11,693,041
Public safety	21,631,273	-	-	-	21,631,273
Transportation	3,393,531	-	-	-	3,393,531
Environmental protection	3,561,379	-	-	-	3,561,379
Cultural and recreational	3,861,976	-	-	1,737,902	5,599,878
Economic and physical development	-	-	-	2,125,394	2,125,394
Capital outlay	-	-	81,788	3,924,489	4,006,277
Debt service:					
Principal retirement	-	-	-	2,576,207	2,576,207
Interest and fees	-	-	-	1,165,158	1,165,158
Total expenditures	44,141,200	-	81,788	11,529,150	55,752,138
Excess (deficiency) of revenues over (under) expenditures	2,303,372	37,869	38,115	(6,683,223)	(4,303,867)
Other financing sources (uses)					
Transfers from other funds	4,008,791	1,124,340	-	5,750,669	10,883,800
Transfers to other funds	(5,256,590)	(1,011,750)	-	(14,140)	(6,282,480)
Capital lease proceeds	1,496,221	-	-	-	1,496,221
Total other financing sources (uses)	248,422	112,590	-	5,736,529	6,097,541
Net change in fund balances	2,551,794	150,459	38,115	(946,694)	1,793,674
Fund balance - beginning	20,479,680	4,193,643	112,690	4,917,858	29,703,871
Fund balance - ending	\$ 23,031,474	\$ 4,344,102	\$ 150,805	\$ 3,971,164	\$ 31,497,545

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 of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2004**

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

Net change in fund balances - total governmental funds \$ 1,793,674

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 696,939

There are differences in the revenues in the statement of activities and revenues in the funds for property tax. (407,174)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts. 1,077,260

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. (18,791)

Change in net assets of governmental activities \$ 3,141,908

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

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CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 18,279,853	\$ 18,291,853	\$ 19,031,401	\$ 739,548
Other taxes	10,556,982	10,556,982	10,740,885	183,903
Unrestricted intergovernmental	3,903,256	3,903,256	3,831,583	(71,673)
Restricted intergovernmental	2,587,052	3,313,263	2,806,543	(506,720)
Licenses, permits, and fees	6,520,803	6,520,803	6,699,938	179,135
Sales and services	2,688,808	2,837,768	2,978,405	140,637
Investment earnings	116,851	116,851	202,589	85,738
Other revenues	118,601	127,521	153,228	25,707
Total revenues	<u>44,772,206</u>	<u>45,668,297</u>	<u>46,444,572</u>	<u>776,275</u>
Expenditures:				
Current:				
General government	11,885,745	13,502,151	11,693,041	1,809,110
Public safety	22,330,279	23,217,768	21,631,273	1,586,495
Transportation	4,483,615	4,971,281	3,393,531	1,577,750
Environmental protection	3,623,354	3,744,317	3,561,379	182,938
Cultural and recreational	3,829,969	3,931,298	3,861,976	69,322
Contingency	100,000	535	-	535
Total expenditures	<u>46,252,962</u>	<u>49,367,350</u>	<u>44,141,200</u>	<u>5,226,150</u>
Revenues over (under) expenditures	<u>(1,480,756)</u>	<u>(3,699,053)</u>	<u>2,303,372</u>	<u>6,002,425</u>
Other financing sources (uses):				
Transfers from other funds	4,192,909	4,214,659	4,484,935	270,276
Transfers to other funds	(5,189,297)	(6,232,637)	(5,732,734)	499,903
Proceeds of capital lease	1,496,221	1,496,221	1,496,221	-
Total other financing sources (uses)	<u>499,833</u>	<u>(521,757)</u>	<u>248,422</u>	<u>770,179</u>
Revenues and other sources over (under) expenditures and other uses	<u>(980,923)</u>	<u>(4,220,810)</u>	<u>2,551,794</u>	<u>6,772,604</u>
Fund balances, beginning of year	-	-	20,479,680	-
Appropriated fund balance	980,923	4,249,748	-	(4,249,748)
Increase in reserve	-	(28,938)	-	28,938
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,031,474</u>	<u>\$ 2,551,794</u>

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

Exhibit 5
(continued)

Capital Reserve Fund

	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
\$	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	37,869	37,869
	-	-	-	-
	-	-	<u>37,869</u>	<u>37,869</u>
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	<u>37,869</u>	<u>37,869</u>
	291,000	1,124,340	1,124,340	-
	(291,000)	(990,000)	(1,011,750)	(21,750)
	-	-	-	-
	-	<u>134,340</u>	<u>112,590</u>	<u>(21,750)</u>
	-	134,340	150,459	16,119
	-	-	4,193,643	-
	-	990,000	-	(990,000)
	-	(1,124,340)	-	1,124,340
\$	-	-	<u>4,344,102</u>	<u>150,459</u>

CITY OF GREENVILLE, NORTH CAROLINA

Statement of Net Assets
Proprietary Funds
June 30, 2004

	Enterprise Funds					Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Other Nonmajor Enterprise		
Assets							
Current assets							
Cash and cash equivalents	\$ 12,985,096	\$ 2,803,606	\$ 3,455,023	\$ 1,080,191	\$ 1,070,380	\$ 21,394,296	\$ 62,446
Investments	19,526,453	4,637,375	6,311,635	2,089,393	17,446	32,582,302	-
Accounts receivable, net	14,853,080	1,038,496	1,084,373	1,225,340	411,959	18,613,248	-
Due from other funds	130,318	-	-	-	-	130,318	-
Due from other governments	456,280	90,834	85,985	42,994	151,212	827,305	-
interfund balances	(643,507)	261,728	234,713	147,066	-	-	-
Inventories	2,204,266	441,846	63,230	363,901	14,192	3,087,435	-
Prepaid items and deposits	19,460	1,216	1,216	4,308	250	26,450	-
Restricted assets:							
Cash and cash equivalents	1,149,503	3,037,665	2,932,486	1,695,367	-	8,815,021	-
Total current assets	50,680,949	12,312,766	14,168,661	6,648,560	1,665,439	85,476,375	62,446
Noncurrent assets							
Capital assets:							
Land, improvements and construction in progress	68,984,514	76,527,635	96,178,671	26,385,544	4,959,911	273,036,275	-
Total noncurrent assets	68,984,514	76,527,635	96,178,671	26,385,544	4,959,911	273,036,275	-
Total assets	\$ 119,665,463	\$ 88,840,401	\$ 110,347,332	\$ 33,034,104	\$ 6,625,350	\$ 358,512,650	\$ 62,446
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	\$ 10,973,927	\$ 2,190,328	\$ 1,186,158	\$ 1,231,372	\$ 154,486	\$ 15,736,271	\$ -
Customer deposits	1,809,977	171,385	75	136,181	-	2,117,618	-
Accrued interest payable	201,570	450,444	404,038	170,929	-	1,226,981	-
Due to other governments	40,306	12,802	4,267	7,316	-	64,691	33,973
Due to other funds	532,145	-	-	-	299,279	831,424	33,973
Other liabilities	-	-	-	-	46,000	46,000	-
Deferred revenue	-	-	84,312	-	379,805	464,117	-
Compensated absences payable	572,188	355,700	132,954	163,522	69,319	1,293,683	-
Current maturities of long-term debt	1,234,748	1,632,983	3,407,597	783,213	194,419	7,252,960	-
Total current liabilities	15,364,861	4,813,642	5,219,401	2,492,533	1,143,308	29,033,745	67,946
Noncurrent liabilities							
General obligation bonds and capital lease obligations	13,820,702	27,855,068	34,311,022	11,329,840	1,292,112	88,608,744	-
Deferred revenue	-	-	811,584	-	-	811,584	-
Total noncurrent liabilities	13,820,702	27,855,068	35,122,606	11,329,840	1,292,112	89,420,328	-
Total liabilities	29,185,563	32,668,710	40,342,007	13,822,373	2,435,420	118,454,073	67,946
Net assets							
Investments in capital assets, net of related debt	55,078,567	49,797,202	60,650,730	15,658,228	3,431,434	184,616,161	-
Unrestricted net assets	35,401,333	6,374,489	9,354,595	3,553,503	758,496	55,442,416	28,473
Total net assets	\$ 90,479,900	\$ 56,171,691	\$ 70,005,325	\$ 19,211,731	\$ 4,189,930	\$ 240,058,577	\$ 28,473

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

CITY OF GREENVILLE, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Year Ended June 30, 2004

	Enterprise Funds					Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Other Nonmajor Enterprise		
Operating revenues							
Charges for services	\$ 136,506,374	\$ 9,670,277	\$ 11,485,681	\$ 24,207,968	\$ 3,416,216	\$ 185,286,516	\$ -
Other operating revenues	493,663	195,545	227,058	106,122	122	1,022,510	-
Employer contribution, City	-	-	-	-	-	-	201,711
Employer contribution, Commission	-	-	-	-	-	-	124,624
Total operating revenues	137,000,037	9,865,822	11,712,739	24,314,090	3,416,338	186,309,026	326,335
Operating expenses							
Administration and general	8,129,344	2,806,646	1,977,536	2,157,534	11,993	15,083,053	-
Operations and maintenance	6,954,110	4,271,021	4,182,503	2,370,092	3,155,288	20,933,014	-
Claims	-	-	-	-	-	-	345,255
Purchased power and gas	108,134,661	-	-	16,711,116	-	124,845,777	-
Depreciation and amortization	6,732,783	2,606,781	3,082,845	1,142,081	310,376	13,874,866	-
Total operating expenses	129,950,898	9,684,448	9,242,884	22,380,823	3,477,657	174,736,710	345,255
Operating income (loss)	7,049,139	181,374	2,469,855	1,933,267	(61,319)	11,572,316	(18,920)
Nonoperating revenue (expense)							
Investment earnings	281,820	99,958	94,186	23,663	1,521	501,148	129
Public transportation planning and operating grants	-	-	-	-	569,464	569,464	-
Other revenue	235,272	470,388	663,717	34,585	-	1,403,962	-
Bond and capital lease interest expense and service charges	(647,275)	(334,291)	(990,180)	(370,979)	(24,632)	(2,367,357)	-
Loss on disposal of capital assets	-	-	-	-	(32,341)	(32,341)	-
Total nonoperating revenue (expense)	(130,183)	236,055	(232,277)	(312,731)	514,012	74,876	129
Income (loss) before transfers and contributions	6,918,956	417,429	2,237,578	1,620,536	452,693	11,647,192	(18,791)
Transfers from General Fund	-	-	-	-	335,000	335,000	-
Transfers from other funds	(3,672,838)	-	-	(790,347)	-	(4,463,185)	-
Transfer to other funds	-	-	-	-	(473,135)	(473,135)	-
Capital contributions	-	115,882	256,597	-	-	372,479	-
Change in net assets	3,246,118	533,311	2,494,175	830,189	314,558	7,418,351	(18,791)
Net assets - beginning	87,233,782	55,638,380	67,511,150	18,381,542	3,875,372	232,640,226	47,264
Net assets - ending	\$ 90,479,900	\$ 56,171,691	\$ 70,005,325	\$ 19,211,731	\$ 4,189,930	\$ 240,058,577	\$ 28,473

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2004

	Enterprise Funds					Total	Internal Service Funds
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Other Nonmajor Enterprise		
Operating activities							
Cash received from customers	\$ 135,386,022	\$ 9,818,135	\$ 12,529,308	\$ 24,047,004	\$ 3,432,552	\$ 185,213,021	\$ -
Cash received from other governments	-	-	-	-	986,128	986,128	-
Cash received from internal services provided	-	-	-	-	-	-	327,586
Cash received from other operating receipts	(1,173,460)	437,303	595,515	196,014	3,022	58,394	-
Cash paid to vendors	(115,931,502)	(2,947,253)	(3,761,336)	(18,296,770)	(1,974,910)	(142,911,771)	-
Cash paid to employees	(6,865,478)	(3,626,986)	(2,568,692)	(2,370,907)	(2,122,004)	(17,554,067)	-
Cash paid for internal services provided	-	-	-	-	-	-	(345,724)
Other operating payments	433,400	5,550	96,462	8,412	-	543,824	-
Net cash provided by (used in) operating activities	11,848,982	3,686,749	6,891,257	3,583,753	324,788	26,335,529	(18,138)
Noncapital financing activities							
Transfer from other funds	-	-	-	-	(138,135)	(138,135)	-
Proceeds from operating grants	-	-	-	-	552,822	552,822	-
Transfer to other funds - General	(3,195,171)	-	-	(790,347)	-	(3,985,518)	-
Transfer to other funds - Street Lighting	(477,667)	-	-	-	-	(477,667)	-
Noncapital contributions	13,929	478,931	430,438	35,000	-	958,298	-
Net cash provided (used) by noncapital financing activities	(3,658,909)	478,931	430,438	(755,347)	414,687	(3,090,200)	-
Capital and related financing activities							
Proceeds from lease purchase agreement	-	-	-	-	156,400	156,400	-
Proceeds from issuance of bonds/State Revolving Loans	-	33,636	4,293,797	-	-	4,327,433	-
Capital grants	145,442	(8,750)	133,787	(1,677)	16,642	285,444	-
Principal payments on bonds payable and capital lease obligations	(2,237,313)	(1,059,754)	(2,368,107)	(295,749)	(194,040)	(6,154,963)	-
Acquisition and construction of capital assets	(4,474,357)	(3,976,933)	(6,132,540)	(1,713,915)	(212,790)	(16,510,535)	-
Payment of interest and service charges on bonds payable and capitalized lease options	(647,275)	(334,291)	(990,180)	(370,979)	(24,632)	(2,367,357)	-
Net cash provided (used) by capital and related financing activities	(7,213,503)	(5,346,092)	(5,063,243)	(2,382,320)	(258,420)	(20,263,578)	-
Investing activities							
Proceeds from sale and maturity of investments	13,265,752	4,758,657	1,834,988	879,287	-	20,738,684	-
Interest received on investments	281,820	99,958	94,186	23,663	1,521	501,148	-
Purchase of investments	(16,668,201)	(4,770,042)	(4,150,118)	(1,510,998)	-	(27,099,359)	-
Unrealized (gain)/loss on investments	259,148	52,478	82,640	27,476	-	431,742	-
Net cash provided (used) in investing activities	(2,861,481)	151,051	(2,138,304)	(580,572)	1,521	(5,427,785)	-
Net increase in cash and cash equivalents/investments	(1,884,911)	(1,029,361)	120,148	(134,486)	482,576	(2,446,034)	(18,138)
Cash and cash equivalents/investments							
Beginning of year	16,019,510	6,870,632	6,267,361	2,910,044	605,250	32,672,797	80,455
End of year	\$ 14,134,599	\$ 5,841,271	\$ 6,387,509	\$ 2,775,558	\$ 1,087,826	\$ 30,226,763	\$ 62,317
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	\$ 7,049,139	\$ 181,374	\$ 2,469,855	\$ 1,933,267	\$ (61,319)	\$ 11,572,316	\$ (18,920)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	6,732,783	2,606,781	3,082,845	1,142,081	310,376	13,874,866	-
Change in assets and liabilities							
Accounts receivable	(1,855,501)	(52,079)	(65,115)	(279,731)	(27,655)	(2,280,081)	-
Due from other governments	(6,823)	29,238	188,268	(3,414)	986,128	1,193,397	-
Due from other funds	(47,792)	-	-	-	-	(47,792)	1,251
Interfund balances	(982,401)	392,961	392,960	196,480	-	-	-
Inventories	(30,707)	(29,450)	(5,932)	(16,062)	-	(82,151)	-
Prepaid expense and deposits	8,942	1,709	2,122	315	2,992	16,080	-
Accounts payable and accrued expenses	479,195	679,722	(213,460)	573,233	(1,058,503)	460,187	-
Customer deposits	105,043	19,497	75	15,592	48,891	187,098	-
Accrued interest payable	(31,471)	(165,554)	25,466	(1,468)	-	(173,027)	-
Due to other governments	40,306	12,802	4,267	7,316	-	64,691	-
Compensated absences	(4,824)	17,001	21,815	15,047	5,301	54,340	-
Due to other funds	317,192	(7,460)	(7,298)	(165)	120,577	422,846	(469)
Deferred revenue	-	-	895,897	-	-	895,897	-
Miscellaneous income (expense)	75,901	207	99,492	1,262	-	176,862	-
Total adjustments	4,799,843	3,505,375	4,421,402	1,650,486	386,107	14,763,213	782
Net cash provided by (used in) operating activities	\$ 11,848,982	\$ 3,686,749	\$ 6,891,257	\$ 3,583,753	\$ 324,788	\$ 26,335,529	\$ (18,138)
Noncash investing, capital, and financing activities:							
Contributions of capital assets	\$ -	\$ 115,882	\$ 256,597	\$ -	\$ -	\$ 372,479	\$ -
Loss on disposal of capital assets	-	-	-	-	(32,341)	(32,341)	-
	\$ -	\$ 115,882	\$ 256,597	\$ -	\$ (32,341)	\$ 340,138	\$ -

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 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 63,477. 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:

A. 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.

B. 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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct* expenses are those that are clearly identifiable with a specific function or segment. *Program* revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general* revenues.

Fund Financial Statements: Separate financial statements are presented for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The City reports the following major governmental funds:

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

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

Capital Reserve Fund – The Capital Reserve Fund is a special revenue fund that is established to accumulate funds to be used for future capital improvements. These capital improvements consist of construction and other capital projects. Funds are reserved to assist with municipal facilities, transportation improvements, recreational improvements, and a police firing range.

Flood Buyout, Relocation and Replacement Fund – The Flood Buyout, Relocation, and Replacement Fund is to account for the funds that are being used in the purchase, relocation, and replacement of residences that were flooded during Hurricane Floyd.

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 the 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 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. In addition, to the Capital Reserve fund, which is reported as a major fund, the City maintains six special revenue funds, those being the Community Development Block Grant, Community Development Home, Sheppard Memorial Library, Sheppard Memorial Library Trust, Housing Trust and Small Business Loan.

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 Flood Buyout, Repair & Replacement fund has been designated as a major fund and is explained above. In addition to this capital project fund, the City has fourteen Capital Project Funds covering various construction projects: Cemetery Development, Fire Tower, Moye-Hooker Road, Affordable Housing, Storm Drainage, Convention Center, Southside Recreation Center, Computerized Traffic Signal System, Recreation & Parks and Public Works FEMA projects, Greene Street Bridge Relocation & Streetscape Improvements, Stormwater Management Program & Clean Water Management Trust, Greenway Phase II, Oxford Road Bridge Replacement, and City Hall facility.

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 one internal service fund; the Joint Dental Reimbursement Fund, which is used to account for the financing of the City's dental insurance program.

C. *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*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

C. Measurement focus and basis of accounting (continued)

taxes, grants, and donations. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City considers all revenues available if they are collected within 60 days after year-end, excluding property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. As of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Pitt County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Greenville. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. For vehicles registered under the annual system, taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date upon which interest begins to accrue passed prior to June 30. The taxes for vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2004, because they are intended to finance the City's operations during the 2005 fiscal year.

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. Interest on investments is recorded as earned since it is both measurable and available. Expenditures are recognized in the accounting period in which a fund liability is incurred, if measurable, except for interest on general long-term debt and noncurrent portion of accrued vacation payable which is recognized when due. Inventory decreases, capital expenditures and payments of principal on long-term debt are considered to be expenditures.

Enterprise funds are presented in the financial statements on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. The City has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting* which establishes uniform accounting and financial reporting guidelines for enterprise funds. The City has elected to apply all GASB Statements, and all Financial Accounting Standards Board ("FASB") statements issued on or before November 30, 1989, except those that conflict with GASB pronouncements.

The City of Greenville has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2002. The significant changes in the report format are as follows:

- inclusion of a management's discussion and analysis report;
- presentation of new entity-wide Statement of Net Assets and Statement of Activities

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

- separate presentation of major funds in the basic financial statements;
- the reclassification of fund balance and fund equity into three categories of net assets: invested in capital assets, net of related debt; restricted; and unrestricted; and
- presentation of the statement of cash flows using the direct method.

D. *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 six special revenue funds are budgeted under project ordinances spanning more than one fiscal year. All budget ordinances are prepared on the modified accrual basis of accounting as required by the Act.

The 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, 2004, several amendments to the original budget were necessary.
- 4) The City Manager is authorized to transfer funds from one appropriation to another within any fund in an amount not to exceed \$10,000. Any such transfers shall be reported to the City Council at its next regular meeting and shall be entered in the minutes. Any revisions to transfer budgeted amounts over \$10,000 or that alter the total expenditures of any fund must be approved by the City Council before being recorded.
- 5) Formal budgetary integration is employed as a management control device during the year for all funds of the City except the Sheppard Memorial Library Trust fund.

Budgetary amounts are presented as originally adopted, or as amended in accordance with the procedures enumerated above, as of June 30, 2004. The annual budget ordinance creates appropriations, by fund, at the subdepartmental levels of personnel, operating and capital, with the exception of debt service. 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.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

E. Assets, Liabilities, and Fund Equity

Cash and cash equivalents and investments

Cash and investments are held by multiple depositories and pooled in order to maximize investment opportunities. Funds are available on demand from the pools. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments are stated at fair value. Interest earned on investments is distributed to the various funds based on each fund's proportionate share of the investments. 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 stated at fair value in the City's financial statements.

Restricted Assets

The City issues general obligation and revenue bonds for capital projects. The amount of unspent bond proceeds is shown as a restricted asset. This is because the use of the proceeds is completely restricted to the purpose for which the bonds were originally issued. Revenue bond proceeds are placed with a trustee for safekeeping and dispersion as needed.

Ad valorem taxes receivable

For the fund financial statements, ad valorem taxes receivable are not accrued as revenue, except for collections received in the first 60 days after year-end, because they are not considered to be both "measurable and available." The amount of the receivable is reduced by an allowance for doubtful accounts equal to the percent of the original levy which has normally been written off based upon past experience. An amount equal to the net receivable less amounts collected in the first sixty days after year-end is shown as deferred revenue. In accordance with North Carolina General Statutes 105-347 and 159-13(a), the City levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due September 1; however, interest and penalties do not accrue until the following January 6. These taxes are based on the assessed values as of January 1. Uncollected taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

Utility service revenues - unbilled usage

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

Allowance for doubtful accounts

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

Capital Assets

Capital assets, which include property, plant, equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For fiscal year 2001-2002, the capitalization threshold for assets was increased to \$3,000, with the exception of Greenville Utilities Commission for which the threshold is \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

Capital Assets (continued)

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	33 years
Equipment	3 to 20 years
Distribution systems	20 to 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

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.

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

Coverages

Liability Coverage Limits

Property insurance	
Blanket property and personal property	\$ 37,297,228
Excess liability (general, auto, public officials, law enforcement, firefighters, Errors & omission, employers 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

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

Joint Dental Reimbursement Fund - In January 2000, a dental reimbursement fund was established to account for a joint fund between the City of Greenville and Greenville Utilities Commission. This fund replaced the Dental Reimbursement fund.

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 \$500,000.

In addition, the City has purchased a commercial general liability and auto liability protection insurance policy that provides for individual claims in excess of \$1,000,000. The program is accounted for in the General Fund, and premium costs are reimbursed by other funds. The third party administrator calculated a reserve of \$126,299 as of June 30, 2004, based on historical trends and information outstanding at June 30, 2004.

All reserves and estimated claims reported but not paid are accrued and reported within the General Fund and the Internal Service funds. The following is a reconciliation of changes in liabilities for claims from amounts reported June 30, 2002 to the current fiscal year ended June 30, 2004:

For Fiscal Year Ended June 30, 2004:

	General Fund Workers' Comp., et. al.	Internal Service Fund Dental Claims, City	Enterprise Fund Dental Claims, Commission	Total
Balance as of June 30, 2003	\$ 83,937	\$ -	\$ -	\$ 83,937
Claims reported and changes in estimates	90,716	205,562	139,693	435,971
Less claims paid fiscal year 2004	(48,354)	(205,562)	(139,693)	(393,609)
Balance as of June 30, 2004	\$ 126,299	\$ -	\$ -	\$ 126,299

For Fiscal Year Ended June 30, 2003:

	General Fund Workers' Comp., et. al.	Internal Service Fund Dental Claims, City	Enterprise Fund Dental Claims, Commission	Total
Balance as of June 30, 2002	\$ 96,765	\$ -	\$ -	\$ 96,765
Claims reported and changes in estimates	645,387	193,732	129,746	968,865
Less claims paid fiscal year 2003	(658,215)	(193,732)	(129,746)	(981,693)
Balance as of June 30, 2003	\$ 83,937	\$ -	\$ -	\$ 83,937

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

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. Accumulated earned vacation at June 30, 2004, amounted to \$4,174,191 in total, of which \$2,934,848 relates to the governmental funds and \$1,239,343 relates to the business-type funds.

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, revenues that are measurable but not available are initially reported as deferred revenues. In addition, revenues collected in advance of the fiscal year to which they apply are also reported as deferred revenues. Accordingly, ad valorem taxes receivable are not accrued as a revenue because they are not considered to be both "measurable and available". Property taxes that are measurable but not available are initially recorded as deferred revenues.

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.

The balance in deferred revenue for governmental funds at June 30, 2004, follows on the next page.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 1 - Summary of significant accounting policies (continued):

Deferred revenue (continued)

	<u>Deferred Revenue</u>		<u>Unearned Revenue</u>	
	<u>General Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>General Fund</u>	<u>Other Nonmajor Governmental Fund</u>
Taxes receivable:				
Ad valorem	\$ 367,618	\$ -	\$ 168,264	\$ -
Animal	105	-	105	-
Auto licenses	392,145	-	392,145	-
Prepaid privilege licenses	351,997	-	351,997	-
Community Development Mortgage Loans	-	226,890	-	226,890
Community Development Small Business Loans	-	235,126	-	235,126
Community Development Home Program	-	39,531	-	39,531
Housing Trust loan	-	22,528	-	22,528
Rescue fees	657,881	-	657,881	-
Refuse fees	197,064	-	197,064	-
Other prepaids	249,317	-	249,317	-
Miscellaneous	986,867	-	986,867	-
	<u>\$3,202,994</u>	<u>\$ 524,075</u>	<u>\$3,003,640</u>	<u>\$ 524,075</u>

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.

The governmental fund types classify fund balances as follows:

Reserved by State Statute - represents the amount of fund balance which cannot be appropriated for the following year by State law. North Carolina General Statutes 159-13(b)(16) restricts appropriation of fund balances for annually budgeted governmental funds 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 these amounts stand at the close of the fiscal year preceding the budget year.

Reserved for Encumbrances - represents commitments outstanding at June 30, 2004 for the expenditure of funds obligated by purchase orders and contracts.

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

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 1 - Summary of significant accounting policies (concluded)

Net Assets/Fund Balances (continued)

Reserved for Streets – Powell Bill - represents the year-end Powell Bill fund balance which is restricted for street construction and improvement projects.

Designated for Subsequent Year's Expenditures - represents the fund balance not reserved and appropriated in the City's subsequent year budget.

Designated for Future Catastrophic Losses - represents the fund balance not reserved and designated for future catastrophic losses related to the City's risk management programs.

Undesignated - represents the fund balance not reserved or appropriated.

Note 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, 2004 as follows:

Fund/Description	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
<u>General Fund:</u>			
City Attorney – Personnel	\$ 257,009	\$ 264,477	\$ 7,468
City Manager – Personnel	469,347	472,155	2,808
Fire/Rescue - Personnel	7,275,677	7,289,385	13,708

Deficit Fund Balances

The following funds had a deficit fund balance at June 30, 2004:
City Hall Facility (\$2,080)

Note 3 - Detailed notes on all funds

Assets

Cash and cash equivalents/investments

All deposits of the City are made in board-designated official depositories and are secured as required by State Statute [G.S. 159-31]. The City may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the City may establish time deposit 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust, an SEC-registered mutual fund. Investments are stated at fair value.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Cash and cash equivalents/investments (continued)

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 the City'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 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.

At June 30, 2004, \$850,000 has been pledged to ITT Hartford as a security deposit for future claim payments. This amount is included in deposits at June 30, 2004.

At June 30, 2004, the carrying amount of the City's deposits was \$20,642,385 and the bank balance was \$21,169,409. The bank balance was entirely insured by federal depository insurance or collateralized under the Pooling Method; \$218,539 as covered by federal depository insurance and \$20,950,870 was covered by collateral under the Pooling Method.

The City's investments are categorized to give an indication of the level of custodial risk assumed by the City at year-end. Column A includes investments that are insured or registered or for which the securities are held by the City or agent in the City's name. Column B includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the City's name. Column C includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department or agent but not in the City's name. The investments in the North Carolina Capital Management Trust and Deferred Compensation Plan are exempt from risk categorization because the City does not own any identifiable securities, but is a shareholder of a percentage of the funds.

	Category			Historical Cost	Fair Value
	A	B	C		
Federal Farm Credit	\$ 5,763,490	\$ -	\$ -	\$ 5,846,170	\$ 5,763,490
Federal Home Loan	15,039,806	-	-	15,219,591	15,039,806
FNMA	6,802,421	-	-	6,880,731	6,802,421
Federal Home Loan Mortgage Corporation	4,959,139	-	-	5,019,171	4,959,139
	\$ <u>32,564,856</u>	\$ <u>-</u>	\$ <u>-</u>	\$ 32,965,663	\$ 32,564,856
North Carolina Capital Management Trust				\$ <u>41,826,060</u>	\$ <u>41,826,060</u>
				\$ <u>74,791,723</u>	\$ <u>74,390,916</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Cash and cash equivalents/investments (continued)

During the fiscal year ended June 30, 2004, the City invested in callable/step-up U.S. Government agency securities. These securities pay interest at a level which increases in specified increments on stated dates. The first permitted call date is July 3, 2004, and the security may be called by the issuer at any interest payment date. The City's investments are callable at par. In periods of declining interest rates, the issuer is more likely to call the security and obtain alternative financing at lower interest rates. If the securities are called, the City will most likely invest the proceeds at a lower interest rate due to lower prevailing rates in the marketplace.

A summary of cash and investments at June 30, 2004 is as follows:

Petty cash and change funds	\$ 8,600
Deposits	20,642,385
Investments	<u>74,791,723</u>
	<u>\$ 95,442,708</u>

Financial Instruments and Fair Values

Greenville Utilities Commission uses derivative financial instruments to reduce financial exposure from price changes related to the anticipated purchase of natural gas. At June 30, 2004 there were 26 open forward contracts, which were also the maximum outstanding contracts for the year, to purchase natural gas aggregating 260,000 dekatherms with a notional value of \$1,260,800

Greenville Utilities Commission sets rates and charges to recover the cost of operations which includes the cost of its gas supply. The Commission sold 2,174,333, 2,422,213, and 2,147,433 dekatherms to customers in fiscal years 2004, 2003 and 2002 respectively. Forward contracts are generally used to facilitate the supply of natural gas to the Commission's customers while attempting to minimize price risk. The Commission recognizes realized and unrealized gains and losses on these contracts in income in the period in which the change occurs. For fiscal year 2004 and 2002, the Commission realized cumulative net losses of \$83,700 and \$58,515 respectively on its forward purchase commitments. The cumulative net losses on forward contracts are reflected in the total cost of purchased gas for each year presented.

Financial instruments of Greenville Utilities Commission comprise the following:
2004

Assets:	
Investments	\$44,520,761
Liabilities:	
Long-term debt	89,352,580
Forward Commitments to sell- Natural gas	1,260,800
Estimated fair value:	
Assets:	
Investments	\$44,119,954
Liabilities:	
Long-term debt	89,352,580
Forward Commitments to sell- Natural gas	1,260,800

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Financial Instruments and Fair Values (continued)

Financial instruments also include cash, temporary cash investments, receivables, accounts payable, customer deposits, and accrued expenses. Temporary investments are placed with creditworthy financial institutions, primarily in the North Carolina Cash Management Trust fund. Forward commitments are included in accounts payable and accrued expenses on the Statement of Net Assets.

The carrying amount of cash, cash equivalents, receivables, accounts payable, customer deposits, and accrued expenses approximates fair value because of the short maturity prices for publicly traded issues. For debt that is not publicly traded, the par value was used. In estimating the fair value of its derivative positions, Greenville Utilities Commission utilizes quoted market prices, if available, or quotes obtained from outside sources.

Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Assets are net of the following allowances for doubtful accounts:

General Fund:	
Ad valorem taxes	\$ 869,311
Refuse fees receivable	208,861
Rescue fees receivable	<u>816,983</u>
	<u>\$ 1,895,155</u>
Enterprise Funds:	
Customer receivables	<u>\$ 5,050,141</u>

Due from Other Governments

Amounts due from other governments include the following:

	<u>Governmental Activities</u>	<u>Business Activities</u>
Local option sales	\$ 1,817,725	\$ -
Refund of sales and use taxes paid	161,383	649,126
Grants	384,708	153,999
Other	<u>65,642</u>	<u>24,180</u>
	<u>\$ 2,429,458</u>	<u>\$ 827,305</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Capital Assets

Capital asset activity for the year ended June 30, 2004, was as follows:

	Beginning Balances <u>June 30, 2003</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balances <u>June 30, 2004</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$34,299,696	\$ 627,984	\$(228,231)	\$34,699,449
Construction in progress	<u>399,716</u>	<u>1,470,770</u>	<u>(313,179)</u>	<u>1,557,307</u>
Total capital assets not being depreciated	<u>34,699,412</u>	<u>2,098,754</u>	<u>(541,410)</u>	<u>36,256,756</u>
Capital assets being depreciated:				
Buildings	30,878,497	1,306,005	(456,256)	31,728,246
Improvements other than buildings	2,887,939	266,874	(3,625)	3,151,188
Infrastructure	-	1,610,584	(-)	1,610,584
Machinery and equipment	<u>28,027,056</u>	<u>1,935,371</u>	<u>(753,694)</u>	<u>29,208,733</u>
Total capital assets being depreciated	<u>61,793,492</u>	<u>5,118,834</u>	<u>(1,213,575)</u>	<u>65,698,751</u>
Less accumulated depreciation for:				
Buildings	(6,895,088)	(2,510,495)	160,448	(9,245,135)
Improvements other than buildings	(1,646,019)	(235,535)	12,698	(1,868,856)
Machinery and equipment	<u>(20,355,607)</u>	<u>(2,919,550)</u>	<u>726,782</u>	<u>(22,548,375)</u>
Total accumulated depreciation	<u>(28,896,714)</u>	<u>(5,665,580)</u>	<u>899,928</u>	<u>(33,662,366)</u>
Total capital assets being depreciated, net	<u>32,896,778</u>	<u>(546,746)</u>	<u>(313,647)</u>	<u>32,036,385</u>
Governmental activity capital assets, net	<u>\$67,596,190</u>	<u>\$ 1,552,008</u>	<u>\$ 227,763</u>	<u>\$68,293,141</u>

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

General government	\$ 1,102,864
Public safety	923,710
Transportation	251,026
Environmental protection	223,269
Cultural and recreational	<u>2,264,779</u>
Total depreciation expense	<u>\$ 4,765,648</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds (continued)

	Beginning Balances <u>June 30, 2003</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balances <u>June 30, 2004</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 6,112,344	\$ -	\$ -	\$ 6,112,344
Construction in progress	<u>62,293,639</u>	<u>8,320,336</u>	<u>(40,583,663)</u>	<u>30,030,319</u>
Total capital assets not being depreciated	<u>68,405,983</u>	<u>8,320,336</u>	<u>(40,583,663)</u>	<u>36,142,663</u>
Capital assets being depreciated:				
Buildings	64,523,003	28,155,971	-	91,017,892
Improvements other than buildings	581,189	44,450	(1,661,072)	625,639
Machinery and equipment	19,568,286	3,460,252	(675,710)	22,352,828
Distribution systems	245,835,157	12,358,627	-	258,193,784
Transmission systems	<u>14,072,709</u>	<u>5,900,036</u>	-	<u>19,942,745</u>
Total capital assets being depreciated	<u>344,550,344</u>	<u>49,919,336</u>	<u>(2,336,782)</u>	<u>392,132,888</u>
Less accumulated depreciation for:				
Buildings	(20,469,691)	(1,840,654)	-	(22,310,345)
Improvements other than buildings	(784,252)	(62,193)	-	(846,445)
Machinery and equipment	(12,477,952)	(2,703,568)	453,683	(14,727,837)
Distribution systems	(98,555,284)	(7,443,080)	-	(105,998,364)
Transmission systems	<u>(10,608,677)</u>	<u>(747,608)</u>	-	<u>(11,356,285)</u>
Total accumulated depreciation	<u>(142,895,856)</u>	<u>(12,797,103)</u>	<u>453,683</u>	<u>(155,239,276)</u>
Total capital assets being depreciated, net	<u>201,654,488</u>	<u>37,122,233</u>	<u>(1,883,099)</u>	<u>236,893,612</u>
Business-type activity capital assets, net	<u>\$270,060,471</u>	<u>\$45,442,569</u>	<u>\$(42,466,765)</u>	<u>\$273,036,275</u>

Liabilities

Pension Plan Obligations

Local Government Employees Retirement System

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 27699-1410, or by calling (919) 981-5454.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Liabilities (continued)

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, 2004, 2003 and 2002 were \$1,821,428, \$1,743,492, and \$1,778,601 respectively. The contributions made by the City equaled the required contributions for the 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. Total City contributions for the year ended June 30, 2004 were approximately \$289,175.

Law Enforcement Officers Special Separation Allowance

(I) Plan Description

The City of Greenville administers a public employee retirement system (the "Separation Allowance") a single-employer, defined benefit plan, which provides benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .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, 2002, the System's membership consisted of:

Retirees and beneficiaries currently receiving benefits	16
Current employees	<u>154</u>
Total	<u>170</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds and account groups (continued)

(ii) 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 come due.

(iii) Contributions

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

The annual required contribution for the fiscal year ended June 30, 2004 was determined as part of the December 31, 2003 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 5.9% to 9.8% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The City did not pay a percentage of covered payroll to the plan during the year ended June 30, 2004. The City made benefit payments to thirteen retirees in the amount of \$188,100, which has been charged to salaries and wages expense in the General Fund. The net pension obligation of \$1,049,771 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

Annual required contribution	\$	256,650
Interest on net pension obligation		69,906
Adjustment to annual required contribution		<u>(52,899)</u>
Annual pension cost		273,657
Contributions made		<u>(188,100)</u>
Increase in net pension obligation		85,557
Net pension obligation beginning of year		<u>964,214</u>
Net pension obligation end of fiscal year (transition year)	\$	<u>1,049,771</u>

Three-Year Trend Information

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End Of Year</u>
6/30/02	241,194	36.39%	\$ 808,008
6/30/03	273,784	28.00%	\$1,005,143
6/30/04	273,657	26.07%	\$1,049,771

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Postemployment 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan); subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant. The City believes it is unlikely that it will use the plan assets to satisfy the claims of general creditors in the future. The City has a fiduciary responsibility to manage and safeguard plan assets in a prudent manner.

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.

On August 20, 1996 the Small Business Job Protection Act of 1996 was signed into law. The Act requires that all assets of the plan be placed in trust for the exclusive benefit of employees and their beneficiaries by January 1, 2002. Assets of the plan are no longer subject to claims by the City's creditors.

Health Benefits

The City has elected to provide postretirement 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 198 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2004, the City made payments for postretirement health benefit premiums of \$566,162. The City obtains health care coverage through private insurers.

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. 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, 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 may not exceed \$20,000. All death benefit payments are made from the Death Trust Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Trust Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2004, the City made contributions to the State for death benefits of \$35,621. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .08 % and .14 % covered payroll, respectively. The contributions to the Death Trust Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 3 - Detailed notes on all funds (continued)

Construction Projects

At June 30, 2004, the City of Greenville is obligated for \$337,060 in construction contract commitments for Moye-Hooker Road, Computerized Traffic Signal, River Park North, Cemetery, Greene Street Bridge, and City Hall capital projects. These commitments are fully budgeted.

Installment Purchase Contracts

On an annual basis, if needed, the City enters into an installment purchase contract to finance capital equipment needs. There are currently six installment purchase contracts for equipment outstanding, which total \$2,857,679. All of these are commitments of less than 5 years. In addition, there is an installment purchase contract for Bradford Creek Golf course, of which \$1,296,949 is outstanding. The last payment is scheduled for May 2013.

Long-Term Debt

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.

(I) Long-term debt of Governmental activities consisted of the following at June 30, 2004:

1998 Public Improvement, Series 1998, due in annual installments of \$100,000 to \$300,000 through March 1, 2017, plus interest from 4.3% to 4.5%	2,975,000
2001 Public Building, Series 2001, due in annual installments of \$35,000 to \$125,000 through June 1, 2011, plus interest at 4.0%	785,000
2003 Refunding Public Improvement, Series 1993, due in annual installments of \$175,000 to \$275,000 through March 1, 2013, plus interest from 2.0 % to 3.5 %	2,515,000
2003 Public Improvement, Series 2003, due in annual installments of \$65,000 to \$70,000 plus interest from 3.0 % to 4.5 %	<u>1,180,000</u>
Total General Obligation Bonds	<u>7,455,000</u>
1998 Certificates of Participation, Series 1998, due in annual installments of \$615,000 to \$850,000 through June 1, 2020, plus interest from 3.5% to 5.0%	<u>10,305,000</u>
2001 Special Obligation Revenue Bonds, Series 2001, due in annual installments of \$160,000 to \$510,000 through June 1, 2021, plus interest from 4.0% to 5.0%	<u>6,160,000</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds and account groups (continued)

2000 Installment Purchase Contract, due in quarterly installments of \$30,667 through October 10, 2004 interest at 5.466%	60,100
2001 Installment Purchase Contract, due in quarterly installments of \$30,982 through March 19, 2006 interest at 3.96%	208,525
2002 Installment Purchase Contract, due in quarterly installments of \$77,960 through May 31, 2006 interest at 4.095%	572,870
2003 Installment Purchase Contract, due in quarterly installments of \$54,347 through September 19, 2007 at 2.278%	623,916
2003 Installment Purchase Contract, due in quarterly installments of \$78,354 through June 10, 2008 at 1.97%	<u>1,202,686</u>
Total Installment Purchase contracts	<u>2,668,097</u>
Total governmental activities long-term debt	<u>\$ 26,588,097</u>

Long-term debt of the business-type activities funds at June 30, 2004 consists of the following:

General Obligation Bonds and Revenue Bonds:
Electric Fund:

1994 Revenue Bonds, due in annual installments of \$204,397 to \$207,374, interest from 5.1% to 6.0%	\$ 565,364
1998 Revenue Bonds, due in annual installments of \$148,309 to \$205,621, interest from 3.6% to 5.0%	1,711,379
2000 Revenue Bonds, due in annual installments of \$335,595 to \$362,747, interest from 5.0% to 5.6%	1,376,172
2001 Revenue Bonds, due in annual installments of \$470,239 to \$894,314, interest from 4.25% to 5.25%	8,361,250
2004A Revenue Bonds, due in annual installment of \$216,800 to \$424,218, interest of 2.95%	2,585,294
2004B Revenue Bonds, due in annual installments of \$31,984 to \$53,311, interest of 3.67%	<u>595,516</u>
	<u>15,194,975</u>

Water Fund:

1994 Revenue Bonds, due in annual installments of \$110,720 to \$112,332, interest from 5.1% to 6.0%	306,250
1998 Revenue Bonds, due in annual installments of \$325,210 to \$450,882, interest of 3.6% to 5.0%	3,752,676
2000 Revenue Bonds, due in annual installments of \$1,025,413 to \$1,531,406, interest from 5.0% to 5.6%	16,008,828

Notes To The Financial Statements
June 30, 2004

Note 3 - Detailed notes on all funds and account groups (continued)

Water Fund (continued):

2001 Revenue Bonds, due in annual installments of \$161,322 to \$334,200, interest from 4.25% to 5.25%	3,931,702
2004B Revenue Bonds, due in annual installments of \$15,992 to \$26,665, interest of 3.67%	297,758
State Revolving Loan, 1997 Program, \$3 million authorized and drawn, estimated annual installments \$236,654 to \$300,772, interest of 2.55%	2,538,462
State Revolving Loan, 1998 Program, \$3 million authorized and \$2,966,364 drawn to date, estimated annual installments of \$205,740 to \$280,360, interest of 2.87%	<u>2,800,000</u> <u>29,635,676</u>

Sewer Fund:

2003 Refunding Sanitary Sewer, Series 2004, due in annual installments of \$143,350 to \$1,265,000, interest from 2.0 % to 3.4%	8,090,000
1994 Revenue Bonds, due in annual installments of \$119,946 to \$121,693, interest from 5.1% to 6.0%	331,771
1998 Revenue Bonds, due in annual installments of \$577,052 to \$800,045, interest of 3.6% to 5.0%	6,658,742
2000 Revenue Bonds, due in annual installments of \$82,000 to \$98,000, interest from 5.0% to 5.6%	160,000
2001 Revenue Bonds, due in annual installments of \$282,631 to \$572,110, interest from 4.25% to 5.25%	4,739,407
2003A Revenue Bonds, due in annual installments of \$119,890 to \$234,592, interest of 2.95%	1,429,667
2003B Revenue Bonds, due in annual installments of \$251,796 to \$419,698, interest of 3.67%	4,688,203
Bethel Interlocal Agreement, with an effective interest rate of 5.53%, annual installments of \$157,939 to \$272,960, including interest, final payment due May 1, 2023	2,876,251
State Revolving Loan, \$11,694,486 authorized and \$4,789,981 drawn, estimated annual installments \$799,669 to \$1,074,417, including interest, issued in 2002	<u>9,083,778</u> <u>38,057,819</u>

Gas Fund:

1994 Revenue Bonds, due in annual installments of \$161,466 to \$163,817, interest from 5.1% to 6.0%	446,615
2003B Revenue Bonds, due in annual installments of \$126,599 to \$211,016, interest of 2.95%	2,357,151

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds and account groups (continued)

Gas Fund (continued):

1998 Revenue Bonds, due in annual installments of of \$169,179 to \$234,556, interest of 3.6% to 5.0%	1,952,203
2000 Revenue Bonds, due in annual installments of of \$71,750 to \$85,750, interest of 5.0% to 5.6%	140,000
2001 Revenue Bonds, due in annual installments of \$281,380 to \$577,189, interest of 4.25% to 5.25%	6,822,642
GTP Loan, due in annual installments of \$15,576, including Interest issued May 26, 2000, final payment due June 1, 2010	326,454
GTP Loan, due in annual installments of \$6,157, including interest issued April 3, 2004, final payment due April 3, 2006	<u>132,110</u>
	<u>12,177,175</u>

Bradford Creek Golf Course Fund:

2003 Installment purchase agreement, due in quarterly installments of \$72,053 to \$92,725 interest of 3.02%	1,296,949
2003 Installment Purchase Contract, due in quarterly installments of \$3,329 through September 19, 2007 at 2.278%	<u>40,824</u>
	<u>1,337,773</u>

Public Transportation Fund:

2002 Installment purchase agreement, due in quarterly installments of \$1,559, interest of 3.96%	<u>23,028</u>
-----------------------------------------------------------------------------------------------------	---------------

Stormwater Utility Fund

2003 Installment purchase agreement, due in quarterly installments of \$8,190, interest of 1.97%	<u>125,730</u>
-----------------------------------------------------------------------------------------------------	----------------

Total business-type activities general obligation, revenue bonds, and installment purchase agreements	<u>\$ 96,552,176</u>
----------------------------------------------------------------------------------------------------------	----------------------

Total debt	\$ 123,140,273
Less current portion	9,744,941
Less unamortized bond discount	<u>411,159</u>
Long-term debt	<u>\$ 112,984,173</u>

(ii) A summary of changes in long-term debt for the City follows:

<u>Long-Term Debt</u>	<u>Outstanding July 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding June 30, 2004</u>	<u>Current Portion</u>
General obligation bonds	\$ 17,475,000	\$ -	\$ 1,930,000	\$ 15,545,000	\$1,855,000
Certificates of Participation	10,955,000	-	650,000	10,305,000	650,000
Special obligation revenue bonds	6,405,000	-	245,000	6,160,000	255,000
Installment purchase contract	3,693,514	1,652,621	1,191,507	4,154,628	1,131,400
Revenue bonds	73,422,283	-	4,203,692	69,218,591	4,372,064
Loans	13,995,591	4,327,433	565,970	17,757,054	1,481,477
Total	<u>\$125,946,388</u>	<u>\$ 5,980,054</u>	<u>\$ 8,786,169</u>	<u>\$123,140,273</u>	<u>\$9,744,941</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds (continued)

iii) The following table summarizes the annual requirements to amortize the general obligation bonds payable, revenue bonds payable and capital lease obligations:

Year	General Obligation Bonds		Revenue Bonds		Lease Purchase Obligations & Cert. Of Participation		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 650,000	\$ 274,250	\$ 255,000	\$ 283,615	\$ 1,586,992	\$ 545,110	\$ 2,491,992	\$ 1,102,975
2006	720,000	254,600	265,000	273,415	1,520,036	490,582	2,505,036	1,018,597
2007	710,000	231,825	275,000	262,815	1,140,889	438,374	2,125,889	933,014
2008	705,000	209,250	285,000	251,815	1,020,181	401,474	2,010,181	862,539
2009	700,000	183,925	295,000	240,415	650,000	369,425	1,645,000	793,765
2010-14	2,765,000	561,907	1,680,000	1,771,641	3,265,000	1,405,450	7,710,000	3,738,998
2015-19	1,075,000	130,085	2,110,000	574,095	3,175,000	619,744	6,360,000	1,323,924
2020-24	130,000	8,710	995,000	75,250	615,000	30,750	1,740,000	114,710
	\$ 7,455,000	\$ 1,854,552	\$ 6,160,000	\$ 3,733,061	\$ 12,973,097	\$ 4,300,909	\$ 26,588,097	\$ 9,888,522

Year	General Obligation Bonds		Revenue Bonds		Lease Purchase, GTP Loan, State Revolving Loan		Total Debt Due	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 1,205,000	\$ 210,995	\$ 4,372,064	\$ 3,193,911	\$ 1,501,837	\$ 593,936	\$ 7,078,901	\$ 3,998,842
2006	1,175,000	186,895	4,575,383	3,001,372	1,497,252	502,162	7,247,635	3,690,429
2007	1,145,000	163,395	3,699,812	2,823,351	1,433,848	480,674	6,278,660	3,467,420
2008	1,115,000	140,495	3,854,596	2,666,919	1,423,523	454,310	6,393,118	3,261,724
2009	1,095,000	107,045	4,012,121	2,505,879	1,389,756	416,125	6,496,877	3,029,049
2010-14	2,355,000	123,960	20,365,740	9,778,368	6,576,238	1,533,027	29,296,978	11,435,355
2015-19	-	-	21,838,875	4,411,199	4,815,605	755,423	26,654,480	5,166,622
2020-24	-	-	6,500,000	456,041	605,526	322,485	7,105,526	778,526
	\$ 8,090,000	\$ 932,785	\$ 69,218,590	\$ 28,837,040	\$ 19,243,586	\$ 5,058,142	\$ 96,552,176	\$ 34,827,967

Business-type activities
long-term debt:

As of June 30, 2004, the City has \$4,000,000 of bonds that are authorized but unissued.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 3 - Detailed notes on all funds and account groups (continued)

- (iv) In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's financial statements. As of June 30, 2004, the amount of defeased debt outstanding but removed from the financial statements amounted to \$8,095,000.
- (v) The City is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the City may have outstanding to eight percent (8%) of the appraised value of property subject to taxation. At June 30, 2004, the statutory legal debt margin for the City was \$213,461,891, as computed below:

Property tax valuation (adjusted)	\$3,093,511,324
Statutory limit for bonded debt outstanding	8%
Debt limit - eight percent (8%) of assessed value	<u>247,480,906</u>
Less net bonded debt at June 30, 2004	<u>34,019,015</u>
Legal debt margin, June 30, 2004	<u>\$ 213,461,891</u>

Interfund Receivables and Payables

The balance of individual interfund receivables and payables was as follows at June 30, 2004:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 2,600,798	\$ 81,898
Capital Reserve	-	130,726
Flood Buyout, Relocation & Replacement	-	62,214
Nonmajor Governmental Funds	1,580	1,626,434
Electric	130,318	532,145
Water	-	-
Sewer	-	-
Gas	-	-
Nonmajor Enterprise Funds	-	299,279
	<u>\$ 2,732,696</u>	<u>\$ 2,732,696</u>

Transfers

The enterprise funds provide a supplemental local resource for the City's governmental funds. The General Fund and Capital Reserve Special Revenue Fund generally provide the basis of local resources for other governmental funds. The principal purposes for the transfers are for debt service and funding capital projects. These transactions are recorded as "Transfers to Other Funds" in the providing funds and "Transfers From Other Funds" in the receiving funds. Interfund operating transfers are summarized as follows:

	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	\$ 5,256,590	\$ 4,008,791
Capital Reserve Fund	1,011,750	1,124,340
Nonmajor Governmental Funds	14,140	5,750,669
Electric Enterprise Fund	3,672,838	-
Gas Enterprise Fund	790,347	-
Nonmajor Enterprise Funds	<u>473,135</u>	<u>335,000</u>
	<u>\$ 11,218,800</u>	<u>\$ 11,218,800</u>

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 4 - Segment information - Enterprise Funds

The City maintains eight enterprise funds. Four funds comprise the Greenville Utilities Commission and provide electric, water, sewer and gas services. In addition, the City has a recreational facility, operates a public transportation system, a public golf course and a stormwater utility. Key financial statistics for each segment are as follows:

	Electric	Water	Sewer	Gas	Aquatics & Fitness Center	Public Transportation	Bradford Creek Golf Course	Stormwater Utility
Operating revenues	\$137,000,037	\$ 9,865,822	\$11,712,739	\$24,314,090	\$534,304	\$ 114,982	\$ 848,150	\$ 1,918,902
Operating expenses	(123,218,115)	(7,077,667)	(6,160,039)	(21,238,742)	(523,894)	(693,419)	(681,500)	(1,268,468)
Depreciation and amortization expense	(6,732,783)	(2,606,781)	(3,082,845)	(1,142,081)	(23,750)	(192,329)	(87,842)	(6,455)
Operating income (loss)	7,049,139	181,374	2,469,855	1,933,267	(13,340)	(770,766)	78,808	643,979
Non-operating revenues (expenses)	(130,183)	236,055	(232,277)	(312,731)	-	233,701	(21,846)	(1,207)
Capital contributions	-	115,882	256,597	-	-	-	-	-
Operating transfers-(out) in	(3,672,838)	-	-	(790,347)	-	99,301	-	(237,436)
Net Income	\$ 3,246,118	\$ 533,311	\$ 2,494,175	\$ 830,189	\$ (13,340)	\$ (134,400)	\$ 56,962	\$ 405,336
NET WORKING CAPITAL	\$ 34,738,773	\$ 5,097,206	\$ 6,891,536	\$ 2,933,812	\$ (54,386)	\$ 583,164	\$ (296,833)	\$ 290,198
PROPERTY, PLANT AND EQUIPMENT:								
Purchases	\$ 5,897,434	\$ 2,528,260	\$ 5,603,943	\$ 1,393,043	\$ 6,510	\$ 10,863	\$ -	\$ 195,417
Contributions	-	115,882	256,597	-	-	-	-	-
Total	\$ 5,897,434	\$ 2,644,142	\$ 5,860,540	\$ 1,393,043	\$ 6,510	\$ 2,012,023	\$ -	\$ 195,417
TOTAL ASSETS	\$119,584,277	\$88,840,401	\$110,347,332	\$33,034,104	\$ 78,072	\$ 3,236,306	\$ 3,469,327	\$1,065,928
Total liabilities:								
Current liabilities	\$ 14,711,487	\$ 4,457,942	\$ 5,086,447	\$ 2,329,011	\$ 75,725	\$ 79,920	\$ 400,883	\$ 586,768
Long-term liabilities	14,392,890	28,210,768	35,255,560	11,493,362	-	17,748	1,179,413	95,233
Total liabilities	\$ 29,104,377	\$32,668,710	\$ 40,342,007	\$13,822,373	\$ 75,725	\$ 1,580,296	\$ 1,580,296	\$ 682,001
TOTAL NET ASSETS	\$ 90,479,900	\$56,171,691	\$ 70,005,325	\$19,211,731	\$ 2,347	\$ 1,914,625	\$ 1,889,031	\$ 383,927

Operating grants for the transportation fund for the year ended June 30, 2004 totaled \$ 552,822.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements

June 30, 2004

Note 5 - Summary disclosure of significant commitments and contingencies

Contingencies

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.

A site of a former coal gasification plant owned by the City may contain contaminated soil resulting from the production of coal tar as a by-product of the coal gasification process. The cost of any remedial actions which may or may not be required is unknown and no amounts have been accrued as of June 30, 2004. Management of the City believes the ultimate liability, if any, related to this site will not be material to the City's financial statements.

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 will be provided by the Town of Bethel through a loan from the North Carolina State Revolving loan fund. The City's share of the debt is estimated to be \$2,895,724 and is to be repaid to Bethel over 20 years at 5.33% interest.

Recent groundwater tests at the Pitt County landfill, to which the City has been hauling waste since 1982, revealed some contamination problems, prompting Pitt County to engage attorneys and environmental consultants who have conducted a preliminary study and work plan for analysis, containment and remediation of the contamination. Because the City is a major contributor to the landfill, it has been identified as a Potentially Responsible Party by Pitt County, and due to the "strict liability" scheme of the federal laws providing for remediation of contaminated sites, it is reasonable to anticipate that the City would be expected to participate in the cost of whatever remediation is indicated or required.

Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 6 - Related organizations

Greenville Housing Authority

The Mayor appoints the seven-member board of Greenville Housing Authority. The City's accountability does not extend beyond making these appointments.

Note 7- 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 2002 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 2002 and is operated by an independent management firm.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To The Financial Statements June 30, 2004

Note 7- Joint ventures (continued)

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 no contributions to the Authority during the fiscal year ended June 30, 2004. 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, 2004. Complete financial statements for the Authority can be obtained from the Authority's Administrative Office at Airport Road, Post Office Box 671, Greenville, North Carolina, 27835.

Note 8- Jointly governed organizations

Pitt-Greenville Convention and Visitors Authority

The City Council appoints five of the eleven-member board of the Pitt-Greenville Convention and Visitors Authority (the "Authority"). The City's accountability is to approve the annual budget along with the County of Pitt. The City does not contribute funds to the Authority. The Authority's operating funds are derived from a hotel and motel occupancy tax levied by Pitt County. The City has no other fiscal responsibility for the Authority.

North Carolina Eastern Municipal Power Agency

The City, in conjunction with 32 other local governments, is a member of the North Carolina Eastern Municipal Power Agency (the "Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The 32 members, which receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement or residual interest. The City's purchases of power for the fiscal year ended June 30, 2004, were \$106,843,363.

Note 9 – Electric Deregulation

In 1997, the General Assembly appointed the Study Commission on the Future of Electric Service in North Carolina ("Study Commission") to examine the cost, adequacy, availability, and pricing of electric rates in North Carolina, in order to determine whether legislation is necessary to assure an adequate and reliable source of electricity and economical, fair, and equitable rates for all consumers in North Carolina.

The Study Commission submitted its report to the 2000 General Assembly on May 16, 2000. That report recommended retail choice for all customers by January 1, 2006. Specific recommendations on Municipal Power Agency debt and stranded costs were deferred. The report did state that nothing in the recommendation was intended to preclude municipalities from being able to sell or retain their distribution systems by making a payment against the municipal power agency debt equal to the appraised value of the electric system. However, the Study Commission decided to not present legislation to the General Assembly in 2001 or 2002. The Study Commission is continuing to study the issue of electric deregulation. The City and the Electric Agency are unable to predict the results of the study for the recommendations made by the Study Commission, or whether the recommendations to the General Assembly will be enacted into law. Although the impact of retail electric competition cannot be measured at this time, if such competition becomes applicable to the City, it may cause significant changes in (i) the number of customers, (ii) the costs to the customers, (iii) revenues, (iv) financing costs, and (v) debt ratings.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

CITY OF GREENVILLE, NORTH CAROLINA

City of Greenville, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)- Proj Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll for Year Ending On Val Date</u>	<u>UUAL as a Percentage of Covered Payroll</u>
12/31/96	0	\$ 904,591	\$ 904,591	0.00%	\$3,844,427	23.53%
12/31/97	0	1,055,605	1,055,605	0.00%	4,187,457	25.21%
12/31/98	0	1,195,151	1,195,151	0.00%	4,752,926	25.15%
12/31/99	0	1,404,612	1,404,612	0.00%	5,975,122	23.51%
12/31/00	0	2,138,793	2,138,793	0.00%	5,973,452	35.80%
12/31/01	0	2,436,059	2,436,059	0.00%	6,559,387	37.14%
12/31/02	0	2,389,580	2,389,580	0.00%	6,251,285	38.23%
12/31/03	0	2,683,598	2,683,598	0.00%	6,291,158	42.66%

City of Greenville, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Contributions Made</u>	<u>Percentage Contributed</u>
1997	\$124,698	46,421	37.22%
1998	141,630	65,489	46.24%
1999	135,626	55,381	40.83%
2000	155,537	57,539	36.99%
2001	228,204	71,674	31.41%
2002	241,194	87,762	36.39%
2003	273,784	117,577	42.94%
2004	273,657	188,100	68.74%

The Information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial follows:

Valuation date	12/31/03
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	28 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	5.9-9.8%
Includes inflation at	3.75%
Cost-of-living adjustments	None

CITY OF GREENVILLE, NORTH CAROLINA

Law Enforcement Officers' Special Separation Allowance Revenues by Source and Expenses By Type 1993 - 2004

Revenues by Source 1993 - 2004

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Employer Contributions As a Percentage of Covered Payroll</u>	<u>Investment Income</u>	<u>Total</u>
1993	\$ -	\$ 57,356	1.99%	-	4,862
1994	-	33,860	1.09%	-	33,860
1995	-	32,221	0.96%	-	32,221
1996	-	39,190	1.09%	-	39,190
1997	-	46,421	1.15%	-	46,421
1998	-	65,489	1.56%	-	65,489
1999	-	55,381	1.06%	-	55,722
2000	-	57,539	.96%	-	57,539
2001	-	71,674	1.20%	-	71,674
2002	-	87,762	1.34%	-	87,762
2003	-	117,577	1.88%	-	117,577
2004	-	188,100	2.87%	-	188,100

Expenses by Type 1993 - 2004

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Total</u>
1993	\$ 57,086	\$ 270	\$ 57,356
1994	33,542	318	33,860
1995	31,892	329	32,221
1996	38,841	349	39,190
1997	46,041	380	46,421
1998	65,086	403	65,489
1999	55,381	341	55,722
2000	57,539	356	57,183
2001	71,674	443	72,117
2002	87,762	539	88,301
2003	117,577	722	118,299
2004	188,100	1,155	189,255

CITY OF GREENVILLE, NORTH CAROLINA

Other Supplementary Information Analysis of Current Tax Levy City - Wide Levy For the Fiscal Year Ended June 30, 2004

	City - Wide		Total Levy	
	Property Valuation	Rate	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:				
Property taxed at current year's rate	\$3,036,534,105	\$.615	\$ 16,433,892	\$ 2,240,793
Penalties	-		<u>2,038</u>	
Total	<u>3,036,534,105</u>		<u>16,435,930</u>	<u>2,240,793</u>
Discoveries:				
Current year taxes	71,647,310	\$.615	89,505	351,126
Penalties	-			<u>20,585</u>
Total	<u>71,647,310</u>		<u>89,505</u>	<u>371,711</u>
Abatements				
Total property valuation	<u>(14,670,091)</u>		<u>(89,473)</u>	<u>NA</u>
	<u>\$3,093,511,324</u>			
Net Levy			19,048,466	2,612,504
Uncollected taxes at June 30, 2004			<u>(286,270)</u>	<u>(468,232)</u>
Current year's taxes collected			\$ <u>16,149,692</u>	\$ <u>2,144,272</u>
Current levy collection percentage				<u>96.00%</u>

Note: The Motor Vehicle abatements are not separable in the tax system utilized in fiscal year ending June 30, 2004.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
AND CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**

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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 FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
REVENUES:				
Ad valorem taxes:				
Current year operations	\$ 17,910,268	\$ 18,611,092	\$ 700,824	\$ 17,743,844
First prior year	275,000	326,325	51,325	493,993
Second prior year	71,884	56,640	(15,244)	(56,538)
Third prior year	38,338	21,140	(17,198)	57,294
Fourth prior year	12,972	13,479	507	19,869
Fifth prior year	8,641	6,920	(1,721)	11,834
Sixth prior year	5,948	4,649	(1,299)	8,635
Seventh prior year	3,912	1,863	(2,049)	4,450
Eighth prior year	1,375	1,933	558	2,107
Ninth prior year	2,908	1,801	(1,107)	-
Tenth prior year	821	923	102	2,098
Interest and penalties	144,977	179,064	34,087	194,865
Tax discounts	(170,277)	(171,697)	(1,420)	(154,797)
Tax refunds	(14,914)	(22,731)	(7,817)	(30,396)
Total ad valorem taxes	<u>18,291,853</u>	<u>19,031,401</u>	<u>739,548</u>	<u>18,297,258</u>
Other taxes:				
Local options sales tax	3,845,135	4,322,041	476,906	3,785,204
Cable TV franchise tax	440,104	547,661	107,557	497,862
One-half percent sales tax	6,199,323	5,789,002	(410,321)	4,987,402
Rental Vehicle - Gross Receipts	72,420	82,181	9,761	69,165
Total other taxes	<u>10,556,982</u>	<u>10,740,885</u>	<u>183,903</u>	<u>9,339,633</u>
Unrestricted intergovernmental:				
Other unrestricted revenues	6,892	20,061	13,169	6,892
Utilities franchise tax	3,626,890	3,538,871	(88,019)	3,549,235
Beer and wine tax	269,474	272,651	3,177	258,879
Gasoline tax refund	-	-	-	44,221
Total unrestricted intergovernmental	<u>3,903,256</u>	<u>3,831,583</u>	<u>(71,673)</u>	<u>3,859,227</u>
Restricted intergovernmental:				
Federal forfeiture	25,464	(220)	(25,684)	1,495
NC DOT traffic control lights	112,000	118,700	6,700	103,276
Street sweeper agreement	3,000	2,250	(750)	3,000
Pitt County Rescue contribution	356,172	267,000	(89,172)	79,292
Pitt County Fire contribution	9,005	11,256	2,251	9,005
Housing Authority Drug Grant	137,040	110,305	(26,735)	43,811
Special Federal, State and Local Grants	332,403	42,387	(290,016)	26,001
Federal Emergency Management Asst.	474,648	321,127	(153,521)	45,333
Recreation donations	48,275	31,330	(16,945)	16,039
Controlled substance tax	527	23,240	22,713	81,145
Section 104F Planning Grant	62,000	108,600	46,600	56,792
Law enforcement block grant	85,354	85,354	-	107,776
WEED & SEED	-	-	-	45,061
Façade Grant/Long-Range Planning	-	-	-	10,000
Powell Bill - State allocation payment	1,657,375	1,680,629	23,254	1,791,755
Total restricted intergovernmental	<u>3,313,263</u>	<u>2,806,543</u>	<u>(506,720)</u>	<u>2,419,781</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
REVENUES (CONTINUED):				
Licenses, permits and fees:				
Privilege licenses	\$ 353,232	\$ 404,908	\$ 51,676	\$ 295,045
Auto licenses - current year	589,158	654,634	65,476	647,216
Auto licenses - prior years	103,959	107,201	3,242	109,667
Animal control civil penalties	1,437	2,711	1,274	1,850
Tree replacement fees	625	575	(50)	640
Inspection division permits	705,783	762,718	56,935	700,209
Electrical inspections fees	206,864	193,549	(13,315)	198,445
State fire protection	202,740	202,740	-	202,740
Planning department fees	190,275	223,490	33,215	198,586
Police department fees	105,141	117,887	12,746	125,678
Engineering department fees	31,400	36,981	5,581	26,596
Fire and rescue department fees	125,700	122,107	(3,593)	132,405
Court cost fees and charges	64,483	44,850	(19,633)	51,146
Other court costs	6,006	2,032	(3,974)	3,779
Recreation user fees	18,000	18,999	999	13,123
Refuse fees	3,816,000	3,804,556	(11,444)	3,513,236
MWBE - Directory fees	-	-	-	50
Total licenses, permits and fees	<u>6,520,803</u>	<u>6,699,938</u>	<u>179,135</u>	<u>6,220,411</u>
Sales and services:				
Rescue fees	1,228,867	1,505,585	276,718	1,362,944
Recreation department activity fees	93,500	80,298	(13,202)	83,591
Utilities street cuts	175,000	172,549	(2,451)	167,240
Rents and concessions	166,702	100,115	(66,587)	123,948
Sale of property	32,000	58,410	26,410	34,928
Sale of cemetery lots	103,000	56,667	(46,333)	52,643
Grave openings	72,000	88,604	16,604	63,620
Fuel sales to housing authority	24,000	23,997	(3)	23,506
City bus revenue	5,000	6,175	1,175	4,963
ECU transit revenue	-	(1,109)	(1,109)	11,252
Miscellaneous	461,459	394,931	(66,528)	438,950
Recreation department athletic programs	136,000	167,473	31,473	137,735
Recreation department summer programs	81,240	76,672	(4,568)	75,086
Special events	-	1,745	1,745	-
Pitt County Board of Education	219,000	210,338	(8,662)	210,338
Parking meters	40,000	35,955	(4,045)	38,269
Total sales and services	<u>2,837,768</u>	<u>2,978,405</u>	<u>140,637</u>	<u>2,829,013</u>
Investment earnings:				
Interest on investments - General	63,626	155,133	91,507	113,399
Interest on investments - Powell Bill	53,225	18,346	(34,879)	50,947
Interest on investments - insurance loss reserve	-	29,110	29,110	36,870
Total investment earnings	<u>116,851</u>	<u>202,589</u>	<u>85,738</u>	<u>201,216</u>
Other revenues:				
Greenville Utilities Commission joint programs	10,000	10,000	-	10,000
Recycling	800	-	(800)	798
Sheppard Memorial Library	2,000	2,718	718	1,648
Fire and rescue donations	8,920	2,232	(6,688)	133,361
Police donations	-	125	125	-
Parking violation penalty	105,000	137,322	32,322	106,328
Residential parking	800	734	(66)	690
Employee computer purchase plan	-	96	96	104
Other revenues	1	1	-	38,481
Total other revenues	<u>127,521</u>	<u>153,228</u>	<u>25,707</u>	<u>291,410</u>
TOTAL REVENUES	<u>45,668,297</u>	<u>46,444,572</u>	<u>776,275</u>	<u>43,457,949</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES:				
General government:				
Mayor and City Council:				
Fees paid to elected officials	\$ 56,800	\$ 58,504	\$ (1,704)	\$ 56,800
Salaries and wages	6,000	6,180	(180)	7,400
Fringe benefits	33,985	24,616	9,369	17,017
Travel	6,500	8,271	(1,771)	8,447
Printing	450	252	198	364
Supplies and materials	1,250	772	478	403
Contracted Services	180,685	93,409	87,276	58,315
Dues and subscriptions	53,116	53,669	(553)	42,605
Special services	3,370	2,063	1,307	1,112
Elections	44,500	33,188	11,312	-
Planning session	4,000	76	3,924	528
Insurance	37,230	37,230	-	47,511
Total governing body	<u>427,886</u>	<u>318,230</u>	<u>109,656</u>	<u>240,502</u>
City Manager:				
Salaries and wages	376,328	382,094	(5,766)	353,236
Fringe benefits	93,019	90,061	2,958	76,844
Printing	21,008	13,649	7,359	10,074
Travel and training	7,000	5,114	1,886	4,826
Supplies and materials	5,072	2,227	2,845	3,242
Dues and subscriptions	4,050	4,012	38	3,893
Insurance	3,700	3,700	-	10,660
Public information	7,700	7,218	482	1,408
Cable TV	14,375	4,234	10,141	2,025
Chamber of Commerce	10,000	10,000	-	10,000
Capital outlay	4,560	4,231	329	-
Total City Manager	<u>546,812</u>	<u>526,540</u>	<u>20,272</u>	<u>476,208</u>
City Clerk:				
Salaries and wages	143,377	140,092	3,285	128,028
Fringe benefits	38,460	32,950	5,510	30,332
Printing	4,575	1,635	2,940	1,640
Travel and training	2,943	1,711	1,232	1,781
Supplies and materials	2,126	2,405	(279)	1,505
Contracted services	875	745	130	844
Dues and subscriptions	380	320	60	380
Advertising	53,950	29,041	24,909	34,655
Recording fees	4,500	8,237	(3,737)	3,826
Insurance	2,220	2,220	-	6,542
Total City Clerk	<u>253,406</u>	<u>219,356</u>	<u>34,050</u>	<u>209,533</u>
City Attorney:				
Salaries and wages	209,160	216,705	(7,545)	135,562
Fringe benefits	47,849	47,773	76	31,404
Printing	-	335	(335)	-
Travel and training	6,000	5,065	935	2,678
Professional services	10,000	2,625	7,375	4,275
Maintenance and repair, equipment	100	-	100	-
Supplies and materials	1,000	2,137	(1,137)	852
Dues and subscriptions	11,000	10,966	34	12,959
Insurance	1,480	1,480	-	8,379
Total City Attorney	<u>286,589</u>	<u>287,086</u>	<u>(497)</u>	<u>196,109</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
EXPENDITURES (CONTINUED):				
General government (continued):				
Human resources, administrative:				
Salaries and wages	\$ 408,277	\$ 403,250	\$ 5,027	\$ 348,820
Fringe benefits	448,791	440,093	8,698	435,968
Unemployment compensation insurance	62,250	62,249	1	15,620
Employee medical services	73,510	56,921	16,589	47,134
Printing	1,600	1,600	-	2,251
Travel and training	23,225	22,624	601	11,209
Supplies and materials	4,700	3,200	1,500	9,500
Contracted services	39,375	48,930	(9,555)	31,372
Dues and subscriptions	3,900	2,980	920	2,900
Advertising	32,500	27,860	4,640	31,344
Insurance	10,300	(7,143)	17,443	10,804
Awards program	63,235	52,799	10,436	58,901
Wellness program	28,393	24,835	3,558	14,233
Risk management and safety	2,000	122	1,878	-
Total human resources - administrative	<u>1,202,056</u>	<u>1,140,320</u>	<u>61,736</u>	<u>1,020,056</u>
Human resources, building services:				
Salaries and wages	130,821	133,649	(2,828)	128,328
Fringe benefits	45,292	44,477	815	22,974
Travel/Training	100	-	100	-
Maintenance and repair, equipment	16,000	13,766	2,234	14,719
Maintenance and repair, vehicles	800	1,415	(615)	997
Maintenance and repair, building	13,037	15,443	(2,406)	7,233
Maintenance and repair, Humber House	-	-	-	1,100
Supplies and materials	166,922	79,342	87,580	20,247
Contracted services	242,431	130,108	112,323	113,355
Postage	65,000	57,534	7,466	61,244
Telephone	293,824	317,338	(23,514)	249,932
Utilities	198,319	166,825	31,494	161,861
Fuel	2,000	1,082	918	955
Concessions	36,000	9,115	26,885	26,586
Laundry and dry cleaning	1,200	1,318	(118)	806
Insurance	71,421	71,431	(10)	107,308
Sales Tax - Electric & Telephone	57,000	57,041	(41)	53,757
Capital outlay	119,942	57,700	62,242	47,082
Total human resources, building services	<u>1,460,109</u>	<u>1,157,584</u>	<u>302,525</u>	<u>1,018,484</u>
Total human resources	<u>2,662,165</u>	<u>2,297,904</u>	<u>364,261</u>	<u>2,038,540</u>
Financial Services:				
Salaries and wages	702,210	715,703	(13,493)	658,773
Fringe benefits	218,609	184,040	34,569	165,413
Printing	15,056	10,490	4,566	8,067
Travel and training	8,500	8,228	272	5,138
Maintenance and repair, equipment	-	10	(10)	17
Supplies and materials	20,470	17,964	2,506	21,006
Contracted services	386,715	385,444	1,271	420,492
Dues and subscriptions	1,630	2,071	(441)	1,851
Fuel	960	262	698	493
Insurance	14,465	14,465	-	11,486
Capital Outlay	2,500	875	1,625	-
Total financial services	<u>1,371,115</u>	<u>1,339,552</u>	<u>31,563</u>	<u>1,292,736</u>
Contingency	535	-	535	-

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
General government (continued):				
Information Technology:				
Salaries and wages	\$ 853,331	\$ 742,576	\$ 110,755	\$ 622,276
Fringe benefits	191,259	178,097	13,162	150,799
Travel and training	15,100	17,964	(2,864)	12,321
Maintenance and repair, equipment	23,665	17,950	5,715	24,386
Supplies and materials	54,114	31,156	22,958	55,789
Contracted services	489,795	367,165	122,630	300,632
Dues and subscriptions	1,500	1,218	282	1,153
Fuel	780	271	509	228
Insurance	8,880	8,880	-	12,070
Capital outlay	631,600	336,514	295,086	239,797
Total information technology	<u>2,270,024</u>	<u>1,701,791</u>	<u>568,233</u>	<u>1,419,451</u>
Development - administration:				
Salaries and wages	255,125	252,945	2,180	219,129
Fringe benefits	63,484	59,812	3,672	53,536
Travel and training	4,350	904	3,446	54
Maintenance and repair, equipment	400	230	170	514
Supplies and materials	8,550	8,341	209	3,204
Dues and subscriptions	3,250	2,149	1,101	3,387
Advertising	500	38	462	-
Fuel	3,000	616	2,384	601
Insurance	3,497	2,997	-	9,462
Capital Outlay	100,071	93,895	6,176	558
Martin Luther King, Jr. Blvd.	-	-	-	1,000
Total development - administration	<u>443,652</u>	<u>422,077</u>	<u>19,800</u>	<u>291,445</u>
Development - land development & zoning:				
Salaries and wages	414,100	386,918	27,182	278,769
Fringe benefits	111,235	102,657	8,578	73,667
Printing	4,500	2,432	2,068	390
Travel and training	3,780	2,024	1,756	877
Maintenance and repair, equipment	200	-	200	235
Supplies and materials	9,191	7,541	1,650	4,731
Dues and subscriptions	1,120	602	518	923
Insurance	3,996	3,996	-	2,498
Total development - land dev. & zoning	<u>548,122</u>	<u>506,170</u>	<u>41,952</u>	<u>362,090</u>
Development - long range planning:				
Salaries and wages	137,744	156,023	(18,279)	134,086
Fringe benefits	51,888	43,211	8,677	34,840
Printing	23,600	6,958	16,642	2,593
Travel and training	3,000	250	2,750	120
Maintenance	-	-	-	84
Supplies and materials	3,000	2,953	47	1,026
Contracted services	6,700	4,529	2,171	20,562
Dues and subscriptions	1,000	359	641	200
Insurance	3,330	3,330	-	3,838
Capital outlay	227,380	98,323	129,057	53,383
Total development - long range planning	<u>457,642</u>	<u>315,936</u>	<u>141,706</u>	<u>250,732</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
General government (continued):				
Development - community development:				
Salaries and wages	\$ 76,557	\$ 62,558	\$ 13,999	\$ 52,151
Fringe benefits	23,728	19,151	4,577	12,575
Printing	700	587	113	538
Travel and training	2,000	2,000	-	1,550
Maintenance and repair, vehicles	700	77	623	-
Supplies and materials	3,950	3,455	495	4,003
Dues and subscriptions	1,200	755	445	473
Fuel	500	635	(135)	555
Insurance	5,994	5,994	-	4,474
Total development - community development	<u>115,829</u>	<u>95,337</u>	<u>20,492</u>	<u>76,319</u>
Redevelopment commission				
Supplies and materials	2,500	282	2,218	-
Contracted Services	10,000	-	10,000	-
Capital outlay	125,000	37,253	87,747	-
Total development - redevelopment commission	<u>137,500</u>	<u>37,535</u>	<u>99,965</u>	<u>-</u>
Total development	<u>1,702,745</u>	<u>1,377,055</u>	<u>323,915</u>	<u>980,586</u>
Engineering:				
Salaries and wages	723,389	699,277	24,112	694,303
Fringe benefits	168,518	194,550	(26,032)	186,353
Printing	2,500	1,351	1,149	2,318
Travel and training	3,000	3,507	(507)	5,741
Maintenance and repair, equipment	2,000	1,879	121	1,569
Maintenance and repair, vehicles	5,800	4,808	992	9,649
Railroad crossing	8,000	7,557	443	8,259
Bridge inspections	5,300	4,930	370	4,274
Supplies and materials	108,690	82,051	26,639	97,985
Contracted services	41,475	19,885	21,590	38,151
Dues and subscriptions	1,500	1,247	253	1,898
Utilities	1,002,444	978,413	24,031	862,539
Fuel	4,673	8,107	(3,434)	7,177
Laundry and dry cleaning	3,675	2,634	1,041	4,296
Insurance	8,905	8,905	-	8,354
Uniforms	750	903	(153)	525
Capital outlay	309,632	146,067	163,565	24,921
Total engineering - general	<u>2,400,251</u>	<u>2,166,071</u>	<u>234,180</u>	<u>1,958,312</u>
Inspections:				
Salaries and wages	382,520	384,966	(2,446)	351,218
Fringe benefits	113,698	110,684	3,014	91,316
Printing	1,772	1,089	683	1,277
Travel and training	3,500	3,371	129	3,374
Maintenance and repair, equipment	100	200	(100)	24
Maintenance and repair, vehicles	4,000	1,694	2,306	3,340
Supplies and materials	5,640	4,233	1,407	2,784
Contracted services	3,530	150	3,380	-
Dues and subscriptions	845	580	265	825
Fuel	4,635	3,894	741	3,487
Insurance	6,660	6,660	-	6,503
Uniforms	800	172	628	464
Capital outlay	2,438	1,741	697	450
Total inspections	<u>530,138</u>	<u>519,434</u>	<u>10,704</u>	<u>465,062</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
General government (continued):				
Fleet maintenance:				
Salaries and wages	\$ 661,019	\$ 638,336	\$ 22,683	\$ 616,762
Fringe benefits	209,734	195,784	13,950	188,577
Printing	350	350	-	230
Travel and training	2,000	1,901	99	1,764
Maintenance and repair, equipment	4,000	4,660	(660)	3,269
Maintenance and repair, vehicles	2,700	2,988	(288)	2,582
Maintenance and repair, building	7,500	6,820	680	7,952
Maintenance and repair, ECU vehicles	-	23	(23)	4,896
Maintenance and repair, buses	1,750	1,371	379	1,130
Maintenance and repair, underground storage tank	1,800	1,572	228	1,200
Supplies and materials	35,457	21,073	14,384	15,896
Contracted services	3,695	4,425	(730)	3,145
Dues and subscriptions	475	523	(48)	520
Fuel	27,950	26,529	1,421	29,350
Laundry and dry cleaning	6,560	4,594	1,966	6,591
Insurance	12,580	12,580	-	7,294
Uniforms	1,000	427	573	508
Capital outlay	72,450	16,066	67,325	5,125
Total fleet maintenance	<u>1,051,020</u>	<u>940,022</u>	<u>121,939</u>	<u>896,791</u>
Total general government	<u>13,502,686</u>	<u>11,693,041</u>	<u>1,818,811</u>	<u>10,173,830</u>
Public safety:				
Fire and rescue:				
Salaries and wages	5,578,586	5,615,978	(37,392)	5,278,605
Fringe benefits	1,697,091	1,673,408	23,683	1,554,627
Printing	1,000	682	318	1,093
Travel and training	35,941	25,941	10,000	19,797
Maintenance and repair, equipment	17,739	15,712	2,027	13,593
Maintenance and repair, vehicles	76,710	75,678	1,032	56,602
Maintenance and repair, building	7,369	7,743	(374)	5,797
Supplies and materials	126,034	113,031	13,003	97,686
Contracted services	20,751	22,515	(1,764)	17,742
Dues and subscriptions	3,126	3,518	(392)	4,125
Fire prevention	4,022	3,750	272	4,196
Utilities	44,641	41,704	2,937	40,431
Fuel	30,996	30,802	194	30,380
Insurance	107,369	107,712	(343)	63,300
Uniforms	44,680	39,412	5,268	32,666
Capital outlay	867,916	359,902	508,014	314,635
Total fire and rescue	<u>8,663,971</u>	<u>8,137,488</u>	<u>526,483</u>	<u>7,535,275</u>
Police - Chief's staff:				
Salaries and wages	144,386	148,930	(4,544)	195,661
Fringe benefits	226,496	131,665	94,831	212,587
Special Pay	-	-	-	78,750
Printing	-	-	-	243
Supplies and materials	-	2,615	(2,615)	-
Supplies and materials	1,500	1,297	203	1,031
Contracted services	-	237	(237)	4,331
Dues and subscriptions	-	641	(641)	1,424
Insurance	115,921	58,669	57,252	232,573
Capital outlay	27,477	34,521	(7,044)	175,818
Total police - Chief's staff	<u>515,780</u>	<u>378,575</u>	<u>137,205</u>	<u>902,418</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
Public safety (continued):				
Police - Professional standards:				
Salaries and wages	\$ 929,231	\$ 969,523	\$ (40,292)	\$ 869,355
Fringe benefits	128,770	143,904	(15,134)	126,927
Printing	3,000	1,215	1,785	1,730
Travel and training	56,000	52,271	3,729	26,075
Supplies and materials	52,418	41,538	10,880	31,882
Contracted services	14,600	10,445	4,155	1,870
Dues and subscriptions	620	590	30	145
Insurance	6,660	6,660	-	6,782
Capital outlay	65,000	8,729	56,271	5,140
Total police - professional standards	<u>1,256,299</u>	<u>1,234,875</u>	<u>21,424</u>	<u>1,069,906</u>
Police - Support services:				
Salaries and wages	1,090,678	1,052,226	38,452	1,100,230
Fringe benefits	379,566	343,338	36,228	338,356
Printing	2,000	2,629	(629)	1,933
Maintenance and repair, equipment	9,000	4,286	4,714	5,662
Maintenance and repair, vehicles	140,000	180,514	(40,514)	149,806
Supplies and materials	43,210	36,822	6,388	43,075
Contracted services	87,690	120,739	(33,049)	117,043
Dues and subscriptions	-	555	(555)	299
Fuel	190,000	152,229	37,771	143,403
Insurance	23,680	23,680	-	7,408
Uniforms	90,012	106,674	(16,662)	95,950
Capital outlay	550,565	476,615	73,950	312,450
Total police - Support services	<u>2,606,401</u>	<u>2,500,307</u>	<u>106,094</u>	<u>2,315,615</u>
Police - Investigations division:				
Salaries and wages	2,023,694	1,898,777	124,917	1,865,375
Fringe benefits	623,525	620,716	2,809	574,002
Printing	1,766	1,680	86	942
Travel/Training	-	346	(346)	-
Supplies and materials	40,958	29,659	11,299	35,496
Contracted services	135,000	78,421	56,579	34,885
Dues and subscriptions	1,500	1,374	126	1,679
Insurance	32,560	32,560	-	16,996
Special investigations	150,000	150,000	-	164,940
Capital outlay	30,022	26,388	3,634	872
Total police - Investigations division	<u>3,039,025</u>	<u>2,839,921</u>	<u>199,104</u>	<u>2,695,187</u>
Police - Patrol division:				
Salaries and wages	4,514,784	4,185,404	329,380	3,847,976
Fringe benefits	1,454,576	1,371,834	82,742	1,209,648
Printing	830	1,085	(255)	1,468
Governor's Highway Safety	5,000	-	-	-
Supplies and materials	47,718	42,222	5,496	29,951
Contracted services	11,000	11,859	(859)	11,031
Dues and subscriptions	750	677	73	1,226
Insurance	74,291	72,309	1,982	28,531
Capital outlay	144,036	128,279	15,757	69,673
Total police - Patrol division	<u>6,252,985</u>	<u>5,813,669</u>	<u>434,316</u>	<u>5,199,504</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
Public safety (continued):				
Police- Neighborhood services:				
Salaries and wages	\$ 385,573	\$ 322,426	\$ 63,147	\$ 336,726
Fringe benefits	135,744	118,945	16,799	101,417
Maintenance and repair, buildings	-	-	-	1,063
Travel	2,000	560	1,440	1,130
Maintenance	1,400	461	939	-
Supplies and materials	6,810	6,281	529	6,077
Contracted services, veterinarian	93,500	66,850	26,650	8,512
Grass mowing/demolitions	-	16,278	(16,278)	59,101
Dues and subscriptions	750	125	625	508
Fuel	1,500	2,092	(592)	1,214
Insurance	7,470	7,470	-	6,931
Grants	3,000	2,390	610	1,000
Capital outlay	-	-	-	3,000
Total police - Animal control	<u>637,747</u>	<u>543,878</u>	<u>93,869</u>	<u>526,679</u>
Police-Department Grants:				
Salaries and wages	76,650	30,870	45,780	81,113
Fringe benefits	23,380	12,005	11,375	28,570
Capital outlay	145,530	137,091	8,439	18,074
Total police - Department Grants	<u>245,560</u>	<u>182,560</u>	<u>65,594</u>	<u>127,757</u>
Total public safety	<u>23,217,768</u>	<u>21,631,273</u>	<u>1,584,089</u>	<u>20,372,341</u>
Transportation:				
Administration:				
Salaries and wages	276,748	279,795	(3,047)	260,787
Fringe benefits	274,658	249,627	25,031	225,851
Printing	500	422	78	293
Travel and training	1,375	249	1,126	644
Maintenance and repair, equipment	400	21	379	91
Maintenance and repair, buildings	12,800	9,681	3,119	8,716
Supplies and materials	8,080	5,825	2,255	6,651
Contracted services	6,480	6,286	194	5,163
Dues and subscriptions	920	1,120	(200)	966
Utilities	117,250	103,076	14,174	97,668
Insurance	27,700	21,111	6,589	17,328
Total administration	<u>726,911</u>	<u>677,213</u>	<u>49,698</u>	<u>624,158</u>
Buildings and grounds:				
Salaries and wages	660,046	655,027	5,019	618,127
Fringe benefits	233,454	250,679	(17,225)	218,853
Travel	1,200	1,185	15	1,066
Maintenance and repair, equipment	16,000	(7,966)	23,966	16,613
Maintenance and repair, vehicles	13,301	13,785	(484)	11,846
Maintenance and repair, buildings	3,500	4,617	(1,117)	2,848
Maintenance and repair, public parking lot	5,078	2,377	2,701	1,059
Supplies and materials	23,623	16,870	6,753	9,130
Contracted services	132,604	52,859	79,745	81,116
Dues and subscriptions	328	611	(283)	2,157
Fuel	16,010	16,531	(521)	15,690
Laundry	4,750	3,981	769	5,168
Insurance	15,880	15,880	-	10,916
Uniforms	1,832	2,174	(342)	1,706
Capital outlay	320,802	108,303	212,499	9,652
Total buildings and grounds	<u>1,448,408</u>	<u>1,136,913</u>	<u>311,495</u>	<u>1,005,947</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
Streets:				
Salaries and wages	\$ 563,694	\$ 542,672	\$ 21,022	\$ 822,123
Fringe benefits	145,153	180,947	(35,794)	275,024
Travel and training	900	1,140	(240)	426
Maintenance and repair, equipment	15,053	(16,937)	31,990	20,481
Maintenance and repair, vehicles	22,782	63,491	(40,709)	49,879
Supplies and materials	111,218	76,485	34,733	109,344
Dues and subscriptions	200	216	(16)	210
Fuel	16,255	16,107	148	32,548
Laundry and dry cleaning	6,650	5,836	814	6,873
Insurance	10,205	10,205	-	27,550
Uniforms	3,000	2,573	427	2,734
Equipment rental	8,250	5,000	3,250	-
Capital outlay	1,892,602	691,299	1,201,303	330,725
Total streets	<u>2,795,962</u>	<u>1,579,034</u>	<u>1,216,928</u>	<u>1,677,917</u>
Airport:				
Allotment	-	371	(371)	22,654
Total transportation	<u>4,971,281</u>	<u>3,393,531</u>	<u>1,577,750</u>	<u>3,330,676</u>
Environmental protection:				
Sanitation:				
Salaries and wages	1,877,579	1,916,018	(38,439)	1,860,849
Fringe benefits	765,027	738,050	26,977	672,896
Printing	2,000	1,988	12	1,647
Travel and training	1,200	2,065	(865)	1,199
Maintenance and repair, equipment	12,500	8,503	3,997	14,554
Maintenance and repair, vehicles	142,050	139,570	2,480	123,111
Supplies and materials	27,398	24,714	2,684	21,782
Contracted services	41,500	34,329	7,171	465
Dues and subscriptions	258	216	42	225
Fuel	82,645	84,811	(2,166)	89,616
Laundry and dry cleaning	16,863	13,731	3,132	17,119
Insurance	59,690	59,690	-	40,243
Uniforms	6,912	3,499	3,413	3,899
Capital outlay	708,695	534,195	174,500	212,117
Total sanitation	<u>3,744,317</u>	<u>3,561,379</u>	<u>182,938</u>	<u>3,059,722</u>
Total environmental protection	<u>3,744,317</u>	<u>3,561,379</u>	<u>182,938</u>	<u>3,059,722</u>
Cultural and recreational:				
Recreation:				
Salaries and wages	1,149,705	1,134,236	15,469	1,047,855
Fringe benefits	307,917	278,597	29,320	293,548
Printing	13,348	14,383	(1,035)	9,407
Travel and training	9,855	7,515	2,340	8,424
Maintenance and repair, equipment	2,000	987	1,013	531
Supplies and materials	87,512	86,288	1,224	70,392
Contracted services	122,905	119,734	3,171	111,235
Dues and subscriptions	2,000	2,248	(248)	1,221
Advertising	1,000	451	549	(335)
Insurance	34,235	33,483	752	29,197
Uniforms	3,000	3,057	(57)	2,197
Capital outlay	87,405	72,782	14,623	37,058
Total recreation	<u>1,820,882</u>	<u>1,753,761</u>	<u>67,121</u>	<u>1,610,730</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXPENDITURES (CONTINUED):				
Cultural and recreational (continued):				
Parks:				
Salaries and wages	\$ 965,990	\$ 978,918	\$ (12,928)	\$ 922,179
Fringe benefits	287,867	311,165	(23,298)	286,251
Travel and training	6,887	2,202	4,685	2,142
Maintenance and repairs, equipment	14,119	14,411	(292)	13,829
Maintenance and repair, vehicles	14,000	14,777	(777)	10,331
Maintenance and repair, buildings	51,452	50,248	1,204	53,729
Supplies and materials	55,795	50,509	5,286	63,247
Contracted services	89,432	71,246	18,186	54,396
Utilities	248,359	213,203	35,156	196,026
Fuel	22,000	20,194	1,806	16,236
Laundry and dry cleaning	5,000	3,684	1,316	5,293
Insurance	22,940	22,940	-	13,603
Uniforms	5,850	4,012	1,838	2,730
Capital outlay	220,108	216,895	3,213	67,689
Total parks	<u>2,009,799</u>	<u>1,974,404</u>	<u>35,395</u>	<u>1,707,681</u>
Teen Center:				
Salaries and wages	11,960	6,665	5,295	3,233
Fringe benefits	1,114	510	604	247
Maintenance and repair, equipment	500	-	500	343
Maintenance and repair, building	3,450	828	2,622	1,133
Supplies and materials	2,000	1,668	332	104
Contracted services	3,508	1,166	2,342	202
Utilities	9,000	11,846	(2,846)	13,497
Capital outlay	27,085	26,842	243	-
Total Teen Center	<u>58,617</u>	<u>49,525</u>	<u>9,092</u>	<u>18,759</u>
Library:				
Allotment	-	5,169	(5,169)	13,663
Carver library renovation	42,000	79,117	(79,117)	-
Total library	<u>42,000</u>	<u>84,286</u>	<u>(84,286)</u>	<u>13,663</u>
Total cultural and recreational	<u>3,931,298</u>	<u>3,861,976</u>	<u>27,322</u>	<u>3,350,833</u>
TOTAL EXPENDITURES	<u>49,367,350</u>	<u>44,141,200</u>	<u>5,190,910</u>	<u>40,287,402</u>

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003) (CONCLUDED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,699,053)	\$ 2,303,372	\$ 5,967,185	\$ 3,170,547
OTHER FINANCING SOURCES (USES):				
Transfers from other funds:				
Greenville Utilities Commission turnover	3,736,537	3,985,518	248,981	3,503,304
Greenville Utilities Commission, street lighting reimbursement	456,372	477,667	21,295	440,290
Convention center fund	-	-	-	407,772
Capital reserve fund	21,750	21,750	-	-
Transfers to other funds:				
Debt service fund	(3,309,563)	(3,202,951)	106,612	(3,162,811)
Public transportation fund	(195,633)	(99,301)	96,332	(379,575)
Sheppard Memorial Library Special revenue fund	(857,402)	(857,402)	-	(832,771)
Stormwater Utility fund	(535,699)	(235,699)	(300,000)	(111,642)
Moye-Hooker Road fund	-	-	-	(667,953)
Cemetery fund	(210,000)	(210,000)	-	-
Clean Water Management fund	-	(3,041)	3,041	-
Capital reserve fund	(1,124,340)	(1,124,340)	-	-
Capital lease proceeds	1,496,221	1,496,221	-	966,148
Increase in reserve	(28,938)	-	28,938	-
Total other financing sources (uses)	<u>(550,695)</u>	<u>248,422</u>	<u>205,199</u>	<u>162,762</u>
APPROPRIATED FUND BALANCE	<u>4,249,748</u>	<u>-</u>	<u>(4,249,748)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	\$ <u>-</u>	2,551,794	\$ <u>1,922,636</u>	3,333,309
FUND BALANCE, BEGINNING OF YEAR		<u>20,479,680</u>		<u>17,146,371</u>
FUND BALANCE, END OF YEAR		\$ <u>23,031,474</u>		\$ <u>20,479,680</u>

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CITY OF GREENVILLE, NORTH CAROLINA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents/investments	\$ 1,108,144	\$ 366,783	\$ 4,136,658	\$ 5,611,585
Accounts receivable, net	189	48,907	-	49,096
Interest receivable	4,643	-	-	4,643
Loans receivable	463,464	-	64,715	528,179
Due from other funds	-	-	1,580	1,580
Due from other governments	232,739	-	30,470	263,209
Prepaid items and deposits	46,627	-	-	46,627
Total assets	\$ 1,855,806	\$ 415,690	\$ 4,233,423	\$ 6,504,919
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,575	\$ -	\$ 393,458	\$ 407,033
Due to other funds	551,106	-	1,041,355	1,592,461
Deferred revenue	459,360	-	64,715	524,075
Compensated absences payable	10,186	-	-	10,186
Total liabilities	1,034,227	-	1,499,528	2,533,755
Fund balances:				
Reserved by State statute	42,819	-	-	42,819
Reserved for prepaid items and inventories	43,765	-	-	43,765
Fund Balance - unreserved - Undesignated	734,995	415,690	2,733,895	3,884,580
Total fund balances	821,579	415,690	2,733,895	3,971,164
Total liabilities and fund balances	\$ 1,855,806	\$ 415,690	\$ 4,233,423	\$ 6,504,919

CITY OF GREENVILLE, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2004**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Other taxes	\$ -	\$ 566,354	\$ -	\$ 566,354
Restricted	2,683,965	-	1,039,154	3,723,119
Sales and services	82,603	-	-	82,603
Investment earnings	8,467	4,382	29,330	42,179
Other revenues	206,267	-	225,405	431,672
Total revenues	<u>2,981,302</u>	<u>570,736</u>	<u>1,293,889</u>	<u>4,845,927</u>
Expenditures				
Current:				
Cultural and recreational	1,737,902	-	-	1,737,902
Economic and physical development	2,125,394	-	-	2,125,394
Capital outlay	-	-	3,924,489	3,924,489
Principal retirement	-	2,576,207	-	2,576,207
Interest and fees	-	1,165,158	-	1,165,158
Total expenditures	<u>3,863,296</u>	<u>3,741,365</u>	<u>3,924,489</u>	<u>11,529,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(881,994)</u>	<u>(3,170,629)</u>	<u>(2,630,600)</u>	<u>(6,683,223)</u>
Other financing sources (uses)				
Transfers from other funds	861,542	3,202,951	1,686,176	5,750,669
Transfers to other funds	(4,140)	-	(10,000)	(14,140)
Total other financing sources (uses)	<u>857,402</u>	<u>3,202,951</u>	<u>1,676,176</u>	<u>5,736,529</u>
Net change in fund balances	<u>(24,592)</u>	<u>32,322</u>	<u>(954,424)</u>	<u>(946,694)</u>
Fund balance - beginning	<u>846,171</u>	<u>383,368</u>	<u>3,688,319</u>	<u>4,917,858</u>
Fund balance - ending	<u>\$ 821,579</u>	<u>\$ 415,690</u>	<u>\$ 2,733,895</u>	<u>\$ 3,971,164</u>

NONMAJOR SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT FUND

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

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.

SHEPPARD MEMORIAL LIBRARY TRUST FUND

The Sheppard Memorial Library Trust Fund consists principally of a trust created by the estate of Sarah Elizabeth Olschner. The net income of this trust is distributed to the Library and is used for general operations.

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.

COMMUNITY DEVELOPMENT HOME PROGRAM

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

CITY OF GREENVILLE, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Community Development Fund	Sheppard Memorial Library	Sheppard Memorial Library Trust Fund	Housing Trust Fund	Small Business Loan Program	Community Development Home Program	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents/investments	\$ 219,142	\$ 569,350	\$ 91,460	\$ 21,627	\$ 141,812	\$ 64,753	\$ 1,108,144
Accounts receivable, net	189	-	-	-	-	-	189
Interest receivable	-	4,643	-	-	-	-	4,643
Loans receivable	156,842	8,558	-	22,528	236,005	39,531	463,464
Due from other governments	21,157	29,618	-	-	-	181,964	232,739
Prepaid items and deposits	-	43,765	-	-	2,862	-	46,627
Total assets	\$ 397,330	\$ 655,934	\$ 91,460	\$ 44,155	\$ 380,679	\$ 286,248	\$ 1,855,806
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 13,575	\$ -	\$ -	\$ -	\$ -	\$ 13,575
Due to other funds	233,933	61,609	-	-	5,732	249,832	551,106
Deferred revenue	162,175	-	-	22,528	235,126	39,531	459,360
Compensated absences payable	-	10,186	-	-	-	-	10,186
Total liabilities	396,108	85,370	-	22,528	240,858	289,363	1,034,227
Fund balances:							
Reserved by State statute	-	42,819	-	-	-	-	42,819
Reserved for prepaid items and inventories	-	43,765	-	-	-	-	43,765
Fund Balance - unreserved - Undesignated	1,222	483,980	91,460	21,627	139,821	(3,115)	734,995
Total fund balances	1,222	570,564	91,460	21,627	139,821	(3,115)	821,579
Total liabilities and fund balances	\$ 397,330	\$ 655,934	\$ 91,460	\$ 44,155	\$ 380,679	\$ 286,248	\$ 1,855,806

CITY OF GREENVILLE, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2004**

	Community Development Fund	Sheppard Memorial Library	Sheppard Memorial Library Trust Fund	Housing Trust Fund	Small Business Loan Program	Community Development Home Program	Total Nonmajor Special Revenue Funds
Revenues							
Restricted	\$ 1,343,933	\$ 757,246	\$ -	\$ 6,000	\$ -	\$ 576,786	\$ 2,683,965
Sales and services	-	82,603	-	-	-	-	82,603
Investment earnings	1,325	6,152	721	63	206	-	8,467
Other revenues	84,084	84,344	-	1,061	36,778	-	206,267
Total revenues	1,429,342	930,345	721	7,124	36,984	576,786	2,981,302
Expenditures							
Current:							
Cultural and recreational	-	1,737,902	-	-	-	-	1,737,902
Economic and physical development	1,512,271	-	-	-	33,222	579,901	2,125,394
Total expenditures	1,512,271	1,737,902	-	-	33,222	579,901	3,863,296
Excess (deficiency) of revenues over (under) expenditures	(82,929)	(807,557)	721	7,124	3,762	(3,115)	(881,994)
Other financing sources (uses)							
Transfers from other funds	-	861,542	-	-	-	-	861,542
Transfers to other funds	-	-	(4,140)	-	-	-	(4,140)
Total other financing sources (uses)	-	861,542	(4,140)	-	-	-	857,402
Net change in fund balances	(82,929)	53,985	(3,419)	7,124	3,762	(3,115)	(24,592)
Fund balance - beginning	84,151	516,579	94,879	14,503	136,059	-	846,171
Fund balance - ending	\$ 1,222	\$ 570,564	\$ 91,460	\$ 21,627	\$ 139,821	\$ (3,115)	\$ 821,579

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 FISCAL YEAR ENDED JUNE 30, 2004 (CONTINUED)**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
CDBG ENTITLEMENT PROGRAM:				
Property owners matching fund	\$ 65,943	\$ 47,399	\$ 47,295	\$ 94,694
Federal grant - HUD	7,694,000	6,336,155	1,343,933	7,680,088
Loan payments	207,549	225,078	36,087	261,165
Interest income	132,492	133,788	1,325	135,113
Sale of acquired property	34,430	34,432	-	34,432
Total CDBG Entitlement Program	<u>8,134,414</u>	<u>6,776,852</u>	<u>1,428,640</u>	<u>8,205,492</u>
PRE-1994 ENTITLEMENT PROGRAM:				
Use of Property	-	470	-	470
Loan payments	385,723	380,772	702	381,474
Federal grant - HUD	1,761,000	1,274,473	-	1,274,473
Property owners matching fund	34,000	13,263	-	13,263
State aid	600,000	600,000	-	600,000
Sale of land	170,585	247,733	-	247,733
Interest income	-	266	-	266
Community Development Block Grant	15,324	15,749	-	15,749
Miscellaneous	18,475	18,542	-	18,542
Total Pre-1994 Entitlement Program	<u>2,985,107</u>	<u>2,551,268</u>	<u>702</u>	<u>2,551,970</u>
Total revenues	<u>11,119,521</u>	<u>9,328,120</u>	<u>1,429,342</u>	<u>10,757,462</u>
EXPENDITURES:				
CDBG ENTITLEMENT PROGRAM:				
Administration	1,057,392	1,066,918	146,598	1,213,516
Rehab - third party owned dwellings	3,604,258	3,372,671	372,491	3,745,162
Rehab - rental	89,841	89,841	-	89,841
Outside agency funding	712,700	665,758	83,144	748,902
Acquisition dilapidated	577,486	475,251	39,903	515,154
Code enforcement	124,000	124,000	-	124,000
Conversion program	150,000	49,870	45,911	95,781
Small area revitalization	841,000	670,726	107,373	778,099
Demolition grants	30,000	9,083	5,470	14,553
Econ. dev. study - West Grn./Meadowbrook	69,255	5,101	8,392	13,493
Neighborhood input grants	3,000	2,963	-	2,963
Concentrated Needs	850,000	169,936	690,965	860,901
Sewer oakgrove	25,482	15,130	-	15,130
Total CDBG Entitlement Program	<u>8,134,414</u>	<u>6,717,248</u>	<u>1,500,247</u>	<u>8,217,495</u>
Pre-1994 Entitlement Programs:				
Administration	666,990	656,731	-	656,731
Clearance	103,315	43,661	12,024	55,685
Rehab - third party owned dwellings	2,711,154	2,248,357	-	2,248,357
Rehabilitation	642,000	653,170	-	653,170
Disposition	5,354	4,564	-	4,564
Capital outlay	35,403	34,463	-	34,463
Relocation assistance	7,842	3,665	-	3,665
Outside agency funding	175,300	126,342	-	126,342
Total Pre-1994 Entitlement Programs	<u>4,347,358</u>	<u>3,770,953</u>	<u>12,024</u>	<u>3,782,977</u>
Total expenditures	<u>12,481,772</u>	<u>10,488,201</u>	<u>1,512,271</u>	<u>12,000,472</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 FISCAL YEAR ENDED JUNE 30, 2004 (CONCLUDED)**

	Project Authorization	Prior Years	Current Year	Total
EXCESS OF REVENUES OVER EXPENDITURES	(1,362,251)	(1,160,081)	(82,929)	(1,243,010)
OTHER FINANCING SOURCES (USES):				
Transfers in (out):				
Transfer from General Fund	100,000	100,000	-	100,000
Transfer to Historic Planning Fund	(3,525)	(3,531)	-	(3,531)
Transfer to Small Business Loan Fund	(142,500)	(142,500)	-	(142,500)
Transfer to Housing Trust Fund	(120,000)	(121,000)	-	(121,000)
Appropriated fund balance	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(165,525)</u>	<u>(167,031)</u>	<u>-</u>	<u>(167,031)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (1,527,776)</u>	<u>\$ (1,327,112)</u>	(82,929)	<u>\$ (1,410,041)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>84,151</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,222</u>	

Note: For the year ended June 30, 2004 of the amount expended, \$501,845 was provided by the 2002 grant and \$842,088 was provided by the 2003 grant.

CITY OF GREENVILLE, NORTH CAROLINA

**SHEPPARD MEMORIAL LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
RESTRICTED INTERGOVERNMENTAL:			
County of Pitt	\$ 428,701	\$ 427,338	\$ (1,363)
Town of Bethel	20,448	20,448	-
Town of Winterville	30,963	34,164	3,201
State aid	188,908	188,908	-
Housing Authority	9,900	9,900	-
Other miscellaneous grants	<u>77,816</u>	<u>76,488</u>	<u>(1,328)</u>
Total restricted intergovernmental	<u>756,736</u>	<u>757,246</u>	<u>510</u>
OTHER REVENUES:			
Fines and fees	77,561	82,603	5,042
Photocopies	4,333	4,717	384
Miscellaneous	<u>106,561</u>	<u>85,779</u>	<u>(20,782)</u>
Total other revenues	<u>188,455</u>	<u>173,099</u>	<u>(15,356)</u>
Total revenues	<u>945,191</u>	<u>930,345</u>	<u>(14,846)</u>
EXPENDITURES:			
CULTURAL AND RECREATIONAL:			
Personnel services	1,121,896	1,067,849	54,047
Periodicals	262,688	220,655	42,033
Maintenance expenditures	114,948	97,342	17,606
Other operating expenditures	<u>385,493</u>	<u>352,056</u>	<u>33,437</u>
Total expenditures	<u>1,885,025</u>	<u>1,737,902</u>	<u>147,123</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(939,834)</u>	<u>(807,557)</u>	<u>132,277</u>
OTHER FINANCING SOURCES:			
Transfers from:			
City of Greenville	857,402	857,402	-
Expendable Trust Fund	<u>-</u>	<u>4,140</u>	<u>4,140</u>
Total other financing sources	<u>857,402</u>	<u>861,542</u>	<u>4,140</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(82,432)</u>	<u>53,985</u>	<u>136,417</u>
APPROPRIATED FUND BALANCE	<u>82,432</u>	<u>-</u>	
FUND BALANCE, BEGINNING OF YEAR		<u>516,580</u>	
FUND BALANCE, END OF YEAR		<u>\$ 570,565</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**SHEPPARD MEMORIAL LIBRARY TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Interest and miscellaneous	\$ -	\$ 721	\$ 721
Total revenues	<u>-</u>	<u>721</u>	<u>721</u>
OTHER FINANCING SOURCES (USES)			
Transfer out	<u>-</u>	<u>(4,140)</u>	<u>(4,140)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ <u>-</u>	<u>(3,419)</u>	\$ <u>(3,419)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>94,879</u>	
FUND BALANCE, END OF YEAR		<u>\$ 91,460</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 FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
RESTRICTED				
INTERGOVERNMENTAL -				
Grants	\$ 297,500	\$ 180,976	\$ 6,000	\$ 186,976
OTHER -				
Investment earnings	4,265	6,515	63	6,578
Loan payments	7,210	12,638	1,061	13,699
Total revenues	<u>308,975</u>	<u>200,129</u>	<u>7,124</u>	<u>207,253</u>
EXPENDITURES:				
Secondary Mortgage Loan	150,000	35,500	-	35,500
Small Area Revitalization	19,332	19,330	-	19,330
Rehabilitation	221,113	215,374	-	215,374
Loans made	39,530	36,422	-	36,422
Total expenditures	<u>429,975</u>	<u>306,626</u>	<u>-</u>	<u>306,626</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(121,000)</u>	<u>(106,497)</u>	<u>7,124</u>	<u>(99,373)</u>
OTHER FINANCING SOURCES -				
Transfer from Community Development Fund	<u>121,000</u>	<u>121,000</u>	<u>-</u>	<u>121,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 14,503</u>	<u>7,124</u>	<u>\$ 21,627</u>
FUND BALANCE, BEGINNING OF YEAR			<u>14,503</u>	
FUND BALANCE, END OF YEAR			<u>\$ 21,627</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 FISCAL YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
OTHER -				
Bank contributions	\$ 475,000	\$ 448,243	\$ -	\$ 448,243
Loan payments	63,240	133,622	36,778	170,400
Application fees	2,000	1,550	-	1,550
Interest	315	1,334	206	1,540
Total revenues	<u>540,555</u>	<u>584,749</u>	<u>36,984</u>	<u>621,733</u>
EXPENDITURES:				
Administration	2,000	7	-	7
Payments to banks	63,555	233,580	33,222	266,802
Loans made	475,000	352,189	-	352,189
Loan loss reserve	142,500	5,414	-	5,414
Total expenditures	<u>683,055</u>	<u>591,190</u>	<u>33,222</u>	<u>624,412</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(142,500)</u>	<u>(6,441)</u>	<u>3,762</u>	<u>(2,679)</u>
OTHER FINANCING SOURCES -				
Transfer from Community Development Fund	<u>142,500</u>	<u>142,500</u>	<u>-</u>	<u>142,500</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 136,059</u>	<u>3,762</u>	<u>\$ 139,821</u>
FUND BALANCE, BEGINNING OF YEAR			<u>136,059</u>	
FUND BALANCE, END OF YEAR			<u>\$ 139,821</u>	

CITY OF GREENVILLE, NORTH CAROLINA

COMMUNITY DEVELOPMENT HOME PROGRAM FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
RESTRICTED INTERGOVERNMENTAL:				
Property owners matching funds	\$ 16,840	\$ 23,042	\$ 1,279	\$ 24,321
HUD - City of Greenville	3,805,000	2,606,289	571,578	3,177,867
NCHFA - City of Greenville	20,400	-	-	-
NCHFA - Other consortium members	13,600	-	-	-
Loan payments	4,710	7,515	3,929	11,444
Total revenues	<u>3,860,550</u>	<u>2,636,846</u>	<u>576,786</u>	<u>3,213,632</u>
EXPENDITURES:				
Rehabilitation 3rd party owners	1,280,265	969,496	194,093	1,163,589
Program administration	259,998	261,842	64,811	326,653
Rehab to owner occupants	62,875	62,875	-	62,875
Small area revitalization	5,000	5,000	-	5,000
Secondary mortgage assistance	167,000	132,409	34,000	166,409
Transfer to other consortium members	2,085,412	1,205,224	286,997	1,492,221
Total expenditures	<u>3,860,550</u>	<u>2,636,846</u>	<u>579,901</u>	<u>3,216,747</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(3,115)</u>	<u>\$ (3,115)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ (3,115)</u>	

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, 2004, 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.

FIRE TOWER PROJECT - The Fire Tower Project is established to account for funds used in the renovation of the fire training tower located on Chestnut Street.

MOYE-HOOKER ROAD PROJECT - The Moye-Hooker Road Project is established to account for funds used in the extension of Moye Boulevard to Hooker Road.

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

STORM DRAINAGE PROJECT - The Storm Drainage Project is established to account for the funds used in correcting drainage problems throughout the City.

CONVENTION CENTER PROJECT - The Convention Center Project is established to account for the funds used in the construction of the convention center.

SOUTHSIDE RECREATION CENTER PROJECT - The Southside Recreation Center Project is established to account for the funds that will be used in the construction of the Southside Recreation Center.

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.

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.

RECREATION & PARKS AND PUBLIC WORKS FEMA PROJECT - The Recreation & Parks and Public Works FEMA Project is to account for the funds that will be used in the construction, repair, or replacement of assets that were flood damaged or destroyed and that are approved for reimbursement through Federal Emergency Management Assistance (FEMA).

STORMWATER MANAGEMENT PROGRAM AND CLEAN WATER MANAGEMENT TRUST FUND - The Stormwater Management Program and the Clean Water Management Trust Fund is to account for the funds that will be used in the implementation of a Stormwater Management Program and for specifically approved projects under the Clean Water Management Trust Fund.

GREENWAY PHASE II PROJECT - The Greenway Phase II Project is established to account for funds to be used in the second phase of developing the Greenway.

OXFORD ROAD BRIDGE PROJECT - The Oxford Road Bridge Project is established to account for funds to be used to construct a bridge located on Oxford Road.

FLOOD BUYOUT, RELOCATION, & REPLACEMENT PROJECT - The Flood Buyout, Relocation, & Replacement Project is to account for the funds used in the purchase, relocation, and replacement of residences that were flooded during Hurricane Floyd. This project fund is funded through Federal and State grants.

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.

CITY OF GREENVILLE, NORTH CAROLINA

Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2004

	Cemetery Development Fund	Fire Tower Project	Moye-Hooker Road Project	Affordable Housing Project	Storm Drainage Project	Convention Center Project
Assets						
Cash and cash equivalents/investments	\$ 369,069	\$ 29,700	\$ 98,587	\$ 781,454	\$ 509	\$ 781,340
Loans receivable	-	-	-	64,715	-	-
Due from other funds	-	-	-	1,580	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 369,069	\$ 29,700	\$ 98,587	\$ 847,749	\$ 509	\$ 781,340
Liabilities and fund balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,300	\$ -	\$ 27,285	\$ 34,288	\$ -	\$ -
Due to other funds	327,694	-	-	-	-	-
Deferred revenue	-	-	-	64,715	-	-
Total liabilities	329,994	-	27,285	99,003	-	-
Fund balances:						
Fund Balance - unreserved - Undesignated	39,075	29,700	71,302	748,746	509	781,340
Total fund balances	39,075	29,700	71,302	748,746	509	781,340
Total liabilities and fund balances	\$ 369,069	\$ 29,700	\$ 98,587	\$ 847,749	\$ 509	\$ 781,340

Southside Recreation Center	Greene Street Bridge & Streetscape Improvements	Computerized Traffic Signal System	Recreation & Parks and Public Works FEMA Project	Greenway Phase II	Oxford Road Bridge Replacement	City Hall Facility	Total Nonmajor Capital Project Funds
\$ 8,795	\$ 280,849	\$ 266,865	\$ 1,113,188	\$ 53,557	\$ 190,984	\$ 161,761	\$ 4,136,658
-	-	-	-	-	-	-	64,715
-	30,470	-	-	-	-	-	1,580
-	-	-	-	-	-	-	30,470
<u>\$ 8,795</u>	<u>\$ 311,319</u>	<u>\$ 266,865</u>	<u>\$ 1,113,188</u>	<u>\$ 53,557</u>	<u>\$ 190,984</u>	<u>\$ 161,761</u>	<u>\$ 4,233,423</u>
\$ -	\$ -	\$ 1,354	\$ 164,390	\$ -	\$ -	\$ 163,841	\$ 393,458
-	60,683	-	487,507	-	165,471	-	1,041,355
-	-	-	-	-	-	-	64,715
-	60,683	1,354	651,897	-	165,471	163,841	1,499,528
8,795	250,636	265,511	461,291	53,557	25,513	(2,080)	2,733,895
<u>8,795</u>	<u>250,636</u>	<u>265,511</u>	<u>461,291</u>	<u>53,557</u>	<u>25,513</u>	<u>(2,080)</u>	<u>2,733,895</u>
<u>\$ 8,795</u>	<u>\$ 311,319</u>	<u>\$ 266,865</u>	<u>\$ 1,113,188</u>	<u>\$ 53,557</u>	<u>\$ 190,984</u>	<u>\$ 161,761</u>	<u>\$ 4,233,423</u>

CITY OF GREENVILLE, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended June 30, 2004**

	Cemetery Development Fund	Fire Tower Project	Moye-Hooker Road Project	Affordable Housing Project	Storm Drainage Project	Convention Center Project
Revenues						
Restricted	\$ 107,521	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	803	43	117	1,067	200	13,533
Other revenues	-	-	-	170,085	-	28,320
Total revenues	<u>108,324</u>	<u>43</u>	<u>117</u>	<u>171,152</u>	<u>200</u>	<u>41,853</u>
Expenditures						
Current:						
Capital outlay	21,282	-	703,103	52,841	-	178,701
Total expenditures	<u>21,282</u>	<u>-</u>	<u>703,103</u>	<u>52,841</u>	<u>-</u>	<u>178,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>87,042</u>	<u>43</u>	<u>(702,986)</u>	<u>118,311</u>	<u>200</u>	<u>(136,848)</u>
Other financing sources (uses)						
Transfers from other funds	220,000	-	-	-	-	-
Transfers to other funds	(10,000)	-	-	-	-	-
Total other financing sources (uses)	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>297,042</u>	<u>43</u>	<u>(702,986)</u>	<u>118,311</u>	<u>200</u>	<u>(136,848)</u>
Fund balance - beginning	<u>(257,967)</u>	<u>29,657</u>	<u>774,288</u>	<u>630,435</u>	<u>309</u>	<u>918,188</u>
Fund balance - ending	<u>\$ 39,075</u>	<u>\$ 29,700</u>	<u>\$ 71,302</u>	<u>\$ 748,746</u>	<u>\$ 509</u>	<u>\$ 781,340</u>

Southside Recreation Center	Greene Street Bridge & Streetscape Improvements	Computerized Traffic Signal System	Recreation & Parks and Public Works FEMA Project	Stormwater Mgmt. Program & Clean Water Mgmt. Trust	Greenway Phase II	Oxford Road Bridge Replacement	City Hall Facility	Total Nonmajor Capital Project Funds
\$ -	\$ 24,388	\$ -	\$ 719,449	\$ (3,041)	\$ -	\$ 190,837	\$ -	\$ 1,039,154
26	373	1,751	7,321	-	131	157	3,808	29,330
-	1,000	-	26,000	-	-	-	-	225,405
26	25,761	1,751	752,770	(3,041)	131	190,994	3,808	1,293,889
113,497	20,442	36,470	1,258,606	18,624	136,514	2,200	1,382,209	3,924,489
113,497	20,442	36,470	1,258,606	18,624	136,514	2,200	1,382,209	3,924,489
(113,471)	5,319	(34,719)	(505,836)	(21,665)	(136,383)	188,794	(1,378,401)	(2,630,600)
-	40,000	-	-	476,176	-	-	950,000	1,686,176
-	-	-	-	-	-	-	-	(10,000)
-	40,000	-	-	476,176	-	-	950,000	1,676,176
(113,471)	45,319	(34,719)	(505,836)	454,511	(136,383)	188,794	(428,401)	(954,424)
122,266	205,317	300,230	967,127	(454,511)	189,940	(163,281)	426,321	3,688,319
\$ 8,795	\$ 250,636	\$ 265,511	\$ 461,291	\$ -	\$ 53,557	\$ 25,513	\$ (2,080)	\$ 2,733,895

CITY OF GREENVILLE, NORTH CAROLINA

**CEMETERY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Special Federal/State/Local grants	\$ -	\$ -	\$ 107,521	\$ 107,521
Interest on Investments	-	233	803	1,036
Total Revenues	<u>-</u>	<u>233</u>	<u>108,324</u>	<u>108,557</u>
EXPENDITURES:				
Capital Improvements	<u>390,000</u>	<u>333,200</u>	<u>21,282</u>	<u>354,482</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(390,000)</u>	<u>(332,967)</u>	<u>87,042</u>	<u>(245,925)</u>
OTHER FINANCING SOURCES:				
Bond proceeds	75,000	75,000	-	75,000
Transfer from General Fund	-	-	220,000	220,000
	<u>75,000</u>	<u>75,000</u>	<u>220,000</u>	<u>295,000</u>
OTHER FINANCING USES:				
Transfer to General Fund	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
EXCESS (DEFICIENCY) OF OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ (325,000)</u>	<u>\$ (257,967)</u>	<u>297,042</u>	<u>\$ 39,075</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(257,967)</u>	
FUND BALANCE, END OF YEAR			<u>\$ 39,075</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**FIRE TOWER CAPITAL PROJECT FUND-
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest	\$ -	\$ 1,539	\$ 43	\$ 1,582
Fire rescue donation	5,000	5,000	-	5,000
	<u>5,000</u>	<u>6,539</u>	<u>43</u>	<u>6,582</u>
EXPENDITURES:				
Capital improvements	<u>36,000</u>	<u>7,882</u>	<u>-</u>	<u>7,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(31,000)</u>	<u>(1,343)</u>	<u>43</u>	<u>(1,300)</u>
OTHER FINANCING SOURCES:				
Transfer from General Fund	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>31,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 29,657</u>	<u>43</u>	<u>\$ 29,700</u>
FUND BALANCE BEGINNING OF YEAR			<u>29,657</u>	
FUND BALANCE, END OF YEAR			<u>\$ 29,700</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**MOYE-HOOKER ROAD CAPITAL PROJECT FUND-
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest on investments	\$ 119,099	\$ 115,234	\$ 117	\$ 115,351
EXPENDITURES:				
Engineering cost	122,485	65,239	48,857	114,096
Construction	901,878	333,241	649,250	982,491
Right of way	891,581	763,803	4,996	768,799
Contracted services	25,000	11,914	-	11,914
Demolition	19,500	19,500	-	19,500
Bond Administration Cost	4,845	4,844	-	4,844
Total expenditures	<u>1,965,289</u>	<u>1,198,541</u>	<u>703,103</u>	<u>1,901,644</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,846,190)</u>	<u>(1,083,307)</u>	<u>(702,986)</u>	<u>(1,786,293)</u>
OTHER FINANCING SOURCES:				
Bond proceeds	600,000	600,000	-	600,000
Transfers from other funds	<u>1,246,190</u>	<u>1,257,595</u>	<u>-</u>	<u>1,257,595</u>
Total other financing sources	<u>1,846,190</u>	<u>1,857,595</u>	<u>-</u>	<u>1,857,595</u>
EXCESS (DEFICIENCY) OF OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 774,288</u>	<u>(702,986)</u>	<u>\$ 71,302</u>
FUND BALANCE, BEGINNING OF YEAR			<u>774,288</u>	
FUND BALANCE, END OF YEAR			<u>\$ 71,302</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 FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest on investments	\$ 154,000	\$ 156,106	\$ 1,067	\$ 157,173
Loan payments	86,000	95,537	22,085	117,622
Sale of property	803,000	887,783	148,000	1,035,783
Miscellaneous	-	475	-	475
Total revenues	<u>1,043,000</u>	<u>1,139,901</u>	<u>171,152</u>	<u>1,311,053</u>
EXPENDITURES:				
Bond administration costs	6,349	6,349	-	6,349
Home ownership	1,116,651	711,148	2,543	713,691
Land banking	720,000	688,274	-	688,274
Rehabilitation	200,000	103,695	50,298	153,993
Total expenditures	<u>2,043,000</u>	<u>1,509,466</u>	<u>52,841</u>	<u>1,562,307</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,000,000)</u>	<u>(369,565)</u>	<u>118,311</u>	<u>(251,254)</u>
OTHER FINANCING SOURCES :				
Bond proceeds	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 630,435</u>	<u>118,311</u>	<u>\$ 748,746</u>
FUND BALANCE, BEGINNING OF YEAR			<u>630,435</u>	
FUND BALANCE, END OF YEAR			<u>\$ 748,746</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**STORM DRAINAGE CAPITAL PROJECT FUND-
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest on investments	\$ 159,533	\$ 159,838	\$ 200	\$ 160,038
EXPENDITURES:				
Bond administration costs	6,653	6,653	-	6,653
Engineering cost	2,125	2,122	-	2,122
Construction	490,235	490,234	-	490,234
Total expenditures	<u>499,013</u>	<u>499,009</u>	<u>-</u>	<u>499,009</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(339,480)</u>	<u>(339,171)</u>	<u>200</u>	<u>(338,971)</u>
OTHER FINANCING SOURCES (USES):				
Bond proceeds	1,000,000	1,000,000	-	1,000,000
Transfer to Hooker Road Widening	(630,254)	(630,254)	-	(630,254)
Transfer to Moye-Hooker Road	(30,266)	(30,266)	-	(30,266)
Total other financing sources (uses)	<u>339,480</u>	<u>339,480</u>	<u>-</u>	<u>339,480</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 309</u>	<u>200</u>	<u>\$ 509</u>
FUND BALANCE, BEGINNING OF YEAR			<u>309</u>	
FUND BALANCE, END OF YEAR			<u>\$ 509</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**CONVENTION CENTER CAPITAL PROJECT FUND-
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Occupancy tax	\$ 1,100,787	\$ 3,106,253	\$ -	\$ 3,106,253
Interest on investments	299,001	507,360	13,533	520,893
Miscellaneous revenue	201,200	350,999	28,320	379,319
Convention and visitors authority	75,000	78,127	-	78,127
Total revenues	<u>1,675,988</u>	<u>4,042,739</u>	<u>41,853</u>	<u>4,084,592</u>
EXPENDITURES:				
Bond Administration	300,000	133,102	-	133,102
Land acquisition	1,775,137	1,776,056	-	1,776,056
Site improvement	315,000	294,983	-	294,983
Feasibility and design	50,000	58,079	-	58,079
Construction	6,138,218	6,361,944	40,542	6,402,486
Furnishings	500,000	258,149	138,159	396,308
Joint venture reimbursement	1,000,000	800,000	-	800,000
Increase in reserves	164,988	-	-	-
Cost of Collection	8,000	33,121	-	33,121
Total expenditures	<u>10,251,343</u>	<u>9,715,434</u>	<u>178,701</u>	<u>9,894,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,575,355)</u>	<u>(5,672,695)</u>	<u>(136,848)</u>	<u>(5,809,543)</u>
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	6,500,218	6,591,518	-	6,591,518
Transfer from General Fund	1,207,137	1,207,137	-	1,207,137
Transfer to General Fund	(1,207,772)	(1,207,772)	-	(1,207,772)
Total other financing sources (uses)	<u>6,499,583</u>	<u>6,590,883</u>	<u>-</u>	<u>6,590,883</u>
APPROPRIATED FUND BALANCE	<u>2,075,772</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 918,188</u>	<u>(136,848)</u>	<u>\$ 781,340</u>
FUND BALANCE, BEGINNING OF YEAR			<u>918,188</u>	
FUND BALANCE, END OF YEAR			<u>\$ 781,340</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**SOUTHSIDE RECREATION CENTER CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest on Investments	\$ 191,535	\$ 218,944	\$ 26	\$ 218,970
Special Federal/State/Local grants	250,000	250,000	-	250,000
Total Revenues	<u>441,535</u>	<u>468,944</u>	<u>26</u>	<u>468,970</u>
EXPENDITURES:				
Bond administration cost	38,900	31,827	-	31,827
Land acquisition	805,000	815,193	-	815,193
Engineering & architectural	384,240	352,626	-	352,626
Construction	3,685,260	3,546,578	113,497	3,660,075
Equipment	97,000	156,836	-	156,836
Total Expenditures	<u>5,010,400</u>	<u>4,903,060</u>	<u>113,497</u>	<u>5,016,557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,568,865)</u>	<u>(4,434,116)</u>	<u>(113,471)</u>	<u>(4,547,587)</u>
OTHER FINANCING SOURCES:				
Bond proceeds	4,038,900	4,038,898	-	4,038,898
Transfer from capital reserve	408,000	408,000	-	408,000
Transfer from general fund	50,000	50,000	-	50,000
Transfer from Main Library Expansion	36,050	36,050	-	36,050
Transfer from Recreation & Parks Ctr. Exp.	4,600	4,609	-	4,609
Transfer from COPS Equipment fund	18,815	18,825	-	18,825
Total other financing sources (uses)	<u>4,556,365</u>	<u>4,556,382</u>	<u>-</u>	<u>4,556,382</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 122,266</u>	<u>(113,471)</u>	<u>\$ 8,795</u>
FUND BALANCE BEGINNING OF YEAR			<u>122,266</u>	
FUND BALANCE, END OF YEAR (DEFICIT)			<u>\$ 8,795</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**GREENE ST BRIDGE RELOCATION AND GREENE ST STREETSCAPE IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
NCDOT grant	\$ 1,364,750	\$ 30,470	\$ 24,388	\$ 54,858
Miscellaneous	-	621	1,000	1,621
Investment earnings	-	-	373	373
Total Revenues	<u>1,364,750</u>	<u>31,091</u>	<u>25,761</u>	<u>56,852</u>
EXPENDITURES:				
Greene Street Bridge Relocation				
Engineering cost	125,000	75,254	11,214	86,468
Land acquisition	87,390	73,406	1,025	74,431
Construction	1,084,200	5,234	3,682	8,916
Greene Street Streetscape Improvements				
Engineering cost	52,300	30,470	4,771	35,241
Construction	414,700	-	-	-
Total expenditures	<u>1,763,590</u>	<u>184,364</u>	<u>20,692</u>	<u>205,056</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(398,840)</u>	<u>(153,894)</u>	<u>5,069</u>	<u>(148,204)</u>
OTHER FINANCING SOURCES:				
Transfers from capital reserve	<u>398,840</u>	<u>358,840</u>	<u>40,000</u>	<u>398,840</u>
Total other financing sources	<u>398,840</u>	<u>358,840</u>	<u>40,000</u>	<u>398,840</u>
EXCESS (DEFICIENCY) OF OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 204,946</u>	<u>45,069</u>	<u>\$ 250,636</u>
FUND BALANCE, BEGINNING OF YEAR			<u>205,317</u>	
FUND BALANCE, END OF YEAR			<u>\$ 250,386</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 FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest on Investments	\$ 430,000	\$ 445,574	\$ 1,751	\$ 447,325
NC Dept of Transportation grant	600,000	600,000	-	600,000
Miscellaneous	-	900	-	900
Total Revenues	<u>1,030,000</u>	<u>1,046,474</u>	<u>1,751</u>	<u>1,048,225</u>
EXPENDITURES:				
Bond administration cost	47,285	42,590	-	42,590
Engineering	813,000	822,484	-	822,484
Construction & equipment	2,695,000	2,649,508	10,309	2,659,817
Traffic signal maintenance facility	1,300,000	1,022,631	26,161	1,048,792
Total Expenditures	<u>4,855,285</u>	<u>4,537,213</u>	<u>36,470</u>	<u>4,573,683</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,825,285)</u>	<u>(3,490,739)</u>	<u>(34,719)</u>	<u>(3,525,458)</u>
OTHER FINANCING SOURCES:				
Bond proceeds	<u>3,825,285</u>	<u>3,790,969</u>	-	<u>3,790,969</u>
Total other financing sources (uses)	<u>3,825,285</u>	<u>3,790,969</u>	-	<u>3,790,969</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 300,230</u>	<u>(34,719)</u>	<u>\$ 265,511</u>
FUND BALANCE BEGINNING OF YEAR			<u>300,230</u>	
FUND BALANCE, END OF YEAR (DEFICIT)			<u>\$ 265,511</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**RECREATION & PARKS AND PUBLIC WORKS FEMA PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Federal Emergency Mgmt. Assistance	\$ 2,377,086	\$ 1,651,825	\$ 635,215	\$ 2,287,040
Recreation donations	146,840	172,947	110,234	283,181
Convention & Visitor's Authority contribution	-	-	-	-
Recreation & Parks Trust	250,000	250,000	-	250,000
Other income	4,000	21,280	7,321	28,601
Total Revenues	<u>2,777,926</u>	<u>2,096,052</u>	<u>752,770</u>	<u>2,848,822</u>
EXPENDITURES:				
River Park North Engineering	78,000	3,000	-	3,000
River Park North Site Improvement	20,000	15,000	-	15,000
River Park North Construction	1,034,880	680	885,684	886,364
River Park North Furnishings	58,000	48,295	18,783	67,078
River Park North Exhibits	379,960	-	-	-
Recreation & Parks projects	906,659	928,940	327,737	1,256,677
Public Works projects	1,075,370	907,953	26,402	934,355
Total Expenditures	<u>3,552,869</u>	<u>1,903,868</u>	<u>1,258,606</u>	<u>3,162,474</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(774,943)</u>	<u>192,184</u>	<u>(505,836)</u>	<u>(313,652)</u>
OTHER FINANCING SOURCES:				
Transfer from general fund	24,943	24,943	-	24,943
Bond proceeds	750,000	750,000	-	750,000
Total other financing sources (uses)	<u>774,943</u>	<u>774,943</u>	<u>-</u>	<u>774,943</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 967,127</u>	<u>(505,836)</u>	<u>\$ 461,291</u>
FUND BALANCE BEGINNING OF YEAR			<u>967,127</u>	
FUND BALANCE, END OF YEAR			<u>\$ 461,291</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**STORMWATER MANAGEMENT PROGRAM & CLEAN WATER MGMT TRUST CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Clean Water Mgmt Trust Fund	\$ -	\$ 3,041	\$ (3,041)	\$ -
Total Revenues	<u>-</u>	<u>3,041</u>	<u>(3,041)</u>	<u>-</u>
EXPENDITURES:				
Stormwater Master Plan				
Utility creation	385,255	366,601	18,624	385,225
Land base mapping	100,000	100,000	-	100,000
Miscellaneous	20,000	14,910	-	14,910
Clean Water Mgmt Trust				
Construction	3,041	3,041	-	3,041
Total Expenditures	<u>508,296</u>	<u>484,552</u>	<u>18,624</u>	<u>503,176</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(508,296)</u>	<u>(481,511)</u>	<u>(21,665)</u>	<u>(503,176)</u>
OTHER FINANCING SOURCES:				
Transfer from general fund	55,161	27,000	3,041	30,041
Transfer from stormwater utility	453,135	-	473,135	473,135
Total other financing sources (uses)	<u>508,296</u>	<u>27,000</u>	<u>476,176</u>	<u>503,176</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (454,511)</u>	<u>454,511</u>	<u>\$ -</u>
FUND BALANCE BEGINNING OF YEAR			<u>(454,511)</u>	
FUND BALANCE, END OF YEAR (DEFICIT)			<u>\$ -</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**GREENWAY PHASE II
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Special Federal/State/Local grants	\$ 300,000	\$ -	\$ -	\$ -
Interest on investments	<u>-</u>	<u>468</u>	<u>131</u>	<u>599</u>
Total Revenues	<u>300,000</u>	<u>468</u>	<u>131</u>	<u>599</u>
EXPENDITURES:				
Construction	<u>490,000</u>	<u>528</u>	<u>136,514</u>	<u>137,042</u>
Total expenditures	<u>490,000</u>	<u>528</u>	<u>136,514</u>	<u>137,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(190,000)</u>	<u>(60)</u>	<u>(136,383)</u>	<u>(136,443)</u>
OTHER FINANCING SOURCES:				
Transfers from capital reserve	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>190,000</u>
Total other financing sources	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>190,000</u>
EXCESS (DEFICIENCY) OF OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 189,940</u>	<u>(136,383)</u>	<u>\$ 53,557</u>
FUND BALANCE, BEGINNING OF YEAR			<u>189,940</u>	
FUND BALANCE, END OF YEAR			<u>\$ 53,557</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**OXFORD ROAD BRIDGE REPLACEMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Federal Emergency Management Assistance	\$ 192,247	\$ -	\$ 190,837	\$ 190,837
Interest on checking	-	97	157	254
Total Revenues	<u>192,247</u>	<u>97</u>	<u>190,994</u>	<u>191,091</u>
EXPENDITURES:				
Engineering	15,645	-	-	-
Construction	294,500	281,276	2,200	283,476
Total expenditures	<u>310,145</u>	<u>281,276</u>	<u>2,200</u>	<u>283,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(117,898)</u>	<u>(281,179)</u>	<u>188,794</u>	<u>(92,385)</u>
OTHER FINANCING SOURCES:				
Transfers from capital reserve	<u>117,898</u>	<u>117,898</u>	<u>-</u>	<u>117,898</u>
Total other financing sources	<u>117,898</u>	<u>117,898</u>	<u>-</u>	<u>117,898</u>
EXCESS (DEFICIENCY) OF OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (163,281)</u>	<u>188,794</u>	<u>\$ 25,513</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(163,281)</u>	
FUND BALANCE, END OF YEAR			<u>\$ 25,513</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 FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Interest on checking	\$ -	\$ 1,321	\$ 3,808	\$ 5,129
EXPENDITURES:				
Land and building acquisition	950,000	-	950,000	950,000
Design	582,500	-	432,209	432,209
	<u>1,532,500</u>	-	<u>1,382,209</u>	<u>1,382,209</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,532,500)</u>	<u>1,321</u>	<u>(1,378,401)</u>	<u>(427,080)</u>
OTHER FINANCING SOURCES:				
Transfer from capital reserve	950,000	-	950,000	950,000
Bond proceeds	582,500	425,000	-	425,000
	<u>1,532,500</u>	<u>425,000</u>	<u>950,000</u>	<u>1,375,000</u>
EXCESS (DEFICIENCY) OF OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 426,321</u>	<u>(428,401)</u>	<u>\$ (2,080)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>426,321</u>	
FUND BALANCE, END OF YEAR			<u>\$ (2,080)</u>	

CITY OF GREENVILLE, NORTH CAROLINA

**FLOOD BUYOUT, RELOCATION, AND REPLACEMENT - MAJOR CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Project Authorization	Prior Years	Current Year	Total
REVENUES:				
Federal Emergency Mgmt. Assistance	\$ 42,672,934	\$ 28,017,309	\$ 50,060	\$ 28,067,369
State Crisis Housing Assistance	10,012,152	2,763,997	58,379	2,822,376
NC Flood Appropriated Funds	8,665,878	3,673,066	-	3,673,066
State Tenant Relocation Assistance	5,236,880	1,692,999	11,235	1,704,234
Interest on investments	-	10,675	229	10,904
Total Revenues	<u>66,587,844</u>	<u>36,158,046</u>	<u>119,903</u>	<u>36,277,949</u>
EXPENDITURES:				
Hazard Mitigation Phase I & II				
Acquisition	33,206,454	25,364,073	-	25,364,073
Survey services	154,566	130,322	-	130,322
Appraisal services	246,738	104,100	-	104,100
Legal services	384,440	77,654	-	77,654
Asbestos testing & removal	288,550	-	-	-
Demolition	1,117,095	19,861	-	19,861
Underground storage tank removal	34,561	3,750	-	3,750
Project administration	908,727	598,761	12,881	611,642
Relocation assistance	6,231,803	1,686,744	-	1,686,744
Permanent Replacement Housing	100,000	71,024	-	71,024
State Rehabilitation & Relocation				
Relocation costs	9,101,956	2,593,307	51,453	2,644,760
Service delivery	910,196	150,069	6,219	156,288
NC Flood Appropriation - Rehabilitation				
Program administration	-	645	-	645
Rehabilitation	764,087	421,940	-	421,940
Replacement	4,800,000	734,554	-	734,554
Infrastructure	2,765,000	2,110,842	-	2,110,842
Personnel	336,791	284,711	-	284,711
State Tenant Relocation Assistance				
Relocation assistance	4,760,800	1,610,757	(750)	1,610,007
Service delivery	476,080	82,242	11,985	94,227
Total Expenditures	<u>66,587,844</u>	<u>36,045,356</u>	<u>81,788</u>	<u>36,127,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 112,690</u>	<u>38,115</u>	<u>\$ 150,805</u>
FUND BALANCE BEGINNING OF YEAR			112,690	
FUND BALANCE, END OF YEAR			<u>\$ 150,805</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.

CITY OF GREENVILLE, NORTH CAROLINA

Combining Statement of Net Assets
 Nonmajor Enterprise Funds
 June 30, 2004

	Aquatics and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total Nonmajor Enterprise Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 200	\$ 506,605	\$ 88,408	\$ 492,613	\$ 1,087,826
Accounts receivable, net	20,313	11,841	-	379,805	411,959
Due from other governments	826	144,638	1,200	4,548	151,212
Inventories	-	-	14,192	-	14,192
Prepaid items and deposits	-	-	250	-	250
Total current assets	21,339	663,084	104,050	876,966	1,665,439
Noncurrent assets					
Capital assets, net	56,733	1,348,939	3,365,277	188,962	4,959,911
Total noncurrent assets	56,733	1,348,939	3,365,277	188,962	4,959,911
Total assets	78,072	2,012,023	3,469,327	1,065,928	6,625,350
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	27,157	37,679	43,502	46,148	154,486
Due to other funds	27,420	9,980	177,561	84,318	299,279
Compensated absences payable	21,148	26,711	21,460	-	69,319
Current maturities of long-term debt	-	5,550	158,360	30,509	194,419
Total current liabilities	75,725	79,920	400,883	586,780	1,143,308
Noncurrent liabilities					
General obligation bonds and capital lease obligations	-	17,478	1,179,413	95,221	1,292,112
Total noncurrent liabilities	-	17,478	1,179,413	95,221	1,292,112
Total liabilities	75,725	97,398	1,580,296	682,001	2,435,420
Net assets					
Investments in capital assets, net of related debt	2,347	1,325,911	2,027,504	62,332	3,418,094
Unrestricted net assets	-	588,714	(138,473)	321,595	771,836
Total net assets	\$ 2,347	\$ 1,914,625	\$ 1,889,031	\$ 383,927	\$ 4,189,930

CITY OF GREENVILLE, NORTH CAROLINA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 Year Ended June 30, 2004

	Aquatics and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total Nonmajor Enterprise Funds
Operating revenues					
Charges for services	\$ 534,304	\$ 114,860	\$ 848,150	\$ 1,918,902	\$ 3,416,216
Other operating revenues	-	122	-	-	122
Total operating revenues	<u>534,304</u>	<u>114,982</u>	<u>848,150</u>	<u>1,918,902</u>	<u>3,416,338</u>
Operating expenses					
Administration and general	-	11,993	-	-	11,993
Operations and maintenance	523,894	681,426	681,500	1,268,468	3,155,288
Depreciation and amortization	23,750	192,329	87,842	6,455	310,376
Total operating expenses	<u>547,644</u>	<u>885,748</u>	<u>769,342</u>	<u>1,274,923</u>	<u>3,477,657</u>
Operating income (loss)	<u>(13,340)</u>	<u>(770,766)</u>	<u>78,808</u>	<u>643,979</u>	<u>(61,319)</u>
Nonoperating revenue (expense)					
Investment earnings	-	541	108	872	1,521
Public transportation planning and operating grants	-	569,464	-	-	569,464
Bond and capital lease interest expense and service charges	-	(599)	(21,954)	(2,079)	(24,632)
Loss on disposal of capital assets	-	(32,341)	-	-	(32,341)
Total nonoperating revenue (expense)	<u>-</u>	<u>537,065</u>	<u>(21,846)</u>	<u>(1,207)</u>	<u>514,012</u>
Income (loss) before transfers	<u>(13,340)</u>	<u>(233,701)</u>	<u>56,962</u>	<u>642,772</u>	<u>452,693</u>
Transfers from General Fund	-	99,301	-	235,699	335,000
Transfer to other funds	-	-	-	(473,135)	(473,135)
Change in net assets	<u>(13,340)</u>	<u>(134,400)</u>	<u>56,962</u>	<u>405,336</u>	<u>314,558</u>
Total net assets - beginning	<u>15,687</u>	<u>2,049,025</u>	<u>1,832,069</u>	<u>(21,409)</u>	<u>3,875,372</u>
Total net assets - ending	<u>\$ 2,347</u>	<u>\$ 1,914,625</u>	<u>\$ 1,889,031</u>	<u>\$ 383,927</u>	<u>\$ 4,189,930</u>

CITY OF GREENVILLE, NORTH CAROLINA

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended June 30, 2004

	Aquatics and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total Nonmajor Enterprise Funds
Operating activities					
Cash received from customers	\$ 513,990	\$ 104,619	\$ 849,041	\$ 1,964,902	\$ 3,432,552
Cash received from other governments	258	985,231	5,192	(4,553)	986,128
Cash received from other operating receipts	-	3,022	-	-	3,022
Cash paid to vendors	(136,909)	(1,286,530)	(284,261)	(267,210)	(1,974,910)
Cash paid to employees	(370,828)	(491,444)	(367,536)	(892,196)	(2,122,004)
Net cash provided by (used in) operating activities	<u>6,511</u>	<u>(685,102)</u>	<u>202,436</u>	<u>800,943</u>	<u>324,788</u>
Noncapital financing activities					
Transfer from other funds	-	99,301	-	(237,436)	(138,135)
Proceeds from operating grants	-	552,822	-	-	552,822
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>652,123</u>	<u>-</u>	<u>(237,436)</u>	<u>414,687</u>
Capital and related financing activities					
Proceeds from lease purchase agreement	-	-	-	156,400	156,400
Capital grants	-	16,642	-	-	16,642
Principal payments on bonds payable and capital lease obligations	-	(5,330)	(158,040)	(30,670)	(194,040)
Acquisition and construction of capital assets	(6,510)	(10,863)	-	(195,417)	(212,790)
Payment of interest and service charges on bonds payable and capitalized lease options	-	(599)	(21,954)	(2,079)	(24,632)
Net cash provided (used) by capital and related financing activities	<u>(6,510)</u>	<u>(150)</u>	<u>(179,994)</u>	<u>(71,766)</u>	<u>(258,420)</u>
Investing activities					
Interest received on investments	-	541	108	872	1,521
Net cash provided (used) in investing activities	<u>-</u>	<u>541</u>	<u>108</u>	<u>872</u>	<u>1,521</u>
Net increase in cash and cash equivalents/investments	<u>1</u>	<u>(32,588)</u>	<u>22,550</u>	<u>492,613</u>	<u>482,576</u>
Cash and cash equivalents/investments					
Beginning of year	<u>199</u>	<u>539,193</u>	<u>65,858</u>	<u>-</u>	<u>605,250</u>
End of year	<u>\$ 200</u>	<u>\$ 506,605</u>	<u>\$ 88,408</u>	<u>\$ 492,613</u>	<u>\$ 1,087,826</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (13,340)	\$ (770,766)	\$ 78,808	\$ 643,979	\$ (61,319)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	23,750	192,329	87,842	6,455	310,376
Change in assets and liabilities					
Accounts receivable	(20,314)	(7,341)	-	-	(27,655)
Due from other governments	258	985,231	5,192	(4,553)	986,128
Prepaid expense and deposits	-	-	2,992	-	2,992
Accounts payable and accrued expenses	(3,976)	(1,095,808)	6,747	34,534	(1,058,503)
Customer deposits	-	-	891	46,000	46,891
Compensated absences	(4,769)	5,323	4,747	-	5,301
Due to other funds	24,902	5,930	15,217	74,528	120,577
Total adjustments	<u>19,851</u>	<u>85,664</u>	<u>123,628</u>	<u>156,964</u>	<u>386,107</u>
Net cash provided by (used in) operating activities	<u>\$ 6,511</u>	<u>\$ (685,102)</u>	<u>\$ 202,436</u>	<u>\$ 800,943</u>	<u>\$ 324,788</u>
Noncash capital and related financing activities					
Loss on disposal of capital assets	\$ -	\$ (32,341)	\$ -	\$ -	\$ (32,341)

CITY OF GREENVILLE, NORTH CAROLINA

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
Operating Revenues				
Rates and charges	\$ 135,737,500	\$ 135,549,138	\$ (188,362)	\$ 131,089,915
Fees and charges	475,000	520,700	45,700	478,358
U.G. temp. service charges	375,000	436,536	61,536	400,819
Miscellaneous	1,171,535	474,518	(697,017)	432,438
	<u>137,759,035</u>	<u>136,980,892</u>	<u>(778,143)</u>	<u>132,401,530</u>
Non-Operating Revenues				
Interest on temporary investments	480,000	502,255	22,255	887,411
FEMA/Insurance reimbursements	219,169	145,442	(73,727)	258,441
Miscellaneous	-	75,902	75,902	60,081
	<u>699,169</u>	<u>723,599</u>	<u>24,430</u>	<u>1,205,933</u>
Total Revenues	138,458,204	137,704,491	(753,713)	133,607,463
Expenditures				
Non-Department				
Personnel	206,598	193,532	13,066	200,220
Operations	5,382,103	5,104,988	277,115	4,639,130
Capital	23,280	34,615	(11,335)	84,643
	<u>5,611,981</u>	<u>5,333,135</u>	<u>278,846</u>	<u>4,923,993</u>
Governing Body department				
Personnel	278,404	266,926	11,478	131,144
Operations	195,307	166,185	29,122	114,185
	<u>473,711</u>	<u>433,111</u>	<u>40,600</u>	<u>245,329</u>
Finance department				
Personnel	93,748	92,762	986	242,755
Operations	29,468	22,557	6,911	44,389
	<u>123,216</u>	<u>115,319</u>	<u>7,897</u>	<u>287,144</u>
Information Technology department				
Personnel	250,578	246,830	3,748	244,646
Operations	735,719	656,985	78,734	605,813
Capital	352,225	314,719	37,506	313,548
	<u>1,338,522</u>	<u>1,218,534</u>	<u>119,988</u>	<u>1,164,007</u>
Customer relations department				
Personnel	1,079,964	1,065,485	14,479	1,521,005
Operations	238,235	161,649	76,586	247,804
Capital	-	-	-	109,735
	<u>1,318,199</u>	<u>1,227,134</u>	<u>91,065</u>	<u>1,878,544</u>

CITY OF GREENVILLE, NORTH CAROLINA

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)

	2004			2003
	Budget	Actual	Variance Positive (Negative)	Actual
Support services department				
Personnel	\$ 1,744,460	\$ 1,754,315	\$ (9,855)	\$ 1,171,127
Operations	2,495,392	2,169,915	325,477	1,777,130
Capital	82,320	80,873	1,447	13,733
	<u>4,322,172</u>	<u>4,005,103</u>	<u>317,069</u>	<u>2,961,990</u>
Utility locating services				
Personnel	67,625	63,394	4,231	54,118
Operations	14,167	12,059	2,108	16,974
Capital	-	-	-	13,960
	<u>81,792</u>	<u>75,453</u>	<u>6,339</u>	<u>85,052</u>
Electric department				
Personnel	3,367,621	3,336,849	30,772	2,979,613
Operations	115,634,630	113,459,085	2,175,545	110,078,477
Capital	6,186,360	5,387,030	799,330	4,842,054
	<u>125,188,611</u>	<u>122,182,964</u>	<u>3,005,647</u>	<u>117,900,144</u>
Total expenditures	<u>138,458,204</u>	<u>134,590,753</u>	<u>3,867,451</u>	<u>129,446,203</u>
Excess of revenues over (under) expenditures	-	3,113,738	3,113,738	4,161,260
Other Financing Sources (Uses)				
Intra-fund transfers	-	(674,880)	(674,880)	-
Revenues and other financing sources over (under) expenditures	-	2,438,858	2,438,858	4,161,260

CITY OF GREENVILLE, NORTH CAROLINA

ELECTRIC OPERATING FUND

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)**

	<u>2004</u>	<u>2003</u>
Reconciliation to full accrual basis from modified accrual basis:		
Excess of revenues over (under) expenditures	\$ 2,438,858	\$ 4,161,260
Budgetary appropriations - capital	5,817,237	5,377,673
Budgetary appropriations - debt principal	1,235,288	1,176,166
Depreciation	(6,732,783)	(6,020,836)
Changes in unbilled revenue	-	(278,686)
Changes in encumbrances	-	(427,823)
Changes in unrealized gains/losses on investments	(259,148)	(174,624)
Inter-fund transfers	674,880	-
	<u>3,174,332</u>	<u>3,813,130</u>
Revenue recognized in Electric Capital Projects	<u>71,786</u>	<u>184,572</u>
CHANGE IN NET ASSETS	<u><u>\$ 3,246,118</u></u>	<u><u>\$ 3,997,702</u></u>

CITY OF GREENVILLE, NORTH CAROLINA

Electric Capital Projects Fund
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)
Year Ended June 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Interest income and other	\$ 850,638	\$ 1,102,988	\$ 57,857	\$ 1,160,845	\$ 310,207
Local Contributions	1,138,786	227,858	13,929	241,787	(896,999)
	<u>1,989,424</u>	<u>1,330,846</u>	<u>71,786</u>	<u>1,402,632</u>	<u>(586,792)</u>
EXPENDITURES					
ECP100 GIS	2,116,403	1,601,786	17,245	1,619,031	497,372
ECP103 G230 POD#2 Procurement	6,300,000	3,631,646	86,991	3,718,637	2,581,363
ECP106 Customer Information System(CIS) Project	2,000,000	1,778,762	(30,214)	1,748,548	251,452
ECP109 Westside Branch Office	950,000	373,760	(79,379)	294,381	655,619
ECP112 Greene Street Bridge Replacement	310,000	80,566	-	80,566	229,434
ECP114 MacGregor Downs Substation	1,400,000	1,397,250	2,750	1,400,000	-
ECP116 Work Management Project	75,000	18,190	-	18,190	56,810
ECP117 Bells Fork to Winterville 115kv Trans.	2,300,000	-	-	-	2,300,000
ECP118 New GUC Administrative Facilities	755,525	677,428	47,167	724,595	30,930
ITCP119 Telecommunications Initiatives	106,070	28,258	19,137	47,395	58,675
Total expenditures	<u>16,312,998</u>	<u>9,587,646</u>	<u>63,697</u>	<u>9,651,343</u>	<u>6,661,655</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(14,323,574)	(8,256,800)	8,089	(8,248,711)	6,074,863
OTHER FINANCING SOURCES (USES)					
Bond Funds	12,837,383	10,163,915	(1,122,605)	9,041,310	(3,796,073)
Fund Balance	349,786	349,786	-	349,786	-
Transfers from Operating Fund	1,058,405	355,000	674,880	1,029,880	(28,525)
Interfund Transfers	78,000	78,000	-	78,000	-
	<u>14,323,574</u>	<u>10,946,701</u>	<u>(447,725)</u>	<u>10,498,976</u>	<u>(3,824,598)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 2,689,901</u>	<u>\$ (439,636)</u>	<u>\$ 2,250,265</u>	<u>\$ 2,250,265</u>

* Project(s) already closed.

CITY OF GREENVILLE, NORTH CAROLINA

WATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)

	2004			2003
	Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues				
Rates and charges	\$ 9,318,000	\$ 9,253,692	\$ (64,308)	\$ 9,133,397
Fees and charges	408,000	416,585	8,585	367,359
Miscellaneous	64,813	49,527	(15,286)	17,763
	<u>9,790,813</u>	<u>9,719,804</u>	<u>(71,009)</u>	<u>9,518,519</u>
Non-Operating Revenues				
Miscellaneous	-	207	207	-
Interest on temporary investments	105,000	102,524	(2,476)	209,396
FEMA/Insurance reimbursements	9,861	(8,750)	(18,611)	117,338
	<u>114,861</u>	<u>93,981</u>	<u>(20,880)</u>	<u>326,734</u>
Total Revenues	<u>9,905,674</u>	<u>9,813,785</u>	<u>(91,889)</u>	<u>9,845,253</u>
Expenditures				
Non-Department				
Personnel	75,031	101,199	(26,168)	108,776
Operations	4,011,598	2,819,939	1,191,659	2,370,200
Capital	7,467	2,387	5,080	22,197
	<u>4,094,096</u>	<u>2,923,525</u>	<u>1,170,571</u>	<u>2,501,173</u>
Governing Body department				
Personnel	148,221	140,825	7,396	131,144
Operations	780,945	821,043	(40,098)	350,209
	<u>929,166</u>	<u>961,868</u>	<u>(32,702)</u>	<u>481,353</u>
Finance department				
Personnel	93,748	92,762	986	242,754
Operations	29,469	22,525	6,944	42,799
	<u>123,217</u>	<u>115,287</u>	<u>7,930</u>	<u>285,553</u>
Information Technology department				
Personnel	250,578	246,982	3,596	240,301
Operations	45,982	41,078	4,904	41,836
Capital	22,014	25,784	(3,770)	19,597
	<u>318,574</u>	<u>313,844</u>	<u>4,730</u>	<u>301,734</u>
Customer relations department				
Personnel	198,733	196,913	1,820	342,695
Operations	36,100	32,053	4,047	27,674
Capital	-	-	-	6,858
	<u>234,833</u>	<u>228,966</u>	<u>5,867</u>	<u>377,227</u>

CITY OF GREENVILLE, NORTH CAROLINA

**WATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)**

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
Support services department				
Personnel	432,023	391,502	40,521	86,772
Operations	250,184	227,199	22,985	146,125
Capital	5,145	5,055	90	(1,580)
	<u>687,352</u>	<u>623,756</u>	<u>63,596</u>	<u>231,317</u>
Utility locating services				
Personnel	67,625	63,392	4,233	54,116
Operations	14,168	12,059	2,109	17,735
Capital	-	-	-	13,961
	<u>81,793</u>	<u>75,451</u>	<u>6,342</u>	<u>85,812</u>
Water department				
Personnel	2,098,616	2,082,284	16,332	2,033,622
Operations	1,670,063	1,666,738	3,325	1,430,577
Capital	839,252	833,204	6,048	911,773
	<u>4,607,931</u>	<u>4,582,226</u>	<u>25,705</u>	<u>4,375,972</u>
Total expenditures	<u>11,076,962</u>	<u>9,824,923</u>	<u>1,252,039</u>	<u>8,640,141</u>
Excess of revenues over expenditures	<u>(1,171,288)</u>	<u>(11,138)</u>	<u>1,160,150</u>	<u>1,205,112</u>
Other Financing Sources (Uses)				
Contractor's Contributions	-	115,882	115,882	581,675
Appropriated fund balance	1,171,288	-	(1,171,288)	-
Intra-fund transfers	-	(52,820)	(52,820)	-
Total other financing sources (uses)	<u>1,171,288</u>	<u>63,062</u>	<u>(1,108,226)</u>	<u>581,675</u>
Revenues and other financing sources over (under) expenditures	<u>-</u>	<u>51,924</u>	<u>51,924</u>	<u>1,786,787</u>

CITY OF GREENVILLE, NORTH CAROLINA

WATER OPERATING FUND

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)**

	<u>2004</u>	<u>2003</u>
Reconciliation to full accrual basis from modified accrual basis:		
Excess of revenues over (under) expenditures	\$ 51,924	\$ 1,786,787
Budgetary appropriations - capital	866,430	972,806
Budgetary appropriations - debt principal	1,546,535	1,272,548
Depreciation	(2,606,781)	(1,623,948)
Changes in unbilled revenue	-	(21,132)
Changes in encumbrances	-	(1,004,493)
Changes in unrealized gains/losses on investments	(62,478)	(64,922)
Inter-fund transfers	52,820	-
	(151,550)	1,317,646
Revenue recognized in Capital Projects and Capital Reserve	<u>684,861</u>	<u>1,148,861</u>
CHANGE IN NET ASSETS	<u><u>\$ 533,311</u></u>	<u><u>\$ 2,466,507</u></u>

CITY OF GREENVILLE, NORTH CAROLINA

Water Capital Projects Fund
 Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)
 Year Ended June 30, 2004

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES					
Interest income	\$ 1,497,128	\$ 1,464,490	\$ 72,995	\$ 1,537,485	\$ 40,357
Fire Protection	-	661,330	126,873	788,203	788,203
	<u>1,497,128</u>	<u>2,125,820</u>	<u>199,868</u>	<u>2,325,688</u>	<u>828,560</u>
EXPENDITURES					
WCP-64 WTP Expansion & Treatment Upgrade	25,200,000	24,550,298	718,253	25,268,551	(68,551)
WCP-65 Groundwater Supply Optimization	500,000	352,316	4,400	356,716	143,284
WCP-74 Aquifer Storage and Recovery-Phase I	1,694,000	1,074,164	111,463	1,185,627	508,373
WCP-76 Greene Street Bridge Replacement Project	100,000	2,910	-	2,910	97,090
WCP-79 WTP Flood Protection Berm	2,775,000	1,933,937	55,397	1,989,334	785,666
WCP-80 Allen Rd./Gm Blvd. Major Trans. Main Ext.	550,000	82,623	273,097	355,720	194,280
WCP-81 WTP 480 Volt Electrical Equip Replacement	110,000	33,908	417,441	451,349	(341,349)
WCP-118 New GUC Administrative Facilities	755,525	677,428	46,944	724,372	31,153
ITCP-119 Telecommunications Initiatives	106,070	28,258	17,085	45,343	60,727
	<u>31,790,595</u>	<u>28,735,842</u>	<u>1,644,080</u>	<u>30,379,922</u>	<u>1,410,673</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)					
	(30,293,467)	(26,610,022)	(1,444,212)	(28,054,234)	2,239,233
OTHER FINANCING SOURCES (USES)					
Transfer from Water Capital Reserve	94,000	94,000	-	94,000	-
Fund Balance	284,182	427,446	-	427,446	143,264
Bond Funds	21,146,440	21,222,510	517,406	21,739,916	593,476
State Funds/Grants	7,387,500	6,874,933	512,567	7,387,500	-
Transfer from Water Operating Fund	1,381,345	1,300,000	52,820	1,352,820	(28,525)
	<u>30,293,467</u>	<u>29,918,889</u>	<u>1,082,793</u>	<u>31,001,682</u>	<u>708,215</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES AND OTHER FINANCING USES					
	<u>\$ -</u>	<u>\$ 3,308,867</u>	<u>\$ (361,419)</u>	<u>\$ 2,947,448</u>	<u>\$ 2,947,448</u>
EXCESS OF FUND FROM CLOSED PROJECT(S)					

* Project(s) already closed.

CITY OF GREENVILLE, NORTH CAROLINA

**Water Capital Reserve Fund
 Schedule of Revenues and Expenditures (Non-GAAP)
 Year Ended June 30, 2004**

	Prior Years	Actual Current Year	Total to Date
REVENUES:			
Interest income and other	\$ 601,227	\$ 6,062	\$ 607,289
OTHER FINANCING SOURCES (USES):			
Transfer from Water Capital Projects Fund	281,318	-	281,318
Transfer from Water Operating Fund	1,314,869	-	1,314,869
Transfer to Water Capital Project Fund	(1,849,000)	-	(1,849,000)
	(252,813)	-	(252,813)
RESERVED FOR FUTURE CONSTRUCTION	\$ 348,414	\$ 6,062	\$ 354,476

CITY OF GREENVILLE, NORTH CAROLINA

SEWER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2002)

	2004			2003
	Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues				
Rates and charges	\$ 10,235,000	\$ 10,157,629	\$ (77,371)	\$ 9,781,372
Fees and charges	1,380,000	1,328,052	(51,948)	356,982
Miscellaneous	28,118	44,822	16,704	16,329
	<u>11,643,118</u>	<u>11,530,503</u>	<u>(112,615)</u>	<u>10,154,683</u>
Non-Operating Revenues				
Interest on temporary investments	102,000	105,136	3,136	158,511
FEMA/Insurance reimbursements	10,779	36,786	26,007	32,955
Miscellaneous	-	99,492	99,492	15,009
Pitt County	430,437	430,438	1	430,438
	<u>543,216</u>	<u>671,852</u>	<u>128,636</u>	<u>636,913</u>
Total Revenues	<u>12,186,334</u>	<u>12,202,355</u>	<u>16,021</u>	<u>10,791,596</u>
Expenditures				
Non-Department				
Personnel	58,824	37,233	21,591	45,597
Operations	4,468,547	4,431,160	37,387	4,332,602
Capital	7,028	2,387	4,641	22,196
	<u>4,534,399</u>	<u>4,470,780</u>	<u>63,619</u>	<u>4,400,395</u>
Governing Body department				
Personnel	148,221	140,825	7,396	131,143
Operations	122,195	100,418	21,777	102,158
	<u>270,416</u>	<u>241,243</u>	<u>29,173</u>	<u>233,301</u>
Finance department				
Personnel	93,748	92,761	987	242,753
Operations	29,469	22,525	6,944	42,798
	<u>123,217</u>	<u>115,286</u>	<u>7,931</u>	<u>285,551</u>
Information Technology department				
Personnel	250,578	246,603	3,975	240,301
Operations	45,982	41,009	4,973	41,836
Capital	22,014	25,784	(3,770)	19,597
	<u>318,574</u>	<u>313,396</u>	<u>5,178</u>	<u>301,734</u>
Customer relations department				
Personnel	198,733	196,909	1,824	69,714
Operations	36,100	27,555	8,545	18,470
Capital	-	-	-	6,858
	<u>234,833</u>	<u>224,464</u>	<u>10,369</u>	<u>95,042</u>

CITY OF GREENVILLE, NORTH CAROLINA

SEWER OPERATING FUND

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2002)**

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
Support services department				
Personnel	71,132	104,847	(33,715)	96,046
Operations	213,016	204,219	8,797	175,424
Capital	5,145	5,055	90	839
	<u>289,293</u>	<u>314,121</u>	<u>(24,828)</u>	<u>272,309</u>
Utility locating services				
Personnel	67,625	63,393	4,232	54,117
Operations	14,168	12,059	2,109	17,735
Capital	-	-	-	13,961
	<u>81,793</u>	<u>75,452</u>	<u>6,341</u>	<u>85,813</u>
Sewer department				
Personnel	2,245,791	2,153,624	92,167	1,991,777
Operations	2,890,102	1,786,299	1,103,803	1,560,625
Capital	1,197,916	864,414	333,502	691,580
	<u>6,333,809</u>	<u>4,804,337</u>	<u>1,529,472</u>	<u>4,243,982</u>
Total expenditures	<u>12,186,334</u>	<u>10,559,079</u>	<u>1,627,255</u>	<u>9,918,127</u>
Excess of revenues over expenditures	-	1,643,276	1,643,276	873,469
Other financing sources (uses)				
Contractor's contributions	-	256,597	256,597	1,138,646
Intra-fund transfers	-	(578,423)	(578,423)	
Total other financing sources (uses)	-	<u>(321,826)</u>	<u>(321,826)</u>	<u>1,138,646</u>

CITY OF GREENVILLE, NORTH CAROLINA

SEWER OPERATING FUND

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2002)**

	<u>2004</u>	<u>2003</u>
Reconciliation to full accrual basis from modified accrual basis:		
Excess of revenues over (under) expenditures	\$ 1,321,450	\$ 2,012,115
Budgetary appropriations - capital	897,640	755,031
Budgetary appropriations - debt principal	2,511,220	2,277,753
Depreciation	(3,082,845)	(2,837,820)
Changes in unbilled revenue	-	(50,020)
Changes in encumbrances	-	(329,555)
Changes in unrealized gains/losses on investments	(82,640)	(54,224)
Inter-fund transfers	578,423	-
	<u>2,143,248</u>	<u>1,773,280</u>
Revenue recognized in Capital Projects and Capital Reserve	<u>350,927</u>	<u>846,085</u>
CHANGE IN NET ASSETS	<u><u>\$ 2,494,175</u></u>	<u><u>\$ 2,619,365</u></u>

Sewer Capital Projects Fund
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)
Year Ended June 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Interest income and other	\$ 1,432,634	\$ 1,693,408	\$ 59,632	\$ 1,753,040	\$ 320,406
Outfall acreage fee	784,292	1,358,467	163,091	1,521,558	737,266
Local contributions	991,792	623,642	-	623,642	(368,150)
	<u>3,208,718</u>	<u>3,675,517</u>	<u>222,723</u>	<u>3,898,240</u>	<u>689,522</u>
EXPENDITURES					
SCP-74 Southside Sanitary Sewer Collection Sys Impr. Proj.	13,840,000	8,971,653	3,464,138	12,435,791	1,404,209
* SCP-75 Industrial Park Pump Station and Force Main Proj.	3,755,000	3,379,238	-	3,379,238	375,762
* SCP-76 Santree Area Pump Station and Force Main Proj.	415,000	22,592	-	22,592	392,408
* SCP-77 Tuckahoe Subdivision Annexation Project	472,500	458,325	(19,564)	438,761	33,739
SCP-78 Greene Street Bridge Replacement Project	19,000	-	-	-	19,000
* SCP-80 NC 11N	1,234,000	1,067,250	(7,557)	1,059,693	174,307
* SCP-82 Northside WW Pump Station Flood Wall	311,000	235,477	(26,123)	209,354	101,646
* SCP-83 Tripp Subdivision Annexation Sewer Extension	150,000	122,462	26,237	148,699	1,301
* SCP-84 Westside Section IV Outfall Sanitary Sewer Ext.	1,196,584	177,171	903,483	1,080,654	115,930
SCP-85 Kittrell Farm Sanitary Sewer Extension	372,000	-	-	-	372,000
SCP-86 Sanitary Sewer Outfall Rehab - Phase 1	2,100,000	-	177,984	177,984	1,922,016
SCP-87 WWTP Biosolids Dewatering Facility	440,000	-	158,400	158,400	281,600
SCP-88 Retrofit of WWTP Aeration Basins & Headworks	2,550,000	39,532	(34,724)	4,808	2,545,192
ECP-118 New GUC Administrative Facilities	755,525	677,428	46,944	724,372	31,153
ITCP-119 Telecommunications Initiatives	106,070	28,258	17,085	45,343	60,727
	<u>27,716,679</u>	<u>15,179,386</u>	<u>4,706,303</u>	<u>19,885,689</u>	<u>7,830,990</u>
Total Expenditures					
DEFICIENCY OF REVENUES UNDER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)					
	<u>(24,507,961)</u>	<u>(11,503,869)</u>	<u>(4,483,580)</u>	<u>(15,987,449)</u>	<u>8,520,512</u>
OTHER FINANCING SOURCES (USES)					
Fund Balance	1,096,128	920,296	-	920,296	(175,832)
Bond Funds	5,677,242	5,086,265	145,006	5,231,271	(445,971)
State Funds	15,083,110	7,744,204	4,390,798	12,135,002	(2,948,108)
Transfer from Operating Fund	606,948	-	578,423	578,423	(28,525)
Transfer from Sewer Capital Reserve	2,044,533	-	2,044,533	2,044,533	-
Transfer to Sewer Capital Reserve	-	(116,579)	-	(116,579)	(116,579)
	<u>24,507,961</u>	<u>13,634,186</u>	<u>7,158,760</u>	<u>20,792,946</u>	<u>(3,715,015)</u>
Total other financing sources (uses)					
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES AND OTHER FINANCING USES					
	<u>\$ -</u>	<u>\$ 2,130,317</u>	<u>\$ 2,675,180</u>	<u>\$ 4,805,497</u>	<u>\$ 4,805,497</u>

* Project(s) already closed.

CITY OF GREENVILLE, NORTH CAROLINA

Sewer Capital Reserve Fund

Schedule of Revenues and Expenditures (Non-GAAP)

Year Ended June 30, 2004

	Prior Years	Actual Current Year	Total to Date
REVENUES:			
Interest income	\$ 2,029,688	\$ 31,203	\$ 2,060,891
One-half cent sales tax	4,603,028	-	4,603,028
	<u>6,632,716</u>	<u>31,203</u>	<u>6,663,919</u>
 OTHER FINANCING SOURCES (USES):			
Transfer from Sewer Operating Fund	1,374,833	-	1,374,833
Transfer from Electric Operating Fund	1,784,000	-	1,784,000
Transfer from Water Operating Fund	428,021	-	428,021
Transfer from Water Capital Projects Fund	95,958	-	95,958
Transfer from Sewer Capital Projects Fund	237,486	-	237,486
Transfer to Sewer Capital Projects Fund	(7,318,164)	(2,044,533)	(9,362,697)
Transfer to Sewer Operating Fund	(110,000)	-	(110,000)
Transfer to City of Greenville	(1,105,000)	-	(1,105,000)
	<u>(4,612,866)</u>	<u>(2,044,533)</u>	<u>(6,657,399)</u>
 RESERVED FOR FUTURE CONSTRUCTION	 <u>\$ 2,019,850</u>	 <u>\$ (2,013,330)</u>	 <u>\$ 6,520</u>

CITY OF GREENVILLE, NORTH CAROLINA

GAS OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
Operating Revenues				
Rates and charges	\$ 24,836,905	\$ 24,058,443	\$ (778,462)	\$ 21,949,500
Fees and charges	148,000	149,525	1,525	141,815
Miscellaneous	89,388	86,977	(2,411)	27,791
	<u>25,074,293</u>	<u>24,294,945</u>	<u>(779,348)</u>	<u>22,119,106</u>
Non-Operating Revenues				
Interest on temporary investments	33,000	40,302	7,302	40,910
Pitt County Dev. Comm.	35,000	35,000	-	35,000
FEMA/Insurance reimbursements	13,347	(1,677)	(15,024)	99,578
Miscellaneous	-	1,262	1,262	31,784
	<u>81,347</u>	<u>74,887</u>	<u>(6,460)</u>	<u>207,272</u>
Total Revenues	<u>25,155,640</u>	<u>24,369,832</u>	<u>(785,808)</u>	<u>22,326,378</u>
Expenditures				
Non-Department				
Personnel	58,026	54,916	3,110	61,152
Operations	2,013,264	1,893,145	120,119	1,778,599
Capital	6,150	4,535	1,615	30,218
	<u>2,077,440</u>	<u>1,952,596</u>	<u>124,844</u>	<u>1,869,969</u>
Governing Body department				
Personnel	156,900	149,231	7,669	131,143
Operations	132,363	111,853	20,510	164,249
	<u>289,263</u>	<u>261,084</u>	<u>28,179</u>	<u>295,392</u>
Finance department				
Personnel	93,748	92,761	987	242,752
Operations	29,469	22,531	6,938	45,370
	<u>123,217</u>	<u>115,292</u>	<u>7,925</u>	<u>288,122</u>
Information Technology department				
Personnel	250,576	247,641	2,935	240,800
Operations	91,965	81,752	10,213	80,467
Capital	44,028	45,046	(1,018)	39,194
	<u>386,569</u>	<u>374,439</u>	<u>12,130</u>	<u>360,461</u>
Customer Relations department				
Personnel	257,482	254,815	2,667	279,237
Operations	49,577	30,862	18,715	68,470
Capital	-	-	-	13,717
	<u>307,059</u>	<u>285,677</u>	<u>21,382</u>	<u>361,424</u>

CITY OF GREENVILLE, NORTH CAROLINA

GAS OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
Support Services department				
Personnel	327,418	323,166	4,252	157,717
Operations	358,616	372,088	(13,472)	261,049
Capital	10,290	10,109	181	1,613
	<u>696,324</u>	<u>705,363</u>	<u>(9,039)</u>	<u>420,379</u>
Utility Locating Services				
Personnel	67,625	63,391	4,234	54,115
Operations	14,167	12,058	2,109	17,742
Capital	-	-	-	13,961
	<u>81,792</u>	<u>75,449</u>	<u>6,343</u>	<u>85,818</u>
Gas department				
Personnel	1,265,596	1,249,852	15,744	1,108,417
Operations	18,710,188	18,143,725	566,463	15,103,658
Capital	1,218,192	1,076,234	141,958	1,209,769
	<u>21,193,976</u>	<u>20,469,811</u>	<u>724,165</u>	<u>17,421,844</u>
Total expenditures	<u>25,155,640</u>	<u>24,239,711</u>	<u>915,929</u>	<u>21,103,409</u>
Excess of revenues over expenditures	-	130,121	130,121	1,222,969
Other financing sources (uses)				
Intra-fund transfers	-	(106,875)	(106,875)	-
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 23,246</u>	<u>\$ 23,246</u>	<u>\$ 1,222,969</u>

CITY OF GREENVILLE, NORTH CAROLINA

GAS OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP)-
Year Ended June 30, 2004 (With Comparative Actual Totals For June 30, 2003)

	<u>2004</u>	<u>2003</u>
Reconciliation to full accrual basis from modified accrual basis:		
Excess of revenues over (under) expenditures	\$ 23,246	\$ 1,222,969
Budgetary appropriations - capital	1,135,924	1,308,472
Budgetary appropriations - debt principal	741,619	629,980
Depreciation	(1,142,081)	(1,023,004)
Changes in unbilled revenue	-	(137,860)
Changes in encumbrances	-	(103,302)
Changes in unrealized gains/losses on investments	(27,476)	(15,287)
Inter-fund transfers	106,875	-
Changes in gains/losses on forward contracts	(37,900)	206,780
	<u>800,207</u>	<u>2,088,748</u>
Revenue recognized in Capital Projects and Capital Reserve	<u>29,982</u>	<u>16,347</u>
CHANGE IN NET ASSETS	<u><u>\$ 830,189</u></u>	<u><u>\$ 2,105,095</u></u>

CITY OF GREENVILLE, NORTH CAROLINA

Gas Capital Projects Fund

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

Year Ended June 30, 2004

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Interest income and other	\$ 106,070	\$ 233,336	\$ 29,263	\$ 262,599	\$ 156,529
Total revenues	106,070	233,336	29,263	262,599	156,529
EXPENDITURES					
GCP-74 LNG Plant Expansion Design	4,134,016	3,532,561	163,088	3,695,649	438,367
ECP-118 New GUC Administrative Facilities	755,525	677,428	46,944	724,372	31,153
ITCP-119 Telecommunications Initiatives	106,070	28,258	17,085	45,343	60,727
Total expenditures	4,995,611	4,238,247	227,117	4,465,364	530,247
DEFICIENCY OF REVENUES UNDER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)					
	(4,889,541)	(4,004,911)	(197,854)	(4,202,765)	686,776
OTHER FINANCING SOURCES (USES)					
Bond Funds	4,754,141	5,046,233	460,193	5,506,426	752,285
Transfers from Operating Fund	135,400	-	106,875	106,875	(28,525)
Total Other Financing Sources (Uses)	4,889,541	5,046,233	567,068	5,613,301	723,760
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES AND OTHER FINANCING USES					
	\$ -	\$ 1,041,322	\$ 369,214	\$ 1,410,536	\$ 1,410,536

CITY OF GREENVILLE, NORTH CAROLINA

Gas Capital Reserve Fund

Schedule of Revenues and Expenditures (Non-GAAP)

Year Ended June 30, 2004

	Prior Years	Actual Current Year	Total to Date
REVENUES:			
Interest income	\$ 171,344	\$ 719	\$ 172,063
OTHER FINANCING SOURCES (USES):			
Transfer from Gas Operating Fund	370,000	-	370,000
Transfer to Gas Capital Projects Fund	(100,000)	-	(100,000)
Transfer to Gas Operating Fund	(400,000)	-	(400,000)
	<u>(130,000)</u>	<u>-</u>	<u>(130,000)</u>
RESERVED FOR FUTURE CONSTRUCTION	<u>\$ 41,344</u>	<u>\$ 719</u>	<u>\$ 42,063</u>

CITY OF GREENVILLE, NORTH CAROLINA

AQUATICS AND FITNESS CENTER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2003) (CONTINUED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services:				
Membership	\$ 520,611	\$ 448,159	\$ (72,452)	\$ 506,241
Concessions	25,541	23,588	(1,953)	24,169
Lock & towel	3,000	2,167	(833)	2,591
Equipment rental	-	-	-	(50)
Program	68,700	60,390	(8,310)	41,981
Total operating revenues	<u>617,852</u>	<u>534,304</u>	<u>(83,548)</u>	<u>574,932</u>
NONOPERATING REVENUES:				
Federal emergency management asst.	<u>70</u>	<u>-</u>	<u>(70)</u>	<u>-</u>
Total nonoperating revenues	<u>70</u>	<u>-</u>	<u>(70)</u>	<u>-</u>
Total revenues	<u>617,922</u>	<u>534,304</u>	<u>(83,618)</u>	<u>574,932</u>
OPERATING EXPENDITURES:				
Salaries and wages	341,454	288,908	52,546	336,756
Fringe benefits	79,674	77,151	2,523	80,061
Maintenance and repairs:				
Equipment	5,520	2,997	2,523	5,529
Vehicles	-	154	(154)	94
Building and grounds	26,986	21,707	5,279	17,180
Supplies	25,800	30,571	(4,771)	22,568
Contracted services	6,000	1,728	4,272	3,513
Dues and subscriptions	300	261	39	20
Advertising	3,700	1,100	2,600	1,009
Utilities	87,612	87,267	345	84,757
Concessions	10,000	6,030	3,970	9,929
Insurance	5,920	-	5,920	4,133
Uniforms	1,200	-	1,200	353
Building rent	10,320	6,020	4,300	10,320
Capital outlay	7,000	-	7,000	-
Total operating expenditures	<u>\$ 612,167</u>	<u>\$ 523,894</u>	<u>\$ 88,273</u>	<u>\$ 576,222</u>

CITY OF GREENVILLE, NORTH CAROLINA

AQUATICS AND FITNESS CENTER FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2002) (CONCLUDED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	\$ <u>5,755</u>	\$ <u>10,410</u>	\$ <u>(4,655)</u>	\$ <u>(1,290)</u>
OTHER FINANCING SOURCES (USES) -				
Increase in reserve	<u>(6,961)</u>	<u>-</u>	<u>6,961</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,961)</u>	<u>-</u>	<u>6,961</u>	<u>-</u>
APPROPRIATED FUND BALANCE	<u>1,206</u>	<u>-</u>	<u>1,206</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND APPROPRIATED FUND BALANCE	\$ <u>-</u>	\$ <u>10,410</u>	\$ <u>3,512</u>	\$ <u>(1,290)</u>
Reconciliation of modified accrual basis with accrual basis:				
Excess of revenues and other financing sources over expenditures, as above		\$ 10,410		\$ (1,290)
Depreciation		<u>(23,750)</u>		<u>(37,909)</u>
NET INCOME, ACCRUAL BASIS		\$ <u>(13,340)</u>		\$ <u>(39,199)</u>

CITY OF GREENVILLE, NORTH CAROLINA

PUBLIC TRANSPORTATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2003) (CONTINUED)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
OPERATING REVENUES:				
Charges for services:				
Pitt Community College fares	\$ 4,000	\$ 4,670	\$ 670	\$ 4,464
Bus fares	58,500	70,494	11,994	57,183
Bus ticket sales	17,500	28,942	11,442	20,604
Charter service	-	-	0	625
ECU service contract	3,200	3,260	60	3,299
Pitt County service	4,500	4,594	94	4,613
	<u>87,700</u>	<u>111,960</u>	<u>24,260</u>	<u>90,788</u>
Other operating revenues:				
Gasoline tax refund	-	-	-	6,940
Miscellaneous	50	3,022	2,972	135
	<u>50</u>	<u>3,022</u>	<u>2,972</u>	<u>7,075</u>
Total operating revenues	<u>87,750</u>	<u>114,982</u>	<u>27,232</u>	<u>97,863</u>
NONOPERATING REVENUES:				
Intergovernmental revenue:				
Elderly grant	5,000	5,341	341	-
Operating grant 04, Section 9	316,162	305,527	(10,635)	-
Operating grant 03, Section 9	-	-	-	327,680
Planning grant 03, Section 8	27,558	28,197	639	-
Planning grant 03, Section 8	-	-	-	29,554
Capital grant 04, Section 18	126,640	5,627	(121,013)	-
Capital grant 03, Section 18	-	582	582	32,128
Capital grant 02, Section 18	-	10,433	10,433	989,949
Regional Transit Study	-	-	-	21,810
State allocation	150,000	213,757	63,757	187,545
Total intergovernmental revenue	<u>625,360</u>	<u>569,464</u>	<u>(55,896)</u>	<u>1,588,666</u>
Interest on investments	-	541	541	1,235
Total nonoperating revenue	<u>625,360</u>	<u>570,005</u>	<u>(55,355)</u>	<u>1,589,901</u>
Total revenues	<u>\$ 713,110</u>	<u>\$ 684,987</u>	<u>\$ (28,123)</u>	<u>\$ 1,687,764</u>

CITY OF GREENVILLE, NORTH CAROLINA

PUBLIC TRANSPORTATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2003) (CONTINUED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
OPERATING EXPENDITURES:				
Administrative:				
Printing	\$ 4,200	\$ 3,308	\$ 892	\$ 3,586
Supplies	450	439	11	221
Contracted services	2,500	2,500	-	2,500
Dues and subscriptions	820	565	255	585
Advertising	1,200	864	336	932
Insurance	12,292	4,317	7,975	26,819
Total administrative	<u>21,462</u>	<u>11,993</u>	<u>9,469</u>	<u>34,643</u>
Operations:				
Salaries and wages	369,122	372,844	(3,722)	347,567
Fringe benefits	119,895	123,923	(4,028)	110,912
Unemployment compensation	8,282	-	8,282	-
Travel	700	738	(38)	272
Maintenance and repairs	129,500	45,901	83,599	105,009
Supplies and materials	1,650	1,446	204	1,186
Contracted services	51,930	75,781	(23,851)	73,627
Fuel	45,350	50,639	(5,289)	42,774
Laundry and dry cleaning	75	-	75	-
Uniforms	3,500	1,301	2,199	206
Capital	176,345	8,853	167,492	4,623
Regional Transit Study	-	-	0	27,264
Total operations	<u>906,349</u>	<u>681,426</u>	<u>224,923</u>	<u>713,440</u>
Total operating expenditures	<u>927,811</u>	<u>693,419</u>	<u>234,392</u>	<u>748,083</u>
NONOPERATING EXPENSES:				
Installment purchase interest expense	-	599	599	1,057
Loss on disposal of capital assets	-	32,341	32,341	-
Total nonoperating expenses	<u>-</u>	<u>32,940</u>	<u>32,940</u>	<u>1,057</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES				
	<u>(214,701)</u>	<u>(41,372)</u>	<u>173,329</u>	<u>938,624</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	18,045	-	(18,045)	-
Transfer from General Fund	195,633	99,301	(96,332)	379,575
Total other financing sources (uses)	<u>213,678</u>	<u>99,301</u>	<u>(114,377)</u>	<u>379,575</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	\$ <u>-</u>	\$ <u>57,929</u>	\$ <u>58,952</u>	\$ <u>1,318,199</u>

CITY OF GREENVILLE, NORTH CAROLINA

PUBLIC TRANSPORTATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2002) (CONCLUDED)

Reconciliation of modified accrual basis with accrual basis:

	2004	2003
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 57,929	\$ 1,318,199
Depreciation	<u>(192,329)</u>	<u>(80,589)</u>
CHANGE IN NET ASSETS	<u>\$ (134,400)</u>	<u>\$ 1,237,610</u>

CITY OF GREENVILLE, NORTH CAROLINA

BRADFORD CREEK GOLF COURSE FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2003) (CONTINUED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services:				
Green fees	\$ 621,000	\$ 599,900	\$ (21,100)	\$ 574,145
Driving range fees	65,000	71,732	6,732	62,464
Concessions	91,000	80,649	(10,351)	78,383
Other	45,000	28,511	(16,489)	27,780
Tournaments and rentals	-	29,183	29,183	-
Pro Shop sales (less cost of goods sold)	31,200	38,175	6,975	29,357
Total operating revenues	<u>853,200</u>	<u>848,150</u>	<u>(5,050)</u>	<u>772,129</u>
NONOPERATING REVENUES:				
Other	-	-	-	6,000
Interest on investments	-	108	108	455
Total nonoperating revenues	<u>-</u>	<u>108</u>	<u>108</u>	<u>6,455</u>
Total revenues	<u>853,200</u>	<u>848,258</u>	<u>(4,942)</u>	<u>778,584</u>
OPERATING EXPENDITURES:				
Programming and operations				
Salaries and wages	131,781	131,776	5	134,205
Fringe benefits	45,206	29,690	15,516	29,551
Printing	650	207	443	424
Travel	450	449	1	2,850
Maintenance and repairs, equipment	2,560	2,571	(11)	1,848
Maintenance and repairs, buildings	660	660	-	296
Supplies	20,025	20,263	(238)	18,485
Contracted services	9,325	9,238	87	537
Dues and subscriptions	3,789	4,045	(256)	1,483
Advertising	2,905	2,906	(1)	106
Utilities	360	362	(2)	-
Concessions	60,721	60,988	(267)	64,299
General insurance liability	25,552	21,690	3,862	18,850
Uniforms	55	56	(1)	-
	<u>304,039</u>	<u>284,901</u>	<u>19,138</u>	<u>272,934</u>
Golf Course Maintenance				
Salaries and wages	161,520	173,248	(11,728)	157,632
Fringe benefits	40,850	37,569	3,281	31,481
Travel	430	429	1	442
Maintenance and repairs, equipment	16,201	17,104	-	18,927
Maintenance and repairs, buildings and vehicles	1,325	423	-	172
Supplies	55,943	55,927	16	53,045
Contracted services	62,272	65,694	(3,422)	64,479
Dues and subscriptions	475	230	245	200
Utilities	26,400	30,163	(3,763)	23,013
Fuel	14,735	14,332	403	17,287
Concessions	195	196	(1)	75
Laundry and dry cleaning	1,040	1,284	(244)	3,660
	<u>381,386</u>	<u>396,599</u>	<u>(15,212)</u>	<u>370,413</u>
Total operating expenditures	<u>\$ 685,425</u>	<u>\$ 681,500</u>	<u>\$ 3,926</u>	<u>\$ 643,347</u>

CITY OF GREENVILLE, NORTH CAROLINA

BRADFORD CREEK GOLF COURSE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004
 (WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2002) (CONCLUDED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
NONOPERATING EXPENSES:				
Installment purchase interest expense	\$ 21,407	\$ 21,954	\$ (547)	\$ 83,365
Total nonoperating expenses	<u>21,407</u>	<u>21,954</u>	<u>(547)</u>	<u>83,365</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	<u>146,368</u>	<u>144,804</u>	<u>(1,563)</u>	<u>51,872</u>
APPROPRIATED FUND BALANCE	<u>2,735</u>	<u>-</u>	<u>(2,735)</u>	<u>-</u>
EXCESS OF REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	\$ <u>149,103</u>	\$ <u>144,804</u>	\$ <u>(4,298)</u>	\$ <u>51,872</u>
Reconciliation to accrual basis from budget (non-GAAP) basis:				
Excess of revenues and appropriated fund balance over expenditures, as above		\$ 144,804		\$ 51,872
Depreciation		<u>(87,842)</u>		<u>(82,400)</u>
CHANGE IN NET ASSETS		\$ <u>56,962</u>		\$ <u>(30,528)</u>

CITY OF GREENVILLE, NORTH CAROLINA

STORMWATER UTILITY FUND

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2003) (CONTINUED)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
OPERATING REVENUES:				
Stormwater Utility fee	\$ 2,088,291	\$ 1,918,902	\$ (169,389)	\$ -
NONOPERATING REVENUES:				
Federal emergency management assistance	350	-	(350)	-
Interest on investments	-	872	872	-
Total nonoperating revenues	<u>350</u>	<u>872</u>	<u>522</u>	<u>-</u>
Total revenues	<u>2,088,641</u>	<u>1,919,774</u>	<u>(168,867)</u>	<u>-</u>
OPERATING EXPENDITURES:				
Salaries and wages	\$ 765,036	\$ 664,455	\$ 100,581	\$ 23,625
Fringe benefits	279,227	227,741	51,486	7,849
Printing	1,000	-	1,000	-
Travel	4,000	2,469	1,531	437
Maintenance of equipment and vehicles	48,665	61,151	(12,486)	-
Supplies	125,200	38,075	87,125	98
Contracted services	155,648	178,063	(22,415)	94,143
Fuel	22,170	23,629	(1,459)	-
Equipment	856,762	55,964	800,798	6,899
General insurance liability	16,921	16,921	-	-
	<u>2,274,629</u>	<u>1,268,468</u>	<u>1,006,161</u>	<u>133,051</u>
NONOPERATING EXPENSES:				
Installment purchase interest expense	-	2,079	2,079	-
EXCESS OF OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)				
	<u>(185,988)</u>	<u>649,227</u>	<u>(1,177,107)</u>	<u>(133,051)</u>
OTHER FINANCING SOURCES				
Transfer from general fund	535,699	235,699	300,000	111,642
Transfer to cleanwater management trust	(3,041)	-	(3,041)	-
Transfer to stormwater master plan	<u>(473,135)</u>	<u>(473,135)</u>	<u>-</u>	<u>-</u>
	<u>59,523</u>	<u>(237,436)</u>	<u>296,959</u>	<u>111,642</u>
EXCESS OF OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES				
	<u>(126,465)</u>	<u>411,791</u>	<u>(880,148)</u>	<u>(21,409)</u>
APPROPRIATED FUND BALANCE				
	<u>5,612</u>	<u>-</u>	<u>(5,612)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (120,853)</u>	<u>\$ 411,791</u>	<u>\$ (885,760)</u>	<u>\$ (21,409)</u>

CITY OF GREENVILLE, NORTH CAROLINA

STORMWATER UTILITY FUND

**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2003) (CONCLUDED)**

Reconciliation to accrual basis from budget
(non-GAAP) basis:

Excess of revenues and appropriated fund balance over expenditures, as above	\$ 411,791	\$ (21,409)
Depreciation	<u>(6,455)</u>	<u>-</u>
CHANGE IN NET ASSETS	\$ <u>405,336</u>	\$ <u>(21,409)</u>

NONMAJOR INTERNAL SERVICE FUND

JOINT DENTAL REIMBURSEMENT FUND

The Joint Dental Reimbursement Fund is established by the City of Greenville and Greenville Utilities Commission for the purpose of combining funds to provide dental benefits for eligible employees and their dependents.

CITY OF GREENVILLE, NORTH CAROLINA

**Statement of Net Assets
Internal Service Fund
June 30, 2004**

	Joint Dental Reimbursement Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 62,446
Total assets	<u>\$ 62,446</u>
Liabilities	
Current liabilities	
Due to other funds	33,973
Total current liabilities	<u>33,973</u>
Noncurrent liabilities	
Total liabilities	<u>33,973</u>
Net assets	
Unrestricted net assets	28,473
Total net assets	<u>\$ 28,473</u>

CITY OF GREENVILLE, NORTH CAROLINA

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Fund
Year Ended June 30, 2004**

	Joint Dental Reimbursement Fund
Operating revenues	
Employer contribution, City	\$ 201,711
Employer contribution, Commission	<u>124,624</u>
Total operating revenues	<u>326,335</u>
Operating expenses	
Claims	<u>345,255</u>
Total operating expenses	<u>345,255</u>
Operating income (loss)	<u>(18,920)</u>
Nonoperating revenue (expense)	
Investment earnings	<u>129</u>
Total nonoperating revenue (expense)	<u>129</u>
Change in net assets	<u>(18,791)</u>
Total net assets - beginning	<u>47,264</u>
Total net assets - ending	<u>\$ 28,473</u>

CITY OF GREENVILLE, NORTH CAROLINA

**Statement of Cash Flows
Internal Service Fund
Year Ended June 30, 2004**

	Joint Dental Reimbursement Fund
Operating activities	
Cash received from internal services provided	\$ 327,586
Cash paid for internal services provided	(345,724)
Net cash provided by (used in) operating activities	<u>(18,138)</u>
Investing activities	
Interest received on investments	129
Net cash provided (used) in investing activities	<u>129</u>
Net increase in cash and cash equivalents/investments	<u>(18,009)</u>
Cash and cash equivalents/investments	
Beginning of year	80,455
End of year	<u>\$ 62,446</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (18,920)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities	
Due from other funds	1,251
Due to other funds	(469)
Total adjustments	<u>782</u>
Net cash provided by (used in) operating activities	<u>\$ (18,138)</u>

CITY OF GREENVILLE, NORTH CAROLINA

**JOINT DENTAL REIMBURSEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (Non GAAP)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2003)

	2004		Variance	2003
	Budget	Actual	Positive (Negative)	Actual
OPERATING REVENUES:				
Employer contribution, City	\$ 203,118	\$ 201,711	\$ (1,407)	\$ 199,534
Employer contribution, Greenville Utilities Commission	118,308	124,624	6,316	125,120
Total revenues	<u>321,426</u>	<u>326,335</u>	<u>4,909</u>	<u>324,654</u>
OPERATING EXPENDITURES:				
Claims expenses, City	181,606	205,562	(23,956)	193,732
Claims expenses, Greenville Utilities Commission	139,820	139,693	127	129,746
	<u>321,426</u>	<u>345,255</u>	<u>(23,829)</u>	<u>323,478</u>
NONOPERATING REVENUES:				
Interest on investments	-	129	129	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ <u>-</u>	\$ <u>(18,791)</u>	\$ <u>(18,791)</u>	\$ <u>1,176</u>

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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
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2004**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Other taxes	\$ 538,415	\$ 538,415	\$ 566,354	\$ 27,939
Investment earnings	-	-	4,382	4,382
Total revenues	<u>538,415</u>	<u>538,415</u>	<u>570,736</u>	<u>32,321</u>
Expenditures				
Current:				
Principal retirement	2,630,519	2,707,611	2,576,207	131,404
Interest and fees	1,253,006	1,175,914	1,165,158	10,756
Refunding Bond Issue Costs	-	-	-	-
Total expenditures	<u>3,883,525</u>	<u>3,883,525</u>	<u>3,741,365</u>	<u>142,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,345,110)</u>	<u>(3,345,110)</u>	<u>(3,170,629)</u>	<u>(109,839)</u>
Other financing sources (uses)				
Transfers from other funds	3,345,110	3,345,110	3,202,951	142,159
Transfers to other funds	-	-	-	-
Bond proceeds	-	-	-	-
Total other financing sources (uses)	<u>3,345,110</u>	<u>3,345,110</u>	<u>3,202,951</u>	<u>142,159</u>
Net change in fund balances	-	-	32,322	32,322
Fund balance - beginning	-	-	383,368	383,368
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,690</u>	<u>\$ 415,690</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES

The capital asset schedules that follow represent a summary of the capital assets of the City, other than assets of the Enterprise Funds.

CITY OF GREENVILLE, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
JUNE 30, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Governmental funds capital assets:		
Land	\$ 34,699,449	\$ 34,236,556
Buildings and leasehold improvements	31,728,247	30,193,323
Improvements other than buildings	3,151,188	2,887,939
Machinery and equipment	29,208,738	24,868,852
Construction in progress	1,557,305	399,714
Infrastructure	1,610,580	0
 Total governmental funds capital assets	 <u>\$ 101,955,507</u>	 <u>\$ 92,586,384</u>
 Investments in governmental funds capital assets by source:		
General Fund	\$ 27,010,523	\$ 25,155,773
Capital lease	6,489,454	5,193,093
Special Revenue Fund	10,031,173	6,187,026
Capital Projects Fund	56,915,243	54,829,379
Donations	<u>1,509,114</u>	<u>1,221,113</u>
 Total governmental funds capital assets	 <u>\$ 101,955,507</u>	 <u>\$ 92,586,384</u>

CITY OF GREENVILLE, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
AS OF JUNE 30, 2004**

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total June 30, 2004
GENERAL GOVERNMENT:						
City Manager	\$ -	\$ -	\$ -	\$ 83,928	\$ -	\$ 83,928
Financial Services and Info. Tech.	-	3,419	-	2,243,133	-	2,246,552
Other	27,435,945	2,332,716	254,207	4,437,494	-	34,460,362
Total General Government	27,435,945	2,336,135	254,207	6,764,555	-	36,790,842
PUBLIC SAFETY:						
Police	40,054	15,225	25,225	4,878,377	-	4,958,881
Fire/Rescue	1,126,890	6,414,230	23,707	3,878,385	-	11,443,212
Inspection	-	-	-	106,065	-	106,065
Total Public Safety	1,166,944	6,429,455	48,932	8,862,827	-	16,508,158
TRANSPORTATION:						
Administration	187,429	1,902,711	8,709	42,850	-	2,141,699
Maintenance	1,615,003	180,794	3,934	2,275,509	-	4,075,240
Total transportation	1,802,432	2,083,505	12,643	2,318,359	-	6,216,939
Environmental protection	-	-	-	3,286,997	-	3,286,997
Total	-	-	-	3,286,997	-	3,286,997
Culture and recreation	4,294,130	20,879,151	2,835,405	7,976,000	-	35,984,686
Total	4,294,130	20,879,151	2,835,405	7,976,000	-	35,984,686
Construction in progress	-	-	-	-	1,557,305	1,557,305
Infrastructure	-	-	-	-	1,610,580	1,610,580
Total governmental funds capital assets	\$ 34,699,451	\$ 31,728,246	\$ 3,151,187	\$ 29,208,738	\$ 3,167,885	\$ 101,955,507

CITY OF GREENVILLE, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2004**

Function and Activity	June 30, 2003	Additions	Deductions	Transfers	BALANCE June 30, 2004
GENERAL GOVERNMENT:					
City Manager	\$ 80,517	\$ 3,411	\$ -	\$ -	83,928
Financial Services and Info. Tech.	1,729,672	145,623	(7,222)	378,479	2,246,552
Other	34,057,580	1,146,046	(364,784)	(378,479)	34,460,363
Total General Government	35,867,769	1,295,080	(372,006)	-	36,790,843
PUBLIC SAFETY:					
Police	4,794,007	543,219	(337,328)	(41,014)	4,958,884
Fire/Rescue	11,245,794	233,462	(77,061)	41,014	11,443,209
Inspections	106,154	12,360	(12,449)	-	106,065
Total Public Safety	16,145,955	789,041	(426,838)	-	16,508,158
TRANSPORTATION:					
Administration	2,166,530	12,669	(37,500)	-	2,141,699
Maintenance	3,962,810	162,797	(62,447)	12,079	4,075,239
Total transportation	6,129,340	175,466	(99,947)	12,079	6,216,938
Environmental protection	2,887,755	527,919	(116,598)	(12,079)	3,286,997
Culture and recreation	35,062,371	1,348,732	(426,417)	-	35,984,686
Construction in progress	399,714	1,470,770	(313,179)	-	1,557,305
Infrastructure	-	1,610,580	-	-	1,610,580
Total governmental funds capital assets	\$ 96,492,904	\$ 7,217,588	\$ (1,754,985)	\$ -	\$ 101,955,507

STATISTICAL SECTION

Table 1

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Economic & Physical Development	Capital Projects	Debt Service	Total
1994-95	\$ 5,530,779	\$ 11,476,969	\$ 3,289,302	\$ 2,120,658	\$ 3,333,175	\$ 744,411	\$ 2,768,617	\$ 627,653	\$ 29,891,564
1995-96	6,781,714	11,810,241	2,156,535	2,251,076	3,586,923	790,228	496,506	706,162	28,579,385
1996-97	6,962,383	13,464,414	3,268,850	2,642,866	3,731,425	886,177	862,951	843,924	32,662,990
1997-98	8,368,725	15,390,219	2,978,449	2,368,210	4,703,876	975,355	1,904,821	1,054,793	37,744,448
1998-99	10,099,322	16,546,032	3,559,452	2,757,660	4,496,209	1,123,791	4,399,077	1,768,055	44,749,598
1999-00	11,490,991	18,311,088	4,758,275	3,657,399	5,197,115	990,858	11,082,737	2,706,699	58,195,162
2000-01	11,342,635	20,250,250	3,623,086	3,002,367	5,301,865	1,396,005	25,673,609	2,679,579	73,269,396
2001-02	10,860,757	20,004,276	3,820,189	3,160,314	3,395,117	1,814,440	23,699,315	2,790,431	69,544,839
2002-03	10,469,775	20,076,396	3,330,676	3,059,722	4,887,697	1,834,672	7,502,349	3,892,753	55,054,040
2003-04	11,693,041	21,631,273	3,393,531	3,561,379	5,599,248	2,125,394	4,068,852	3,741,365	55,814,083

(1) Includes General, Special Revenue, Debt Service, and Capital Projects excluding interfund transfers.

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Ad Valorem Taxes	Other Taxes	Intergovernmental	Licenses, Permits, and Fees	Sales and Services	Investment Earnings	Other	Total
1994-95	10,037,469	5,944,094	6,260,337	2,176,743	1,216,187	633,082	1,237,616	27,505,528
1995-96	10,632,818	6,204,413	7,377,754	2,395,954	1,468,450	1,032,334	615,398	29,727,121
1996-97	11,169,899	7,279,330	7,895,487	2,412,386	1,885,555	1,189,543	646,003	32,478,203
1997-98	12,053,386	8,096,135	8,964,213	2,941,927	2,041,548	1,565,858	873,568	36,536,635
1998-99	13,295,318	8,270,897	8,312,484	3,692,077	2,091,650	1,417,721	1,927,362	39,007,509
1999-00	14,214,513	8,692,322	10,020,827	4,066,821	2,216,337	1,404,304	2,637,651	43,252,775
2000-01	14,791,816	8,832,474	9,386,421	5,175,253	2,817,040	1,215,614	23,227,839	65,446,457
2001-02	17,184,908	9,556,235	19,889,615	5,408,984	2,885,839	851,608	613,419	56,390,608
2002-03	18,297,257	9,917,565	13,490,626	6,220,413	2,908,315	341,985	968,068	52,144,229
2003-04	19,031,401	11,307,239	10,480,919	6,699,938	2,983,812	282,866	662,096	51,448,271

(1) Includes General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds, excluding interfund transfers.

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Ad Valorem Tax (1)	Intangibles Tax (3)	Other Taxes					Rental Vehicle Tax (2)	One-half Cent Sales Tax	Total Other Taxes (1)	Total Ad Valorem & Other Taxes
			Local Option Sales Tax	Cable TV Franchise Tax	Local Option Sales Tax	Cable TV Franchise Tax	One-half Cent Sales Tax				
1994-95	10,037,469	418,566	2,849,349	190,128	-	2,486,051	5,944,094	15,981,563			
1995-96	10,632,818	420,649	2,865,495	292,166	-	2,626,103	6,204,413	16,837,231			
1996-97	11,169,899	403,009	3,162,901	316,848	-	3,396,572	7,279,330	18,449,229			
1997-98	12,053,386	398,556	3,652,397	344,559	-	3,700,623	8,096,135	20,149,521			
1998-99	13,295,318	394,710	3,666,268	364,442	-	3,845,477	8,270,897	21,566,215			
1999-00	14,214,513	398,934	3,821,413	375,729	-	4,096,246	8,692,322	22,906,835			
2000-01	14,791,816	419,015	3,744,653	391,831	51,786	4,225,189	8,832,474	23,624,290			
2001-02	17,184,908	419,483	3,942,707	444,476	69,845	4,129,056	9,005,567	26,190,475			
2002-03	18,297,257	-	3,785,204	497,862	69,165	4,987,402	9,339,633	27,636,890			
2003-04	19,031,401	-	4,322,041	547,661	82,181	5,789,002	10,740,885	29,772,286			

(1) Reference Table 2

(2) This tax was effective July 1, 2000 and replaces the property tax formerly charged on these vehicles.

CITY OF GREENVILLE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Fiscal Year Ended June 30	Current (1) Adjusted Tax Levy	Current Year Levy Collection	Percent Collected	Prior Years' Levy Collections	Total Collections During Year (2)	Percent Of Total Collections to Adjusted Tax Levy	Gross Outstanding Delinquent Taxes	Percent Of Total Delinquent to Adjusted Tax Levy
1994	1995	9,966,960	9,558,040	95.90	480,900	10,038,940	100.72	1,385,651	13.90
1995	1996	10,504,026	10,226,803	97.36	378,928	10,605,731	100.97	1,252,931	11.93
1996	1997	11,111,706	10,806,451	97.25	364,765	11,171,216	100.54	1,427,834	12.85
1997	1998	11,983,426	11,661,691	97.32	361,253	12,022,944	100.33	1,222,265	10.20
1998	1999	13,282,368	12,910,203	97.20	372,453	13,282,656	100.00	1,263,860	9.52
1999	2000	14,244,843	13,747,058	96.51	470,797	14,217,855	99.81	1,656,824	11.63
2000	2001	14,716,098	14,070,832	95.62	571,346	14,642,178	99.50	1,866,570	12.68
2001	2002	17,426,583	16,538,241	94.90	436,742	16,974,983	97.41	1,851,081	10.62
2002	2003	18,295,565	17,434,864	95.30	543,743	17,978,607	98.27	1,784,673	9.75
2003	2004	19,048,466	18,293,964	96.04	435,674	18,729,638	98.33	1,679,999	8.82

(1) Tax levy adjusted for abatements

(2) Total collections shown net of discounts and refunds.

Table 5

CITY OF GREENVILLE, NORTH CAROLINA

ASSESSED AND ESTIMATED VALUES OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June	Tax Year-End December 31	Real Property	Personal Property	Total Assessed Values	Estimated Actual Value Real and Personal	Assessed Ratio to Market Value
1995	1994	1,385,382,394	306,700,564	1,692,082,958	1,870,051,289	90
1996	1995	1,463,727,375	318,765,386	1,782,492,761	2,046,011,308	87
1997	1996 (4)	1,791,976,618	370,289,135	2,162,265,753	2,197,299,346	98
1998	1997	1,874,396,559	457,682,842	2,332,079,401	2,455,215,648	95
1999	1998	1,971,105,196	476,722,029	2,447,827,225	2,632,072,284	93
2000	1999	2,091,585,301	527,660,798	2,619,246,099	2,900,815,055	90
2001	2000	2,142,920,725	569,069,288	2,711,990,013	3,118,788,515	87
2002	2001	2,260,269,501	587,530,809	2,847,800,310	3,274,970,357	87
2003	2002	2,377,777,793	610,040,201	2,987,817,994	3,435,990,693	87
2004	2003	2,486,194,940	621,986,475	3,108,181,415	3,738,520,606	83

(1) Personal property appraised at 100% each year.

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

(3) Total assessed values are net of abatements.

(4) Property reappraised.

Table 6

CITY OF GREENVILLE, NORTH CAROLINA

PROPERTY TAX RATES AND LEVIES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Tax Year	Fiscal Year Ended June 30	Rates Per \$100 Assessed Value		Levies		Total
		Pitt County	City of Greenville	Pitt County	City of Greenville	
1994	1995	0.7239	0.5936	29,386,395	9,966,960	39,353,355
1995	1996	0.7239	0.5936	31,310,195	10,504,026	41,814,221
1996	1997	0.66	0.52	33,431,763	11,111,706	44,543,469
1997	1998	0.68	0.52	36,631,265	11,983,426	48,614,691
1998	1999	0.68	0.55	37,415,793	13,282,368	50,698,161
1999	2000	0.68	0.55	39,166,137	14,244,843	53,410,980
2000	2001	0.68	0.55	42,093,619	14,716,098	56,809,717
2001	2002	0.68	0.615	43,399,920	17,426,583	60,826,503
2002	2003	0.68	0.615	43,369,414	18,295,565	61,664,979
2003	2004	0.70	0.615	45,509,940	19,048,466	64,558,406

Notes: Revaluation of real property required every eight years by State law.

The County levies a tax rate which all residents of the County must pay. In addition, the City tax rate is levied on residents within the corporate limits. These rates are shown above.

Table 7

CITY OF GREENVILLE, NORTH CAROLINA

PRINCIPAL TAXPAYERS

Tax Year 2003

June 30, 2004

Taxpayers	Type of Business	2003 Assessed Valuation	% of Total Assessed Valuation
Sprint	Utility	\$ 33,137,000	1.07 %
Colonial Realty LP	Shopping Center	23,673,000	0.76
Wachovia	Commercial Bank	17,311,000	0.56
Treybrook LLC	Apartments	16,550,000	0.53
Speight, Joseph D.	Developer	16,202,000	0.52
Pirates Cove of Greenville Ltd	Apartments	15,670,000	0.50
Heritage Property Investments	Shopping Center	11,248,000	0.36
Ward Family LLC	Developer	10,567,000	0.34
Wal Mart	Retail Store	9,992,000	0.32
Cox Communications	Utility	<u>9,778,000</u>	0.31
		<u>\$ 164,128,000</u>	<u>5.28 %</u>

CITY OF GREENVILLE, NORTH CAROLINA

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN FISCAL YEARS**

- (1) The City does not have any special assessments as listed in the North Carolina General Statutes 160A-216.

Table 9

CITY OF GREENVILLE, NORTH CAROLINA

COMPUTATION OF THE LEGAL DEBT MARGIN

June 30, 2004

Total assessed valuation at June 30, 2004	\$ 3,108,181,415
Less current year abatements	<u>14,670,091</u>
Assessed value of taxable property	\$ <u>3,093,511,324</u>
Debt limit - eight percent (8%) of assessed value	\$ 247,480,906
Less net debt outstanding at June 30, 2004, see below	<u>34,019,015</u>
Legal debt margin	\$ <u>213,461,891</u>
 <u>Gross Debt</u>	
Outstanding general obligation bonded debt:	
General governmental bonds	\$ 7,455,000
Sanitary sewer bonds	-
Electric, water, and sewer refunding bonds	8,090,000
Bonds authorized but unissued	4,000,000
Outstanding non-bonded debt- Installment purchase contract	<u>14,474,015</u>
Gross debt	34,019,015
 <u>Statutory Deductions</u>	
Bonded debt included in gross debt incurred for water, electric	-
Bonds authorized but unissued	<u>-</u>
Total deductions	<u>-</u>
Net Debt	\$ <u>34,019,015</u>

CITY OF GREENVILLE, NORTH CAROLINA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Payable From Enterprise Fund Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994-95	52,789	1,692,082,958	24,855,000	19,925,946	4,929,054	0.29	93
1995-96	56,397	1,782,492,761	23,170,000	18,516,846	4,653,154	0.26	83
1996-97	58,951	2,162,265,753	21,490,000	17,111,171	4,378,829	0.20	74
1997-98	56,630	2,332,079,401	19,825,000	15,718,394	4,106,606	0.18	73
1998-99	56,638	2,447,827,225	41,051,827	14,328,513	26,723,314	1.09	472
1999-00	57,405	2,619,246,099	40,105,040	12,951,007	27,154,033	1.04	473
2000-01	60,939	2,711,990,013	38,857,301	11,578,769	27,278,532	1.01	448
2001-02	61,113	2,847,800,310	37,056,604	11,800,248	25,256,356	0.89	413
2002-03	63,477	2,987,817,994	36,123,514	10,879,353	25,244,161	0.84	398
2003-04	63,477	3,108,181,415	34,019,015	9,576,531	24,442,484	0.79	385

(1) City of Greenville Planning Department and State Management Office.

(2) Reference Table 5 in this Statistical Section

(3) Amount does not include revenue bonds.

(4) These amounts are general obligation bonds and lease purchases that are being repaid by the Enterprise Funds.

CITY OF GREENVILLE, NORTH CAROLINA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT (1)
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest and Fees	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service To General Governmental Expenditures
1994-95	\$ 278,003	\$ 254,134	\$ 532,137	\$ 29,891,564	\$ 1.78
1995-96	275,901	240,672	516,573	28,579,385	1.81
1996-97	274,324	227,315	501,639	32,662,991	1.54
1997-98	272,222	214,035	486,257	37,744,448	1.29
1998-99	270,116	250,762	520,878	44,749,598	1.16
1999-00	367,491	342,018	709,509	58,195,162	1.22
2000-01	362,763	324,694	687,457	73,269,396	0.94
2001-02	450,000	351,048	801,048	71,889,806	1.11
2002-03	500,000	330,950	830,950	55,054,040	1.51
2003-04	665,000	295,360	960,360	55,752,138	1.72

(1) Payments on general obligation bonds reported in the Enterprise Funds and obligations under installment sales contracts and capital leases have been omitted.

(2) Includes General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds, excluding interfund transfers. Does not include transfers to (from) Proprietary and Nonexpendable Trust fund types.

(3) Payments related to the advance refunding of general obligation bonds are not included.

CITY OF GREENVILLE, NORTH CAROLINA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS

June 30, 2004

Jurisdiction	Net General Obligation Bonded Debt Outstanding (1)	Percentage Applicable to City of Greenville (2)	Amount Applicable to City of Greenville
Direct:			
City of Greenville	\$ 17,470,000	100.00%	\$ 17,470,000
Overlapping:			
Pitt County:	<u>12,877,752</u>	40.153%	<u>5,170,867</u>
	<u>\$ 30,347,752</u>		<u>\$ 22,640,867</u>

(1) Excluding general obligation bonds and revenue bonds reported in the Enterprise Funds.

(2) Ratio of City of Greenville assessed valuation to Pitt County assessed valuation.

CITY OF GREENVILLE, NORTH CAROLINA

REVENUE BOND COVERAGE
ELECTRIC, WATER, SEWER, AND GAS
LAST TEN FISCAL YEARS (9)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service Requirement (3)			Coverage
				Principal	Interest	Total	
1995-96	\$ 136,583,344	\$ 119,164,647	\$ 17,418,697	\$ 304,513	\$ 957,705	\$ 1,262,218	13.80
1996-97	131,590,965	114,478,611	17,112,354	970,372	1,142,591	2,112,963	8.10
1997-98	135,176,377	118,617,975	16,558,402	1,029,949	1,338,802	2,368,751	6.99
1998-99	139,865,901	121,204,885	18,661,016	1,290,915	1,557,287	2,848,202	6.55
1999-00	146,927,560	130,706,875	16,220,685	1,377,508	698,942	2,076,450	7.81
2000-01	159,862,604	139,022,040	20,840,564	2,150,117	3,215,222	5,365,339	3.88
2001-02	157,604,341	146,086,901	11,517,440	2,782,028	3,346,986	6,129,014	1.88
2002-03	176,408,429	162,149,116	14,259,313	3,970,006	3,768,390	3,768,390	3.78
2002-03	182,371,988	157,694,563	24,677,425	4,203,692	3,377,672	3,377,672	7.31

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only. Amount does not include the general obligation bonds reported in the electric, water, sewer, and gas funds.

CITY OF GREENVILLE, NORTH CAROLINA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Population (1)	Per Capita Income	Median Age (2)	School Membership (3)	Unemployment Rate (4)
1994-95	52,789	18,671	30	19,000	5.04
1995-96	56,397	19,877	30	19,385	5.30
1996-97	58,951	20,800	29	19,375	6.00
1997-98	56,630	19,813	n/a	19,592	5.00
1998-99	56,638	22,772	n/a	19,336	4.50
1999-00	57,405	23,239	32	19,817	5.50
2000-01	60,939	24,599	30	20,286	6.60
2001-02	61,113	24,455	31	20,600	7.50
2002-03	63,477	24,731	31	20,412	7.60
2003-04	63,477	n/a	n/a	20,665	6.60

n/a Not available

(1) City of Greenville Planning Department and State Budget Management Office.

(2) Sheppard Memorial Library and North Carolina State Data Center, for Pitt County.

(3) Figures are from the Pitt County Board of Education which include the City of Greenville.

(4) Unemployment statistics are for Pitt County provided by the North Carolina Employment Security Commission, Greenville, North Carolina.

CITY OF GREENVILLE, NORTH CAROLINA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (1)	Estimated Actual Value	Number of Permits			Number of Miscellaneous Permits	Total Number of Permits	Total Construction		Bank Deposits (4)
			Duplex	Multi-family	Single-family			Permit Value	Permit Value	
1994-95	1,385,382,394	1,870,051,289	165	156	180	1,283	2,090	98,305,300	731,382,000	
1995-96	1,463,727,375	2,046,011,308	153	146	172	1,619	1,895	92,596,936	757,297,000	
1996-97	1,791,976,618	2,197,299,346	141	156	643	955	2,004	103,764,684	784,060,000	
1997-98	1,874,396,559	2,455,215,648	142	68	709	1,085	2,253	116,405,877	766,368,000	
1998-99	1,971,105,196	2,632,072,284	248	122	729	1,401	2,500	129,092,207	818,186,000	
1999-00	2,091,585,301	2,900,815,055	72	209	1330	1,930	3,541	158,463,264	854,663,000	
2000-01	2,142,920,725	3,118,788,515	114	170	798	1,576	2,658	170,115,444	897,562,000	
2001-02	2,260,269,501	3,274,970,357	278	191	926	1,563	2,958	147,033,735	(5)	
2002-03	2,377,777,793	3,435,990,693	142	192	338	2,581	3,253	145,040,963	(5)	
2003-04	2,486,194,940	3,738,520,606	40	220	312	2,253	2,825	113,027,779		

(1) Assessed real value from Table 5

(2) Source: City Engineering and Inspections department.

(3) Source: City Engineering and Inspections department.

(4) Source: North Carolina Bankers Association/North Carolina Banking Commission.

(5) Information not available at this time.

CITY OF GREENVILLE, NORTH CAROLINA

MISCELLANEOUS STATISTICS

JUNE 30, 2003

Date of incorporation	1774
Form of government	Council/Manager
Number of employees (excluding police and fire):	311
Classified	244
Exempt	67
Area in square miles	27
City of Greenville facilities and services:	
Miles of streets	212
Number of street lights	5,529
Culture and recreation:	
Community centers	11
Parks	27
Park acreage	1,300
Golf courses	4
Swimming pools	2
Tennis courts	24
Greenway - Miles	1.50
Fire protection	
Number of stations	5
Number of fire personnel and officers	121
Number of calls answered - Fire	3,461
Number of calls answered - EMS	9,136
Number of inspections conducted	3,672
Police protection:	
Number of stations	1
Number of police personnel and officers	193
Number of patrol units	151
Number of law violations:	
Physical arrests	4,397
Traffic violations	30,163
Sewerage system:	
Miles of sanitary sewers	364
Miles of storm sewers	296
Number of treatment plants	1
Number of service connections	22,479
Daily average treatment in gallons	8,380,000
Maximum daily capacity of treatment plant in gallons	17,500,000
Water system:	
Miles of water mains	531
Number of service connections	28,411
Number of fire hydrants	2,618
Daily average consumption in gallons	10,400,000
Maximum daily capacity of plant in gallons	22,500,000
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	7
Number of elementary school instructors	287
Number of secondary schools	1
Number of secondary school instructors	123
Number of community colleges	1
Number of universities	1
Hospitals:	
Number of hospitals	1
Number of patient beds	745

SINGLE AUDIT SECTION

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CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures
FEDERAL FINANCIAL ASSISTANCE:						
U.S. Department of Housing and Urban Development Passed-through N.C. Department of Commerce						
CDBG Entitlement Grant	14.218	B02-MC-37-0020	\$ 501,835	\$		\$ 501,835
CDBG Entitlement Grant	14.218	B03-MC-37-0020	820,930			820,930
CDBG Home Program Grant	14.239		389,614			389,614
Total U.S. Department of Housing and Urban Development			1,712,379			1,712,379
Economic Development Administration Passed-through N.C. Department of Commerce						
Economic Adjustment Assistance	11.307	04-79-55011	575,932			575,932
Total Economic Development Administration			575,932			575,932
U.S. Department of Transportation Direct Programs -						
Federal Transit Administration, Urban Mass Transportation Act	20.505	Planning 02-08-013 Operating & Capital	24,496	3,062	3,062	30,620
Federal Transit Formula Grants	20.507	NC90x311 NC90x285 NC90x323	18,410 15,775 311,153	18,410 15,775 306,934		36,820 31,550 618,087
Passed-through N.C. Department of Transportation						
Highway planning and construction	20.205	Planning Sec 104F	108,601		27,150	135,751
Total U.S. Department of Transportation			478,435	3,062	371,331	852,828

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal			Total
			(Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	
U.S. Bureau of Justice Assistance:						
Direct Payments						
Law Enforcement Block Grant	16.592	2003-LB-BX-0288	\$ 76,684	\$	9,575	\$ 86,259
		2002-LB-BX-0155	96,111		12,000	108,111
Total U.S. Bureau of Justice Assistance			172,795		21,575	194,370
Federal Emergency Management Agency						
Passed-through N.C. Department of						
Crime Control and Public Safety - cont.						
Public Assistance Grants	83.544	FEMA-1292-DR-NC	-	50,060		50,060
Public Assistance Grants	83.544	FEMA-1490-DR-NC	993,042	309,839		1,302,881
Public Assistance Grants	83.544	EMW-2002-FG-13058	49,792	-	21,340	71,132
Flood Mitigation Assistance	83.548	1292-HMNC-003-02-1	8,595	2,865		11,460
Total Federal Emergency Management Agency			1,051,429	362,764	21,340	1,435,533
Total Federal Financial Assistance			3,990,970	365,826	414,246	4,771,042

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (Concluded)

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal			Total
			(Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	
STATE FINANCIAL ASSISTANCE (continued):						
State of North Carolina:						
Department of Transportation:						
Division of Highways -						
Powell Bill Funds			1,680,629			1,680,629
Public Transportation and Rail Division			213,757			213,757
State Maintenance Assistance Program			1,894,386			1,894,386
Total Public Transportation and Rail Division						
State of North Carolina:						
Department of Environment & Natural Resources						
Division of Environmental Health						
Drinking Water State Revolving Fund		H-SRF-T-98-0429	2,800,000			2,800,000
Division of Water Quality						
Clean Water Revolving Loan		H-SRF-00/01-0117	9,083,778			9,083,778
Total Department of Environment & Natural Resources			11,883,778			11,883,778
Department of Commerce						
Division of Community Assistance						
State Acquisition & Relocation funds		00-D-102	58,379			58,379
Total State Financial Assistance			1,894,386			1,894,386
Total Federal and State Financial Assistance			\$ 3,990,970	\$ 2,260,212	\$ 414,246	\$ 6,665,428

See notes to Schedule of Federal and State Financial Assistance.

CITY OF GREENVILLE, NORTH CAROLINA

Notes To Schedule of Expenditures of Federal And State Awards For The Fiscal Year Ended June 30, 2004

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 general purpose 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 general purpose 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.



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

Report on Compliance and on Internal Control Over Financial Reporting 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 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, 2004, which collectively comprise the City of Greenville's basic financial statements, and have issued our report thereon dated August 19, 2004. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

Martin Starnes + Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.

August 19, 2004



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

Report on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

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

Compliance

We have audited the compliance of the City of Greenville, North Carolina, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2004. 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 on 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, 2004.

Internal Control Over Compliance

The management of the City of Greenville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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 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 19, 2004



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

Report on Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance With 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 its major State program for the year ended June 30, 2004. The City of Greenville's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each major State program 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 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 on 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 major State program for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the City of Greenville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the City of Greenville's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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 awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Martin Starnes + Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
August 19, 2004

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

1. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of the City of Greenville, North Carolina.
- B. Our audit of the basic financial statements disclosed no reportable conditions in internal control.
- C. Our audit of the basic financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that is material to the basic financial statements.
- D. Our audit of compliance with the types of compliance requirements applicable to the City's major programs disclosed no reportable conditions in internal controls over major programs.
- E. Our audit disclosed no audit findings which related to Federal and State awards.
- F. An unqualified opinion was issued on the City of Greenville's compliance with the types of compliance requirements applicable to each major State program.
- G. The Major Federal programs for the City of Greenville, North Carolina for the fiscal year ended June 30, 2004 are:

<u>Program Name</u>	<u>CFDA#</u>
CDBG Entitlement Grant	14.218
CDBG Home Program Grant	14.239
Economic Adjustment Assistance	11.307
Public Assistance Grants	83.544
Federal Transit Formula Grants	20.507

- H. The Major State programs for the City of Greenville for the year ended June 30, 2004 are:
 - Powell Bill
 - Drinking Water State Revolving Fund
 - Clean Water Revolving Loan
 - Public Assistance Grants
- I. The threshold for determining Type A programs for City of Greenville is \$300,000.
- J. City of Greenville did not qualify as a low risk auditee under Section 530 of Circular No. A-133.

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

2. Findings Related to the Audit of the Basic Financial Statements

The audit did not detect any findings as it relates to the basic financial statements.

3. Findings and Questioned Costs Related to the Audit of Federal and State Awards

The audit did not detect any findings or questioned costs as it relates to federal or State awards.

CITY OF GREENVILLE, NORTH CAROLINA

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2004**

Not applicable

CITY OF GREENVILLE, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

None. No uncorrected prior year findings.