### City of Goldsboro, North Carolina

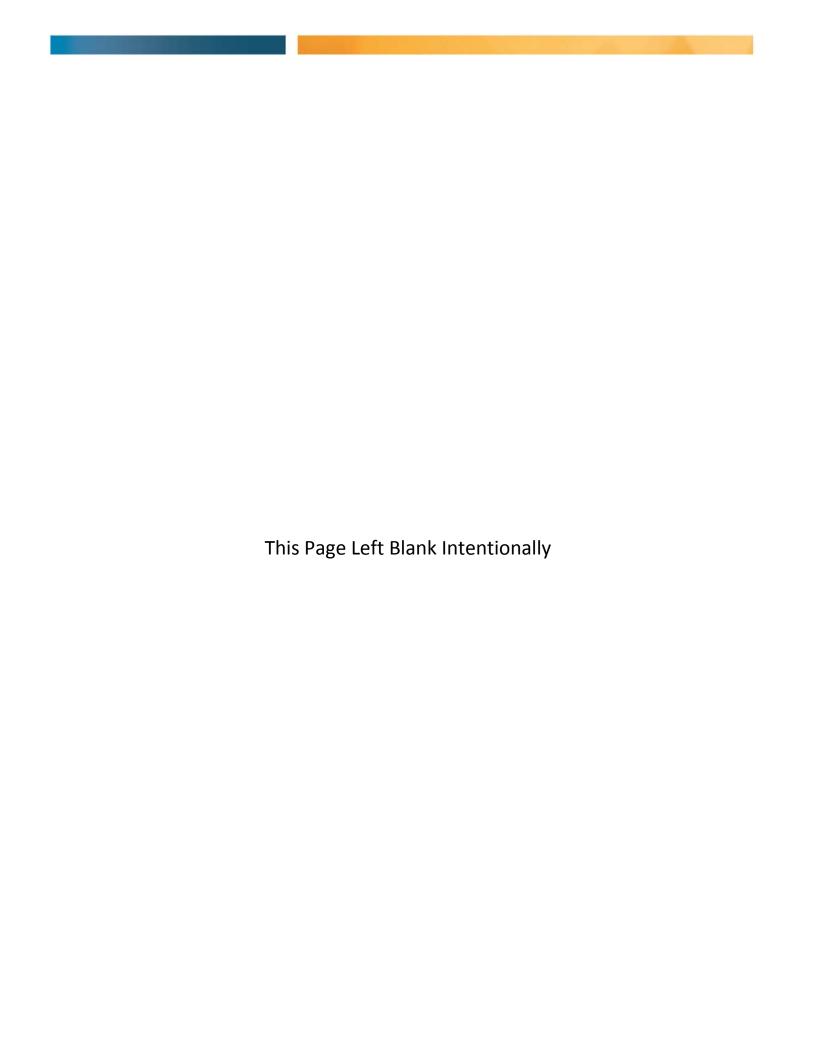
### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2016

**Kaye A. Scott** 

**Director of Finance** 





**INTRODUCTORY SECTION** 

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Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Goldsboro North Carolina

For its Comprehensive Annual Financial Report for (he Fiscal Year Ended

June 30, 2015

**Executive Director/CEO** 

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# CITY OF GOLDSBORO MAYOR & COUNCIL



Front Row left to right: Bevan Foster (District 4), Mayor Chuck Allen, and Mark Stevens (District 3). Back Row left to right: Bill Broadaway (District 2), Antonio Williams (District 1), David Ham (District 5) and Gene Aycock (District 6).

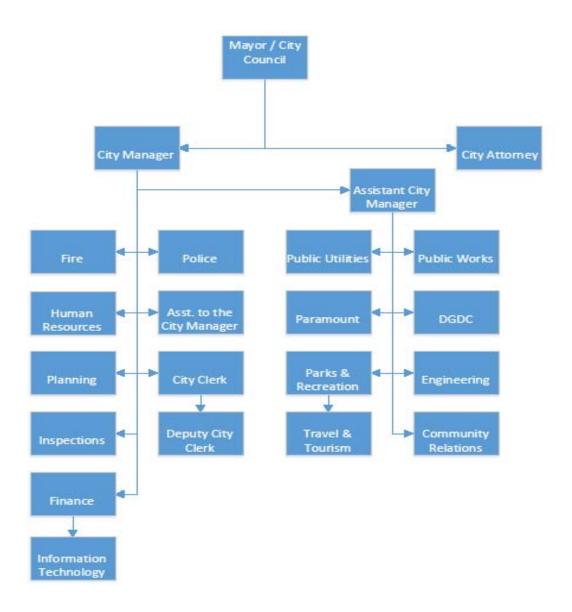
### CITY MANAGER SCOTT A. STEVENS

ASSISTANT CITY MANAGER RANDY GUTHRIE

CITY ATTORNEY JAMES D. WOMBLE, JR.

FINANCE DIRECTOR KAYE A. SCOTT

### CITY OF GOLDSBORO ORGANIZATION CHART





January 3, 2017

The Honorable Mayor and Members of the City Council City of Goldsboro, North Carolina

The Comprehensive Annual Financial Report of the City of Goldsboro, for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City is responsible for establishing and maintaining a system of internal controls. These controls are designed to provide reasonable assurance that: (1) assets are safeguarded against loss, theft or unauthorized use and; (2) the financial records are reliable, allow for the preparation of financial statements in conformity with generally accepted accounting principles, and demonstrate compliance with applicable legal requirements. Reasonable assurance recognizes that the cost of a control should not exceed its benefit and that evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City must ensure that an adequate internal control system is in place to comply with the various laws and regulations of those financial assistance programs. As part of the City's single audit, the internal control system is tested and evaluated to determine compliance with the applicable legal requirements. The result of the City's single audit for the fiscal year ended June 30, 2016 disclosed no instances of material weaknesses in the internal control system or noncompliance with the applicable laws and regulations.

In addition, the City maintains a system of budgetary controls. These budgetary controls are designed to ensure compliance with the budget ordinances adopted by the City Council as well as compliance with the North Carolina General Statutes as they relate to budgetary control for local governments. All funds are included in the City's annual budget ordinance, grant project ordinances, or capital project ordinances. The level at which expenditures cannot legally exceed the appropriated amounts is at the department level. An encumbrance accounting system is used to achieve budgetary control with encumbered amounts lapsing at year-end. However, encumbrances that are planned to be honored are reported as a reserve of fund balance and re-appropriated in the following year's budget. The City continues to demonstrate its adherence to sound financial management principles and fiscal responsibility as evidenced by the statements and schedules included in this report.

The City is required by the North Carolina General Statutes to have an annual independent audit of its financial statements. In addition, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act require annual independent audits of the City's compliance with the applicable laws and regulations related to certain financial assistance received by the City.

The Management Discussion and Analysis (MD&A) immediately follows the report of the independent auditors. The MD&A provides users of the financial statements a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

### PROFILE OF THE CITY

The City of Goldsboro is located in the east-central part of North Carolina. Incorporated in 1847, the City is the largest municipality in Wayne County with an estimated population of 34,959 and a land area of approximately 28.15 square miles. Situated in the approximate geographic center of the County, the City also serves as the County seat.



The City operates under the Council-Manager form of government. The six members of the Council are elected from districts. The Mayor is elected at-large and is the presiding officer of the Council. The Mayor and Council members serve four-year terms. The Mayor Pro-Tempore is selected by the Council. The Manager is appointed by the Council and serves as the chief administrative officer of the City and is responsible for administering the policies and ordinances of the Council.

The City provides its citizens with a wide range of services that include police and fire protection, sanitation, transportation, cultural and recreational activities, planning and zoning, community development, building inspections,

cemetery, and general administrative services. In addition, the City owns and operates water, wastewater and compost utilities. This report includes all of the City's activities related to these services.

The City continues to maintain a system of budgetary controls as required by state statutes that promote a sound financial management and fiscal accountability. In the spring, the City Manager submits to City Council, a proposed budget for the upcoming fiscal year. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. The annual budget is prepared by fund and department. During the fiscal year, the City Manager or designee is authorized to approve all transfers or revisions, but the City Council must approve any revisions that change the total budget of any fund. Budget-to-actual comparisons are presented in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, the comparison is presented on page 30 as part of the basic financial statements for the governmental funds. Page 91 - 102 include budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e. special revenue funds and capital projects funds).

### FINANCIAL CONDITION

### Local Economy

The City has a diversified economy based upon agriculture, governmental institutions and manufacturing that are supported by a mix of wholesale and retail businesses as well as numerous service providers. This diversity is also reflected in the international composition of the firms. Manufacturers with foreign ownership have corporate ties with Great Britain, Japan and Mexico.

Local industries are involved in a range of operations from simple assembly to complex manufacturing processes, resulting in products ranging from bread and poultry feed to automobile parts, aviation components and electric transformers. The Wayne County Development Alliance, Inc. recognizes 64 major manufacturers and distributors/wholesalers and machine shops in the County who account for more than 9,500 jobs. During the last five years, the area has seen the location of several new

manufacturing, warehousing and distribution facilities and the expansion of even more such operations. Increases in non-manufacturing employment also continue to contribute to a stable local economy. Seymour Johnson Air Force Base (the "Base"), located in the City, contributes \$621 million (Source – SJAFB FY15 Economic Impact) to the economy. The Base is the home of the Air Combat Command's

4<sup>th</sup> Fighter Wing and 916<sup>th</sup> Air Refueling Wing, an Air Force Reserve unit, and several small associate units. The Base currently employs 4,448 active duty military personnel, 774 civilian personnel and 1,371 reservists. Seymour Johnson Air Force Base occupies over 3,200 acres in the southeast section of Goldsboro and manages approximately 50,000 acres in Eastern North Carolina.



The Base is currently working a \$15 million contract for airfield pavement repairs with work scheduled for completion in January 2018. This is the latest of \$67.3 million in airfield pavement improvements over the past 5 years. Also, \$15.5 million improvements to the KC-135R and Transient parking apron pavements and fuel system will be completed in late 2017. A new \$17.1 million Air Traffic Control Tower and Base Operations complex will be contracted in 2017.

4<sup>th</sup> Medical Group at Seymour Johnson broke ground in August 2014 on a new 107,000 square feet medical clinic. The \$54.3 million facility will provide state of the art medical treatment. The new clinic is expected to be open in June 2017.

Based on operational analysis, results of site surveys, cost, and military judgment factors, Seymour Johnson Air Force Base was chosen as the preferred alternative for the first Reserve-led KC-46A Pegasus main operating base by Air Force officials on October 29, 2015. Seymour Johnson AFB is participating in an environmental impact analysis to help Air Force officials with the final basing decisions for the aircraft. If selected, the KC-46As are expected to begin arriving in 2020.

Wayne Community College ("WCC"), located within the City of Goldsboro employs approximately 500 employees with Wayne County as its service area, has approximately 3,300 students enrolled annually in its more than 100 programs of study in college transfer and technical areas (degree, diploma, or certificate).

The City serves as the medical care center for the County and portions of surrounding counties. Wayne Memorial Hospital, located in the City and employs approximately 1814 individuals, is an acute-care facility offering a wide range of major medical services. The hospital continues to improve its facilities and technology. Wayne Memorial Hospital has received conditional approval for a \$25 million expansion project. The project includes renovations of 50,000 square feet of existing hospital space and an addition of 40,000 square feet with an anticipated completion date of 2017.

The City of Goldsboro's Inspection Division issued approximately \$51.9 million for commercial and residential building and miscellaneous permits. The retail sector of the economy is holding steady. Permits have been issued for several vehicle dealerships, assistant living facility, grocery store, hotel, office/administration buildings, retail stores and the Maxwell Agriculture and Convention Center. The Inspection Division issued approximately \$5.4 million in residential permits this past fiscal year.

During the 2015-16 fiscal year, we had 16 new businesses open (8 net gain), 76 net new jobs created, 3,880 volunteer hours invested in downtown, \$6,327,519 of public investment and \$6,381,283 of reported private investment downtown.

Additional highlights include the receipt of a \$200,000 Building Reuse Grant from the NC Rural Center to aid a new private investor in the acquisition and rehabilitation of a longtime vacant building that will serve as a pediatric dental office employing over 20 people in 2017. The DGDC non-profit organization raised \$68,000 to assist the City with downtown efforts and events through sponsorships from 100 local business sponsors. The City of Goldsboro acquired funding through NCDOT and the Federal Highway Administration to assess a roof replacement of the historic Union Station in September 2016. Construction is planned of begin in early 2017. The City also partnered with NCDOT utilizing Planning Work Program Funds to conduct a Traffic & Parking Analysis of downtown. Recommendations

of this plan will be considered by City Council in phases beginning in 2017. A one-year major rehabilitation project of three buildings concluded as of November 2016 that will result in five additional upper story housing units. Four other units were completed in the summer of 2016 through two separate projects and another three-bedroom unit will be available soon. The DGDC was awarded a \$3,650 grant from Wells Fargo to assist with their building debt and renovation project. The City, DGDC and the Arts Council of Wayne County was designated a SmART Community by the NC Arts Council and will be receiving approximately \$30,000/year for the next 3 to 5 years to work with an artist and develop projects that test the theory that art spurs private investment and economic development. The City of Goldsboro and the downtown community hosted the NC Main Street Conference in March 2016 and welcomed over 500 people to downtown over a three-day period resulting in an economic impact of approximately \$140,000.

The NC Division of Tourism, Film & Sports Development, has just released the 2015 tourism economic impact numbers for Wayne County. Travel in Wayne County generated an economic impact of \$151.15 million in calendar year 2015. This is a 3.2% increase over 2014. Approximately 1000 jobs in Wayne County were directly attributable to travel and tourism and the industry generated \$21.2 million in payroll for the county. State and local tax revenues from travel to Wayne County in 2015 amounted to \$12.8 million. Of the 100 counties in North Carolina, Wayne County is ranked 30th in the State. Economic impact of travel in the County far surpasses neighboring counties of Wilson, Duplin, Sampson, Lenoir, Greene and Craven. Sporting events in 2014, such as the United States Tennis Association North Carolina State Singles Championship, American Corn Hole State Championship, Goldsboro Criterion, USSSA softball tournaments, PDGA tournaments and Goldsboro Family Y hosted swim meets, generated over \$2 million in economic development to the City and County.

### Long-Term Financial Planning



The City and Downtown received another USDOT Transportation Infrastructure Generating Economic Recovery (TIGER) grant this year. Notification of the TIGER VIII award was made in late July and was likely awarded due to the measurable success we had with the implementation of the 2013 TIGER V Grant. The TIGER VIII Project is an extension and completion of the awarded TIGER V projects. The 2016 award is for \$5,000,000 to conduct four transportation related projects in the downtown area that will expand and

improve upon the projects implemented with the 2013 Grant, completed in November 2015. With the \$5M federal award and the City's match, not to exceed \$1.7M, four projects will be completed within the next four years, including: Center Street Streetscape Project involving the last two blocks from Spruce to Elm Street, Construction of the Gateway Transit Center Concourse located at 103 N. Carolina Street, Fabrication and Installation of over 90 Wayfinding Signs throughout the Goldsboro Metropolitan Planning Area, including the downtown area, and Construction of Cornerstone Commons, a public park located at 200 S. Center Street. The latter two projects will begin design and/or construction/installation in early 2017. These projects are expected to spur additional private investments, create/retain 243 jobs and generate \$4.9M to local/regional economy through household income. As of April 2016 at the time the TIGER VIII grant application was submitted, the following economic results were realized in the downtown area: Since the September 2013 TIGER V award announcement, downtown has realized 29 new property acquisitions and 32 new businesses. This has resulted in 147 new jobs. The combination of new property acquisitions, rehabilitation investments and new business investments results in a total \$6,556,400 private investment. When compared to the economic statistics for the same period prior to September 2013, the results speak for themselves: 123% increase in building renovation projects, an 88% increase in new jobs, a 28% increase in new businesses and a 152% increase in private investment. These projects added approximately 66,500 square feet of productivity to downtown in properties that were vacant or underutilized prior. We anticipate similar impacts with the implementation of the TIGER VIII award, especially since three of these projects have been revered by the community for many years.



In 2013, the City of Goldsboro had a sewer collection system inflow and infiltration analysis done. Significant problems were identified in this study. The City has undertaken an extensive sewer collection system rehabilitation program with four initial phases; Phase 1 is completed (\$375,246), Phase 2 is currently 90% complete (\$1,304,000), Phase 3 will be bid soon (\$1,920,695), and Phase 4 is the next upcoming part of the rehabilitation project (\$6,268,382).

The City of Goldsboro has 163 miles of paved and 9 miles of unpaved city streets. Local funding is regularly allocated in the budget to maintain and resurface city streets but additional funding is needed to increase resurfacing and pave some of the unpaved streets. On November 8, 2016, voters approved a \$7,000,000 Infrastructure Bond to allow the City to improve its resurfacing and paving efforts.

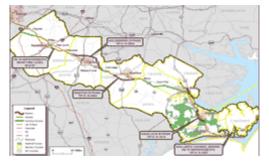
The City is working with a professional architect for the design and construction plans for a Police Evidence Room expansion to the existing Police facility at an estimated cost of \$3.5 million. The City is seeking to construct a state of the art evidence storage facility that will have adequate storage capacity to serve the next 30 years. In addition, this architect is also developing construction plans for the replacement of the living quarters at Fire Station 4 estimated to cost \$500,000.

The City is interested in replacing its Herman Park Center, an aging multi-purpose building used for numerous community events, with a modern and fully functional recreation center. An architect has conducted public input meetings and has developed a schematic layout for City Council to consider. This project would include the recreation center replacement and park improvements estimated to cost \$10,000,000 and if approved, could be under construction in spring of 2018.

In November 2015, the City of Goldsboro and the United State Air Force entered into an agreement to develop a multisport complex which will include soccer, football and lacrosse. The plans for this complex include the construction of 8 full size illuminated multisport fields, parking restrooms, walking trails, shelters, playgrounds and concession facilities. Proposed tournament events are planned for this facility that will stimulate the economy, encourage new investment and provide more recreation, entertainment and shopping options for the citizens of Goldsboro, Wayne County and SJAFB. Current funding in the amount of \$4,000,000 is available, and \$3,000,000 Parks and Recreation Bond was approved by the voters at the November 8, 2016 election.

The Federal Highway Administration has designated funds not to exceed the amount of \$900,000 for the construction of the Multi-Use Trail along New Hope Road. A 10-foot-wide multi-use path is currently being constructed and the Federal Highway Administration will reimburse the City of Goldsboro at the rate of 80% (\$720,000) and North Carolina Department of Transportation will provide the non-federal match of 20% (\$180,000) for a total estimated project cost of \$900,000. This project is scheduled to be completed by April 2017.

A Section of the U.S. Highway 70 Bypass, known as the "Goldsboro Bypass" opened in June of 2016. The U.S. Highway 70 corridor is one of the primary East-West corridors traversing eastern North



Carolina from Interstate 40 in Garner to the Port at Morehead City. There are on-going efforts to transform U.S. 70 into a freeway from Interstate 40 to the coast. In March of 2016 Governor Pat McCrory unveiled a future U.S. Interstate 70 sign which designates the corridor as Interstate 42. This designation enhances the U.S. 70 corridor by connecting North Carolina and benefits our military interconnectivity, aid in economic development, create jobs and stimulate growth in travel and tourism. Continuing studies and funding have been designated to continue the next segment of the freeway through the "Kinston Bypass".

Progress continues on the I-795 corridor which will allow for a complete connection between I-95 in Wilson, North Carolina, and existing I-40. Feasibility studies have been completed and a preferred route has been designated within the Transportation Improvement Program. The extension of I-795 southward along US 117 corridor would connect cities and industrial centers that are important to national defense, economic growth, and job creation.

### OTHER RELEVANT INFORMATION

The City utilizes the pooled cash and investment concept in investing temporarily idle cash. The criteria for selecting investments are safety, liquidity and yield. The investment policy of the City is guided by state Statute and as a result, investments in certificates of deposit, short-term money market arrangements, and the North Carolina Capital Management Trust, an SEC registered mutual fund, have been made. All deposits are either insured by federal depository insurance or collateralized by pledged securities.

During the course of each year's budget development process, the City's departments update the City of Goldsboro's capital projects ten-year plan. This plan is presented and reviewed by the City Manager and City Council each fiscal year and used as a planning tool in preparing the fiscal budget. The City will be altering its capital project forecasting to a capital improvement plan (CIP). This plan will include projects of large and nonrecurring nature of \$30,000 and higher with 10-year forecasting for the General Fund projects and up to 20 years for the Utility Fund projects.

The Goldsboro City Council adopted fiscal policy guidelines in April 2010 and updated policies to include Utility Fund objectives in February 2012. This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of Goldsboro. The City's debt policy ratio of direct net debt service expenditures as a percent of total governmental fund expenditures should not exceed 15% with an aggregate ten-year principal payout ratio target of 55% or better. The City will strive to maintain available fund balance in the General Fund at a level sufficient to meet it objectives. The City will target an available fund balance at the close of each fiscal year equal to 15% of the General Fund Operating Budget.

In October 2014, Standard and Poor's Ratings Services affirmed its AA- rating and Moody's assigned a rating of Aa2 to the City of Goldsboro.

The City contributes an amount equal to 5% of participant earnings to a supplemental retirement plan (401-K) for law enforcement officers and contributes 3% to all non-sworn employees. No contribution is required of the participant in this plan, but voluntary contributions are permitted up to the legally allowed maximum under tax deferral law.

In June 2015, the North Carolina General Assembly enacted a House Bill allowing local governmental units to join the North Carolina State Health Plan. The City of Goldsboro decided to participate in the North Carolina State Health Plan effective January 1, 2016.

In accordance with G.S. 159-29, the finance officer and tax collector are each individually bonded for \$50,000 and \$55,000 respectively.

### <u>AWARDS</u>

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 Goldsboro for its Comprehensive Annual Financial Report for the fiscal years ended June 30, 1990-1993 and 1995-2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial records.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### ACKNOWLEDGEMENT

Preparation of this report could not have been accomplished without the efficient and dedicated efforts of the Finance Department staff, the various employees who assisted in obtaining information, and our independent Certified Public Accountants, Carr, Riggs and Ingram, Inc. We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and professional manner.

Respectfully submitted

Scott A. Stevens City Manager

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**FINANCIAL SECTION** 

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### INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Goldsboro, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Goldsboro's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goldsboro, North Carolina, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 - 20, the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions, on pages 76 - 77, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions on page 78, and the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability in page 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goldsboro, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, and Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in

the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government auditing Standards*, we have also issued our report dated January 3, 2017 on our consideration of City of Goldsboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering City of Goldsboro's internal control over financial reporting and compliance.

Goldsboro, North Carolina

Can, Rigge & Ingram, L.L.C.

January 3, 2017

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As management of the City of Goldsboro (The "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the recent fiscal year by \$110,636,554 (net position). Of this amount, \$15,655,899 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,616,283, consisting of a \$3,344,008 increase in net position of governmental activities and a \$1,272,275 increase in net position of business-type activities. The governmental increase was primarily the result of the City's capital asset additions. Business-type activities increased due to utility capital assets increasing and savings on maintenance expenses due to the Water Treatment Plant upgrade.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,208,462, a decrease of \$5,152,693 in comparison with the prior year. Approximately 28 percent of this total, or \$3,634,997, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned total fund balance for the General Fund was \$7,585,797 or 21.6 percent of total general fund expenditures for the fiscal year.
- The City of Goldsboro's total debt decreased by \$4,606,325 (8.6%) during the current fiscal year.
- The City of Goldsboro maintained its AA- bond rating from Standard and Poor's and Aa2 from Moody's Investors Services. The City has received an unmodified opinion from the independent auditing firm, Carr, Riggs and Ingram, LLC. An unmodified option is the highest level of assurance of compliance with accounting standards and practices and with the internal controls there were no material weaknesses or significant deficiencies.

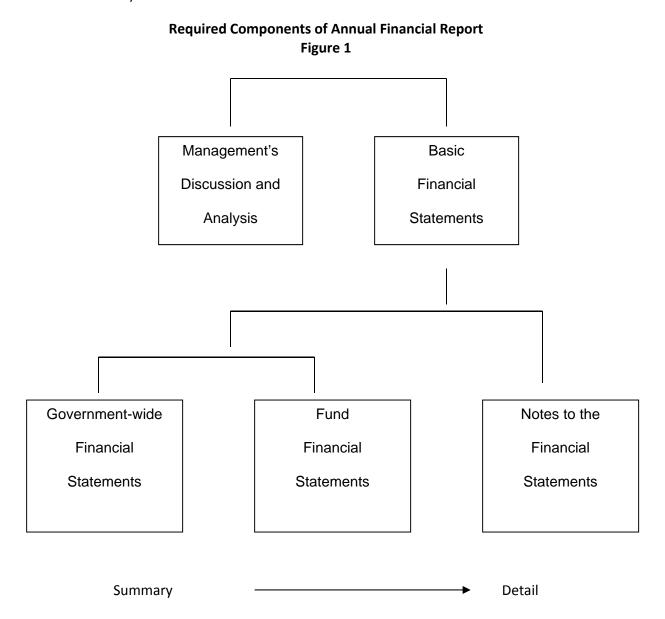
### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components (see figure 1). They are as follows:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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.



### **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 fund 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 can also be found in this part of the statements.

**Government-wide financial statements.** The government-wide financial statements consist of two statements. They are the Statement of Net Position and the Statement of Activities. They are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of Goldsboro is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Goldsboro that are primarily supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, buildings and grounds, economic/physical development, environmental protection, and culture and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements can be found on pages 23-25 of this report.

**Fund financial statements**. 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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City 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 Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City 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 Board 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 board; 2) the final budget as amended by the board; 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's proprietary type funds provide the same type of information found in the government-wide financial statements, but in more detail. The City uses an enterprise fund to account for its water and sewer activity. To account for the difference between the budgetary basis of accounting and the accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary schedule.

The fund financial statements can be found on pages 27-35 of this report.

**Notes to the financial statements.** The notes to the financial statements 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 can be found on pages 37-73 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning the City's operations and property taxes.

The other information can be found on pages 76-79 of this report.

**Interdependence with Other Entities:** The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

### **Government-Wide Financial Analysis**

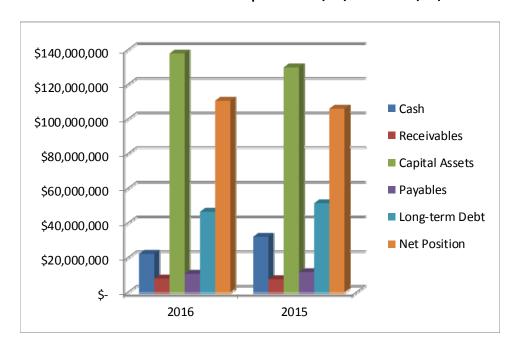
Table 1
City of Goldsboro, North Carolina
Condensed Statement of Net Position
As of June 30.

	Governmental Activities					Business-ty	pe Activ	vities	Total Primary Government				
		2016		2015		2016		2015		2016		2015	
Current assets	\$	16,620,892	\$	23,313,307	\$	15,335,238	\$	13,919,209	\$	31,956,130	\$	37,232,516	
Capital assets		69,226,431		61,815,937		68,647,620		68,032,678		137,874,051		129,848,615	
Deferred outflows of resources		1,124,471		2,970,933		516,561		578,824		1,641,032		3,549,757	
Total assets and deferred outflows	\$	86,971,794	\$	88,100,177	\$	84,499,419	\$	82,530,711	\$	171,471,212	\$	170,630,888	
Current liabilities		5,363,012		6,185,212		5,300,691		5,490,847	\$	10,663,703	\$	11,676,059	
Long-term liabilities		27,962,765		27,994,565		20,471,443		23,450,315		48,434,208		51,444,880	
Deferred inflows of resources		860,820		4,479,211		875,928		1,436,067		1,736,748		5,915,278	
Total liabilities and deferred inflows	\$	34,186,597	\$	38,658,988	\$	26,648,062	\$	30,377,229	\$	60,834,659	\$	69,036,217	
Net investment in capital assets Restricted for:	\$	44,410,030	\$	42,803,884	\$	47,525,121	\$	45,635,607	\$	91,935,151	\$	88,439,491	
Stabilization by State Statute		2,807,277		2,651,605				-		2,807,277		2,651,605	
Capital projects		238,227		3,451		-		-		238,227		3,451	
Unrestricted		5,329,663		3,982,249		10,326,236		10,943,475		15,655,899		14,925,724	
Total net position	\$	52,785,197	\$	49,441,189	\$	57,851,357	\$	56,579,082	\$	110,636,554	\$	106,020,271	

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$110,636,554 as of June 30, 2016. The City's net position increased by \$4,616,283 for the fiscal year ended June 30, 2016. However, the largest portion of net position (83%) reflects the City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$15,655,899 is unrestricted. Also, the City has also implemented GASB Statement 68. With the new reporting change,, the City is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense.

### Government-wide Statement of Net Position Components – 6/30/2016 and 6/30/2015



Several aspects of the City's financial operations influenced its government-wide net position components:

**Governmental activities:** Governmental activities increased the City's net position by \$3,344,008. Key elements of this increase are as follows:

- Sales tax revenues had an increase of \$410,705.
- Repayment of interfund loan to the Utility Fund reduced the liabilities by \$250,000.
- The City recognized a liability increase of \$3,121,687 during the year related to governmental activities for net pension liability for retirees.
- Operating and capital grants and contributions decreased \$4,134,538 compared to the prior year.
- The City increased its miscellaneous revenues by \$328,990, which includes property sales, recreation, golf course fees, and officer's fees.

**Business-type activities:** Business-type activities increased the City's net position by \$1,272,275. Key elements of this increase are as follows:

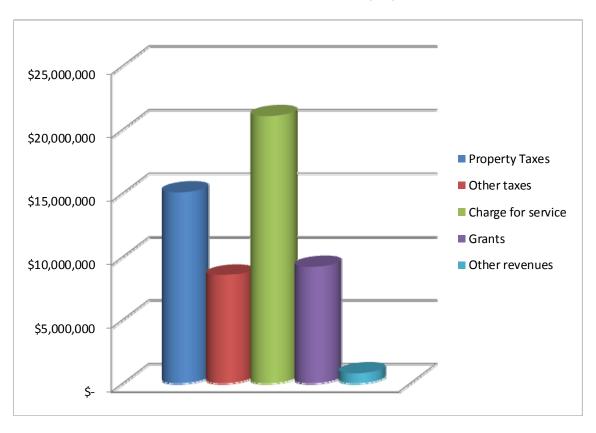
- The City's General Fund reimbursed the Utility Fund \$250,000 for the interfund loan.
- Operating expenditures for Water, Sewer and Compost Facilities were \$1,254,119 higher for 2016 in compared to 2015 as the City completed utility related improvements to the Streetscape Project.

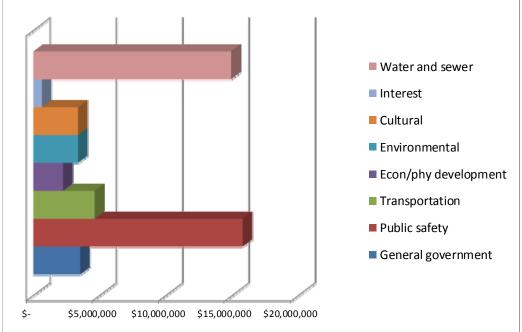
- Charges for services increased by \$483,822, which was contributed to increase in water and sewer volume.
- The City recognized during the current year a net pension liability for retirees, of which \$214,267 related to business-type activities.

Table 2
City of Goldsboro, North Carolina
Condensed Statement of Revenue, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30,

	2016						2015						
		Governmental Activities		Business-type Activities		Total	Governmental Activities		Business-type Activities			Total	
Revenues:													
Program revenues:													
Charges for services	\$	4,865,909	\$	16,175,654	\$	21,041,563	\$	6,980,299	\$	15,691,832	\$	22,672,131	
Operating grants and contributions		5,889,609		-		5,889,609		6,204,774		-		6,204,774	
Capital grants and contributions		3,317,775		-		3,317,775		7,137,148		-		7,137,148	
General revenues:													
Property taxes		15,056,921		-		15,056,921		15,420,547		-		15,420,547	
Local option sales taxes		7,625,338		-		7,625,338		7,214,633		-		7,214,633	
Other taxes		889,751		-		889,751		785,616		-		785,616	
Unrestricted investment earnings		28,027		13,075		41,102		6,848		6,612		13,460	
Miscellaneous		745,492		-		745,492		416,502		-		416,502	
Total revenues		38,418,822		16,188,729		54,607,551		44,166,367		15,698,444		59,864,811	
Expenses:													
General government		3,547,629		-		3,547,629		4,184,415		-		4,184,415	
Public safety		15,793,509		-		15,793,509		15,715,097		-		15,715,097	
Transportation		4,618,881		-		4,618,881		4,235,342		-		4,235,342	
Economic and physical development		2,241,469		-		2,241,469		3,724,636		-		3,724,636	
Environmental protection		3,371,917		-		3,371,917		3,620,474		-		3,620,474	
Cultural and recreation		3,374,173		-		3,374,173		3,213,278		-		3,213,278	
Interest on long-term debt		647,356		-		647,356		505,575		-		505,575	
Water and sewer		-		14,916,454		14,916,454		-		13,662,335		13,662,335	
Assets donated		1,479,880		-		1,479,880		-		-		-	
Total expenses		35,074,814		14,916,454		49,991,268		35,198,817		13,662,335		48,861,152	
Increase in net position		3,344,008		1,272,275		4,616,283		8,967,550		2,036,109		11,003,659	
Net position, July 1		49,441,189		56,579,082		106,020,271		43,078,293		54,939,046		98,017,339	
Prior period adjustment		-		-		-		(2,604,654)		(396,073)		(3,000,727)	
Net position, June 30	\$	52,785,197	\$	57,851,357	\$	110,636,554	\$	49,441,189	\$	56,579,082	\$	106,020,271	

### Government-wide Revenues – 6/30/2016





Government-wide Expenses – 6/30/2016

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with financerelated legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on nearterm inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned 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. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,585,797, while total fund balance reached \$10,983,836. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 22% percent of total General Fund expenditures, while total fund balance represents 31% percent of the same amount.

At June 30, 2016, the governmental funds of the City reported a combined fund balance of \$13,208,462, a 30% decrease over last year, primarily due to the expenditure of loan proceeds on capital project expenditures. In the general fund, the actual budget basis fund balance change was an increase for fiscal year 2016 of \$1,113,856 and is primarily due to overall cost savings. Property tax and sale tax revenues increased over prior year's collections. The Downtown District Fund had a slight decrease in fund balance of \$64,152 and the Occupancy Tax Fund increased by \$168,750.

### **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; and 3) increases in appropriations that become necessary to maintain services.

At June 30, 2016, the governmental funds of the City of Goldsboro reported a combined fund balance of \$13,208,462, a \$5,152,695 decrease over last year. Key factors (increases and decreases) in the changes of the fund balances for the governmental funds are noted below:

There were revenue appropriations for reimbursement proceeds received from loans received from expenses previously funded:

Several differences occurred between the original and final adopted budgets for the fiscal year. Some of the more significant variances are as follows:

- Privilege Licenses had a decrease due to the North Carolina's Legislation repealing the local business tax levy.
- Sales Tax and Utility Franchise Taxes were more than originally budgeted.
- Sales and services revenues increased in the Parks and Recreation due to the marketing and events changes and a slight decrease in refuse and golf fee collections.
- The difference in unrestricted intergovernmental revenues resulted from increased collections in Utility Taxes, NCDOT Signal reimbursement, and Wayne County School Resource Officers.
- Transportation planning grant expenditures and reimbursement was not as much as expected.
- Restricted revenues increased for reimbursement with the City's garage fuel and services for the Goldsboro/Wayne Transportation Authority.
- Parks and Recreation's budget was amended for the renovations and purchase of the Goldsboro Event Center.
- Funds were allocated in Transportation for the Berkeley Blvd Widening Project.

Several significant differences occurred between the final amended budget and actual results:

- Privilege licenses decreased with the change in billing and collections of privilege licenses.
- Sales Tax and Utility Franchise Taxes collections were more than foreseen.
- Transportation planning grant funds received were less than expected due to a decrease in work completed on the authorized projects.

- Sales and service revenues were less than budgeted in refuse service and golf fees.
- Overall expenditures were less than budgetary estimates, due to vacant positions and reduction in spending by all departments.

**Proprietary fund.** The City's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Utility Fund at the end of the fiscal year amounted to \$10,326,236. The total increase in net position for the fund was \$1,272,275. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

#### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, totals \$137,874,051 (net of accumulated depreciation). These assets include buildings, streets, land, equipment, and vehicles.

The significant capital asset additions during the yearwere:

- Purchase of Pick-Up Truck in Inspection Department at a cost of \$18,463.
- Update Network Equipment costing \$33,357.
- Purchase of Garage Packer in the amount of \$241,820 and Trash Truck costing \$281,357.
- Stoney Creek Outfall Rehabilitation in the amount of \$303,165.
- Purchase of 10 Patrol Cars in the Police Department in the amount of \$348,632 and
   2 Administrative Vehicles costing \$57,862.
- Construction of New Recreation Center at \$5,310,838.
- Renovations of Goldsboro Event Center costing \$1,068,746.
- Replacement purchase of Jet-Rodder Truck at \$365,407.
- Streetscape Utility Improvements costing \$2,271,353.
- Tiger V Streetscape Improvement Projects and Gateway Transportation Facility was completed at a cost of \$14,040,340.

Additional information on the City's capital assets can be found on pages 49-50 of this report.

# Government-wide Capital Assets - 6/30/2016

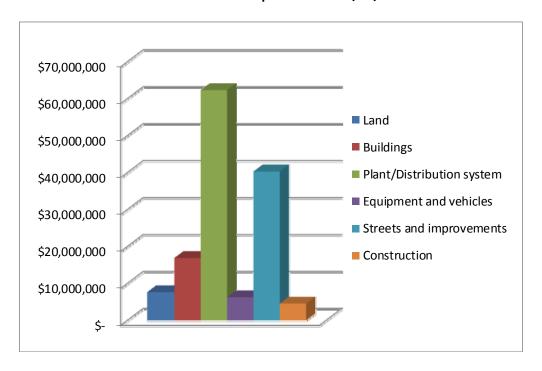


Table 3
City of Goldsboro, North Carolina
Condensed Statement of Capital Assets (net of depreciation)
For the Fiscal Year Ended June 30,

	Governmental Activities				Business-type Activities				Total			
		2016		2015	2016		2015		2016		2015	
Land	\$	6,163,286	\$	7,643,170	\$ 1,443,282	\$	1,443,282	\$	7,606,568	\$	9,086,452	
Buildings		16,863,851		10,944,569			-		16,863,851		10,944,569	
Plant and												
Distribution												
Systems		-		-	62,308,422		62,279,158		62,308,422		62,279,158	
Equipment		373,076		460,892	883,481		858,186		1,256,557		1,319,078	
Vehicles		4,103,928		3,569,797	896,411		578,207		5,000,339		4,148,004	
Streets and												
Improvements		40,292,190		27,143,155	-		-		40,292,190		27,143,155	
Construction in												
progress		1,430,100		12,054,354	3,116,024		2,873,845		4,546,124		14,928,199	
Total	\$	69,226,431	\$	61,815,937	\$ 68,647,620	\$	68,032,678	\$	137,874,051	\$	129,848,615	

**Long-term Debt.** As of June 30, 2016, the City had total debt outstanding of \$48,763,445. Of this amount, \$16,566,000 represents bonded debt backed by the full faith and credit of the City, while the remainder represents several notes payable and capitalized leases.

Table 4
City of Goldsboro, North Carolina
Condensed Statement of Long Term Debt
For the Fiscal Year Ended June 30,

	Governmental Activities			Business-type Activities				Total			
	2016		2015	2016		2015		2016		2015	
General obligation bonds	\$ 4,644,007	\$	5,135,723	\$ 11,921,993	\$	13,628,277	\$	16,566,000	\$	18,764,000	
Capitalized leases	1,128,775		529,330	-		-		1,128,775		529,330	
Notes Payable	19,790,472		21,154,145	\$ 11,278,198		12,922,295		31,068,670		34,076,440	
Total	\$ 25,563,254	\$	26,819,198	\$ 23,200,191	\$	26,550,572	\$	48,763,445	\$	53,369,770	

The City maintains an AA- rating from Standard and Poor's Corporation and Aa2 rating from Moody's Investor Services on its general obligation bonds.

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 the City is \$162,152,225.

Additional information regarding the City's long-term debt can be found in note 6 on pages 63-69 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The average unemployment rate for Goldsboro is currently 8.3 percent. The statewide and the national average unemployment rates for fiscal year 2016 is 4.9 percent.

As of October 2016, the City's occupancy rates are trending 79.2% for the year, which shows a 34.6% increase over last year for the same timeframe. Revenues are up 20% for October 2016 vs. 2015.

## Budget Highlights for the Fiscal Year Ending June 30, 2017

<u>Governmental Activities:</u> The City's adopted budget for 2017 reflects no increase in tax rates and Council agreed that the tax levy should remain at its existing rate of 65 cents per \$100 valuation. There was no appropriation of fund balance used in forming the General Fund's budget for FY 16-17. The City included a new vehicle licensing tax on any motor vehicle residing within the City limits. A \$10 per vehicle tax will be levied and be used to help resurface the unpaved streets within the City.

**Business – type Activities:** Water and sewer usage is expected to remain constant in FY 2016-17. The FY 16-17 Budget includes water and sewer increases of 2 ½ percent and 1 percent, respectively. This increase equals 5 cents for each unit of consumption (750 gallons) of water and sewer use. The last increase for water or sewer was in FY 2010-11. Phase II of the Water Treatment Plant Facility upgrade was completed in July 2013. The City has underway Sewer Collection Rehabilitation Projects that will relieve the inflow and infiltration problems within the City.

# **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 financial information should be directed to the Director of Finance, City of Goldsboro, P.O. Drawer A, Goldsboro, North Carolina 27533.

**BASIC FINANCIAL STATEMENTS** 

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# City of Goldsboro Statement of Net Position June 30, 2016 Exhibit 1

			Prima	ry Government	
	Go	vernmental	Bu	siness-type	
		Activities		Activities	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$	11,408,862	\$	7,994,947	\$ 19,403,809
Receivables (net)		4,729,856		3,259,409	7,989,265
Internal balances		(513,947)		513,947	-
Inventories		249,268		1,489,244	1,738,512
Total current assets		15,874,039		13,257,547	29,131,586
Non-current assets:					
Restricted assets:					
Cash and investments		746,853		2,077,691	2,824,544
Capital assets:					
Land, improvements, and construction in progress		7,593,386		4,559,306	12,152,692
Other capital assets, net of depreciation		61,633,045		64,088,314	125,721,359
Total capital assets		69,226,431		68,647,620	137,874,051
Total non-current assets		69,973,284		70,725,311	140,698,595
Total assets		85,847,323		83,982,858	169,830,181
DEFERRED OUTFLOW of RESOURCES					
Contribution to pension plan		1,124,471		170,779	1,295,250
Deferred charge on refunding		-		345,782	345,782
Total deferred outflows of resources		1,124,471		516,561	1,641,032
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities		1,769,758		609,458	2,379,216
Accrued interest payable		94,155		-	94,155
Customer deposits		-		1,104,326	1,104,326
Current portion of long-term liabilities		3,499,099		3,586,907	7,086,006
Total current liabilities		5,363,012		5,300,691	10,663,703
Long-term liabilities:					
Net pension liability		1,722,990		214,267	1,937,257
Due in more than one year		26,239,775		20,257,176	46,496,951
Total liabilities		33,325,777		25,772,134	59,097,911
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals		856,784		116,758	973,542
Prepaid assessments		4,036		759,170	763,206
Total deferred inflows of resources		860,820		875,928	1,736,748
NET POSITION					
Net investment in capital assets		44,410,030		47,525,121	91,935,151
Restricted for:					
Stabilization by State Statute		2,807,277		-	2,807,277
Grants		238,227		-	238,227
Unrestricted		5,329,663		10,326,236	15,655,899
Total net position	\$	52,785,197	\$	57,851,357	\$ 110,636,554

## **Program Revenues**

				Charges for	Оре	erating Grants	Ca	pital Grants
Functions/Programs		Expenses		Services	and	Contributions	and (	Contributions
Primary government:								_
Governmental Activities:								
General government	\$	3,547,629	\$	309,090	\$	3,905,483	\$	-
Public safety		15,793,509		423,512		184,025		-
Transportation		4,618,881		139,597		1,320,074		-
Economic and physical development		2,241,469		-		31,253		3,317,775
Environmental protection		3,371,917		3,250,079		-		-
Cultural and recreation		3,374,173		743,631		448,774		
Interest on long-term debt		647,356		-		-		
Total governmental								
activities (See Note 1)		33,594,934		4,865,909		5,889,609		3,317,775
Business-type activities:								
Water and sewer		14,916,454		16,175,654		-		-
Total business-type activities		14,916,454		16,175,654		-		-
Total primary government	\$	48,511,388	\$	21,041,563	\$	5,889,609	\$	3,317,775

### General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales taxes

Other taxes and licenses

Unrestricted investment earnings

Miscellaneous

**Donated Assets** 

Total general revenues not including transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Prior period adjustment

Net position - ending

# City of Goldsboro Statement of Activities Governmental Funds For the Fiscal Year Ended June 30, 2016 Exhibit 2

# Net (Expense) Revenue and Changes in Net Position

G	overnmental	ı	Business-type	
	Activities		Activities	Total
\$	666,944	\$	-	\$ 666,944
	(15,185,972)		-	(15,185,972)
	(3,159,210)		-	(3,159,210)
	1,107,559		-	1,107,559
	(121,838)		-	(121,838)
	(2,181,768)		-	(2,181,768)
	(647,356)		-	(647,356)
	(19,521,641)		-	(19,521,641)
	-		1,259,200	1,259,200
	-		1,259,200	1,259,200
	(19,521,641)		1,259,200	(18,262,441)
	15,056,921		-	15,056,921
	7,625,338		-	7,625,338
	889,751		-	889,751
	28,027		13,075	41,102
	745,492		-	745,492
	(1,479,880)		-	(1,479,880)
	22,865,649		13,075	22,878,724
	22,865,649		13,075	22,878,724
	3,344,008		1,272,275	4,616,283
	49,441,189		56,579,082	106,020,271
\$	52,785,197	\$	57,851,357	\$ 110,636,554

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# City of Goldsboro Balance Sheet Governmental Funds June 30, 2016 Exhibit 3

		Major	Funds					
								Total
					Tot	al Nonmajor	Go	overnmental
		General	DOT	Frant Fund		Funds		Funds
ASSETS								
Cash and investments	\$	9,799,992	\$	-	\$	1,608,870	\$	11,408,862
Receivables (net):								
Taxes		1,038,662		-		6,132		1,044,794
Accounts		3,685,062		-		-		3,685,062
Due from other funds		100,000		-		-		100,000
Inventories		249,268		-		-		249,268
Restricted assets:								
Cash and investments		1,269		508,626		236,958		746,853
Total assets	\$	14,874,253	\$	508,626	\$	1,851,960	\$	17,234,839
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	1,237,846	\$	-	\$	29,829	\$	1,267,675
Accrued compensation payable		499,534	•	-		-	·	499,534
Due to other funds		513,947		-		100,000		613,947
Total liabilities		2,251,327		-		129,829		2,381,156
DEFERRED INFLOWS OF RESOURCES		1,639,090		_		6,131		1,645,221
5 11 1								
Fund balances:								
Non Spendable		240.200						240.200
Inventories		249,268		-		-		249,268
Perpetual care		340,225		-		-		340,225
Restricted		1 260				226 059		238,227
Unexpended bond proceeds Stabilization by State Statute		1,269 2,807,277		-		236,958		2,807,277
Committed		2,807,277		_		-		2,807,277
Downtown Development		_		_		66,512		66,512
Economic Development		_		508,626		1,412,530		1,921,156
Assigned		_		300,020		1,412,550		1,321,130
Subsequent year's expenditures		_				_		_
Unassigned		7,585,797				_		7,585,797
Total fund balances		10,983,836		508,626		1,716,000		13,208,462
Total liabilities, deferred inflows of resources, and fund balances	\$	14,874,253	\$	508,626	\$	1,851,960	-	13,200,402
Amounts reported for governmental activities in the statement of net p because:	ositio					, ,	=	
Capital assets used in governmental activities are not financial resource	s and	therefore are r	not repo	orted in the	funds			
Gross capital assets at historical cost  Accumulated depreciation						123,270,635 (54,044,204)		69,226,431
Deferred outflows of resources related to pensions are not reported in	the fu	ınds				<u> </u>		1,124,471
Deferred inflows of resources for taxes and special assessments receive								1,641,185
Pension benefit obligation								(4,475,186)
Some liabilities, including bonds payable, are not due and payable in th	e curr	ent period and	therefo	ore				, , =, ,=,
are not reported in the funds (Note 4).								(27,083,380)
Deferred inflows of resources related to pensions are not reported in the	ne fun	ds						(856,786)
Net position of governmental activities							\$	52,785,197

# City of Goldsboro Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds June 30, 2016 Exhibit 4

	Major	Funds		
			Other	Total
			Governmental	Governmental
	General Fund	DOT Grant Fund	Funds	Funds
REVENUES				
Ad valorem taxes	\$ 15,301,873	\$ -	\$ 71,688	\$ 15,373,561
Local option sales taxes	7,625,338	-	-	7,625,338
Other taxes and licenses	85,955	60,170	743,626	889,751
Unrestricted intergovernmental	4,228,830	-	-	4,228,830
Restricted intergovernmental	1,621,006	3,317,775	448,774	5,387,555
Permits and fees	420,115	-	-	420,115
Sales and services	4,296,235	-	-	4,296,235
Investment earnings	20,678	1,212	6,137	28,027
Miscellaneous	461,723	-	9,409	471,132
Total revenues	34,061,753	3,379,157	1,279,634	38,720,544
EXPENDITURES				
Current:				
General government	3,188,675	_	-	3,188,675
Public safety	16,407,440		-	16,407,440
Transportation	3,493,477		-	3,493,477
Economic and physical development	1,308,334		7,431,977	11,896,888
Environmental protection	3,596,159		-	3,596,159
Cultural and recreational	3,307,140		-	3,307,140
Debt service:	, ,			. ,
Principal	3,087,270	-	275,000	3,362,270
Interest and other charges	665,728		-	665,728
Total expenditures	35,054,223		7,706,977	45,917,777
Excess (deficiency) of revenues				
over expenditures	(992,470	222,580	(6,427,343)	(7,197,233)
Other financing sources (uses):				
Transfer from utility fund	-	-	-	-
Transfer to utility fund	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-
Proceeds from issuance of debt	2,106,326	-	-	2,106,326
Total other financing sources (uses)	2,106,326	-	-	2,106,326
Net change in fund balances	1,113,856	222,580	(6,427,343)	(5,090,907)
Fund balances, beginning as previously reported	16,229,178	286,046	8,143,343	24,658,567
Prior period adjustment	(6,297,412	-	· · ·	(6,297,412)
Change in reserve for inventories	(61,786		-	(61,786)
Fund balances, ending	\$ 10,983,836		\$ 1,716,000	\$ 13,208,462
		•		

# City of Goldsboro Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Fiscal Year Ended June 30, 2016 Exhibit 4

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		\$ (5,090,907)
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 depreciation expense exceeded capital outlay in the current period.		
Capital outlay expenditures which were capitalized	11,473,973	
Depreciation expense for governmental assets	(2,583,595)	8,890,378
Basis in donated assets		(1,479,884)
Decrease in inventory		(61,784)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		3,563,232
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(285,700)
Some expenses (revenues) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures (revenues) in governmental funds.		
Compensated absences	(86,351)	
Accrued interest	2,364	
LEO pension obligation	(50,692)	
Net pension obligation (LGERS)	(3,121,687)	
Other postemployment benefits	(190,905)	(3,447,271)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the pricipal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. 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 items.		
Proceeds from issuance of debt	(2,106,326)	
Principal payments on long-term debt	3,362,270	1,255,944
Total changes in net position of governmental activities	<del>-</del>	\$ 3,344,008

# City of Goldsboro Statement of Revenues, Expenditures, and Changes in Fund BalanceBudget and Actual General Fund For the Fiscal Year Ended June 30, 2016 Exhibit 5

	Budgeted Amounts						
		Original		Final	Actual	Fir	riance with nal Budget - Positive Negative)
REVENUES			_				(0.40.454)
Ad Valorem taxes	\$	15,651,337	\$	15,651,337	\$ 15,301,873	\$	(349,464)
Other taxes and licenses		7,522,800		7,522,800	7,711,293		188,493
Unrestricted intergovernmental		3,301,700		4,015,675	4,228,830		213,155
Restricted intergovernmental		2,697,819		2,065,342	1,621,006		(444,336)
Permits and fees		356,900		370,900	420,115		49,215
Sales and services		4,553,620		4,301,500	4,296,235		(5,265)
Investment earnings		3,500		4,000	20,678		16,678
Miscellaneous		1,088,000		1,546,020	461,723		(1,084,297)
Total revenues		35,175,676		35,477,574	34,061,753		(1,415,821)
EXPENDITURES							
Current:							
General government		4,969,706		3,927,180	3,188,675		738,505
Transportation		3,340,964		3,598,910	3,493,477		105,433
Economic and physical development		2,321,306		2,369,055	1,308,334		1,060,721
Public safety		16,760,137		18,593,272	16,407,440		2,185,832
Environmental protection		3,339,962		3,625,766	3,596,159		29,607
Cultural and recreational		3,575,310		4,212,905	3,307,140		905,765
Debt Service:							
Principal		2,752,408		3,161,041	3,087,270		73,771
Interest		562,379		665,727	665,728		(1)
Total expenditures		37,622,172		40,153,856	35,054,223		5,099,632
Revenue over (under) expenditures		(2,446,496)		(4,676,282)	(992,470)		3,683,812
Other financing sources (uses):							
Transfer to utility fund		-		(250,000)	-		250,000
Proceeds from issuance of debt		-		1,836,247	2,106,326		270,079
Total other financing sources (uses)		-		1,586,247	2,106,326		520,079
Revenue and other financing sources over (under)							
expenditures and other financing uses		(2,446,496)		(3,090,035)	1,113,856		4,203,890
Fund balance appropriated		2,446,496		3,090,035	-		(3,090,035)
Revenues, other financing sources and							
appropriated fund balance over (under)	Ļ		ċ		1 112 050	ć	1 112 050
expenditures and other financing uses	\$		\$	-	1,113,856	\$	1,113,856
Fund balances - beginning					16,229,178		
Increase (decrease) in inventory					(61,786)		
Fund balances - ending					\$ 17,281,248		

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

# City of Goldsboro Statement of Fund Net Position Proprietary Fund June 30, 2016 Exhibit 6

ASSETS	Major Fund
Current assets:	
Cash and equivalents	\$ 7,994,947
Accounts receivables (net)	3,259,409
Inventories	1,489,244
Due from other funds	513,947
Total current assets	13,257,547
Noncurrent assets:	
Restricted assets	
Cash and cash equivalents	2,077,691
Net pension asset	-
Capital assets:	
Land and other non-depreciable assets	4,559,306
Other capital assets (net)	64,088,314
Capital assets (net)	68,647,620
Total noncurrent assets	70,725,311
Total assets	83,982,858
DEFERRED OUTFLOWS OF RESOURCES	
Contribution to pension plan	\$ 170,779
Deferred charge on refunding	 345,782
Total deferred outflows of resources	\$ 516,561
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 609,458
Customer deposits	1,104,326
Note payable - current	1,923,315
General obligation bonds payable - current	1,663,592
Total current liabilities	5,300,691
Noncurrent liabilities:	
Compensated absences payable	216,960
Net pension liabiility	214,267
Net OPEB Obligation	426,933
Note payable, net of current	9,354,882
General obligation bonds payable - net of current	10,258,401
Total noncurrent liabilities	20,471,443
Total liabilities	25,772,134
DEFERRED INFLOWS of RESOURCES	
Pension deferrals	116,758
Prepaid Utilities bills	759,170
Total Deferred inflows of resources	 875,928
Net Position	
Investment in capital assets	47,525,121
Unrestricted	 10,326,236
Total net position	\$ 57,851,357

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

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# City of Goldsboro Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Fund For the Fiscal Year Ended June 30, 2016 Exhibit 7

Operating revenues:	
Charges for service	\$ 15,391,602
Assessments	5,824
Water and sewer taps	42,564
Other operating revenues	735,664
Total operating revenues	16,175,654
Operating expenses:	
Water and sewer system:	
Salaries and employee benefits	3,495,035
Utilities	772,958
Repairs and maintenance	1,498,932
Supplies and other expenses	4,830,583
Depreciation	3,634,742
Total operating expenses	14,232,250
Operating income	1,943,404
Nonoperating revenues (expenses):	
Investment earnings	13,075
Interest and fees	(684,204)
Total nonoperating expenses	(671,129)
Income (loss) before contributions and transfers	1,272,275
Transfers from other funds	-
Change in net position	1,272,275
Total net position - previously reported	56,579,082
Total net position - ending	\$ 57,851,357

# City of Goldsboro Statement of Cash Flows Proprietary Fund For the Fiscal Year Ended June 30, 2016 Exhibit 8

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 15,329,172
Cash paid for goods and services	(7,289,035)
Cash paid to employees for services	(3,452,985)
Customer deposits received	24,312
Other operating revenues	735,664
Net cash provided by operating activities	5,347,128
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Decrease in due from other funds	250,000
Net cash provided by noncapital financing activities	250,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
New long-term borrowings	360,410
Principal paid on long-term borrowings	(2,004,508)
Interest paid on long-term borrowings	(244,939)
Acquisition and construction of capital assets	(4,249,684)
Principal paid on bond maturities	(1,706,284)
Interest paid on bond maturities	(439,265)
Net cash used in capital and related	_
financing activities	(8,284,270)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	13,075
Net cash used in investing activities	13,075
Net decrease in cash and cash equivalents	(2,674,067)
Cash and cash equivalents, July 1	 12,746,705
Cash and cash equivalents, June 30	\$ 10,072,638

# City of Goldsboro Statement of Cash Flows Proprietary Fund For the Fiscal Year Ended June 30, 2016 Exhibit 8

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 1,943,404
Adjustments to reconcile operating income	
to net cash provided by operating activities	
Depreciation	3,634,742
Pension expense	40,203
Change in assets and liabilities	
(Increase)decrease in accounts receivable	(110,818)
(Increase)decrease in inventory	(75,777)
(Increase)decrease in pension asset	272,099
Increase (decrease) in deferred inflows of resources for pensions	(564,056)
Increase(decrease) in accounts payable and accrued liabilities	(90,594)
Increase(decrease) in customer deposits	24,312
Increase(decrease) in compensated absences	(6,834)
Increase(decrease) in pension liability	214,267
Increase(decrease) in net OPEB obligation	-
(Increase) decrease in deferred outflows of resources for pensions	62,263
Increase(decrease) in deferred revenues	3,917
Net cash provided by operating activities	\$ 5,347,128

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Goldsboro conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

# A. Reporting Entity

The City of Goldsboro is a municipal corporation that is governed by an elected mayor and a six-member council. The City of Goldsboro has no component units.

## B. Basis of Presentation

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

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

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

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

The City reports the following major governmental funds:

**General Fund.** This is the City's primary operating fund. The general fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The

primary expenditures are for public safety, street maintenance and construction, and sanitation services.

**DOT Grant Fund**. The DOT TIGER Grant Fund was established to account for grant proceeds received for a downtown improvement project

The City reports the following non-major governmental funds:

**Occupancy Tax Fund**. The fund is established to account for occupancy tax revenues derived from a tax levied upon the gross receipts from the rental of any room lodging or similar accommodation for the determination of the feasibility for construction of a Civic Center in Goldsboro and the creation of the Goldsboro Tourism Council to develop tourism, support services and tourist-related events, and for any other appropriate activities to provide tourism-related facilities and attractions in Goldsboro.

Capital Project Fund. This fund accounts for funds used in the construction of various capital projects.

**Community Development Fund**. This fund is established to account for block grant monies received from the federal government under Title I of the Housing and Community Development Act of 1974.

**Downtown District Fund**. The fund is established to account for property tax revenue generated from special assessments to downtown property owners for purpose of downtown revitalization.

The City reports the following major enterprise funds:

**Proprietary Fund - Utility Fund.** This fund is established to account for the City's water and sewer services provided to residents of the City.

### 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.

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

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

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

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, 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, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Wayne County and then remitted to and distributed by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

# D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General Funds, Special Revenue Funds, (excluding the Community Development Fund) and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development and Capital Project Funds. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The City budget officer can transfer appropriations within a department or between departments within a fund in an amount not to exceed 10% of the departmental appropriation without the approval of the governing body; however, any revisions that alter total expenditures of any fund in excess of the 10% threshold must be approved by the governing board. During the year several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

## 1. Deposits and Investments

All deposits of the City are made in board-designated official depositories and are secured as required by G.S. 159-31. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The City's investments are accounted for at cost. The NCCMT – Cash Portfolio, an SEC – registered (2a-7) external investment pool, is measured at amortized costs, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities at valued at fair value.

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

## 2. Cash and Cash Equivalents

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

#### 3. Restricted Assets

The unexpended proceeds of the Local Law Enforcement Block Grant are classified as restricted assets for the general fund because their use is completely restricted to the purpose for which the grant was issued.

The unexpended bond proceeds of Water and Sewer Fund serial bonds and State Capital Project Fund issued by the City are classified as restricted assets for the respective funds because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

City of Goldsboro Restricted Cash							
Governmental activities							
Capital Project fund	Unexpended loan proceeds	\$	236,958				
General fund	Unexpended loan proceeds		1,269				
DOT TIGER grant fund	Unexpended loan proceeds		508,626				
Total governmental activities		\$	746,853				
Business-type activities Water and sewer fund Total business-type activities	Unexpended bond proceeds	\$	2,077,691 2,077,691				

#### 4. Ad Valorem Taxes Receivable, Trade Receivables and Other Receivables

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2015.

# 5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

## 6. Inventories and Prepaid Items

The inventories of the City are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for consumption. The cost of these inventories is recorded as an expense as the inventories are consumed.

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

# 7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003 consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported as estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the City are depreciated on a straight-line basis over the following estimated useful lives:

	Estimated
	Useful Lives
Buildings	50
Infrastructure	30
Improvements	10-20
Furniture and equipment	10
Vehicles	3-5
Computer Software	5
Computer equipment	5

## 8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meets this criterion, contributions made to the pension plan in the 2016 fiscal year and an unamortized loss on a bond defeasance for Water and Sewer Refunding bonds. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – property taxes receivable, cemetery receivable refuse receivable, special assessments, miscellaneous receivable and prepaid assessments, prepaid utilities, and deferrals of pension expense that result from the implementation of GASB Statement 68.

# 9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## 10. Compensated Absences

The vacation policies of the City provide for the accumulation of up to thirty days earned vacation leave 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 the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the City provide 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 none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the City.

### 11. Net Position/Fund Balances

#### **Net Position**

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

## **Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is <u>not</u> an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Perpetual maintenance – Cemetery resources that are required to be retained in perpetuity for maintenance of the City's cemetery.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Committed Fund Balance – portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by the most binding formal action ( for example, legislation, resolution, ordinance) of the majority vote by quorum of City of Goldsboro's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Economic Development – portion of fund balance assigned by the Board for economic development.

Committed for Downtown Development – portion of fund balance assigned by the Board for downtown development.

Assigned fund balance – portion of fund balance that City of Goldsboro intends to use for specific purposes as designated by the governing body.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resources or appropriation within funds in an amount not to exceed 10% of the departmental appropriation.

Unassigned fund balance - portion of total fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of Goldsboro has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal fund, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted funds balance first, followed in-order by committed fund

balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

The City of Goldsboro has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that available fund balance will target at the close of each fiscal year equal to 15% of the general fund operating budget; at no time shall the available fund balance fall below 10% of the general fund operating budget.

### 12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from the LGERS' fiduciary net positions have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the LGERS. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# F. Reconciliation of Government-wide and Fund Financial Statements

# 1. <u>Explanation of certain differences between the government fund balance sheet and the government-wide statement of net position.</u>

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the governmental–wide statement of net position. The net adjustment of \$39,576,737 consists of several elements as follows:

	123,270,635 (54,044,204)
statement in governmental activities column) \$ 1  Less accumulated depreciation  Net capital assets	, ,
Less accumulated depreciation  Net capital assets	, ,
Net capital assets	(54,044,204)
Deferred outflow of resources related to pensions are not reported in the funds	69,226,431
	1,124,471
Liabilities for revenue deferred but earned and therefore reported in the fund	
statements but not the government-wide	1,641,185
Liabilities that, because they are not due and payable in the current period, do not	
require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(25,565,801)
Pension benefit obligations	(4,475,186)
Compensated absences	(1,423,424)
Accrued interest payable	(94,155)
Deferred inflows of resources related to pensions are not reported in the funds	(856,784)
	39,576,737
Total adjustment \$	

# 2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$8,434,915 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 11,473,973
Net book value of capital assets disposed of during the year, not recognized on modified accrual basis	(1,479,884)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(2,583,595)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(2,106,326)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	3,362,270
Decrease in inventory	(61,784)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,563,232
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.  Difference in interest expense between fund statements (modified accrual) and	2.064
government-wide statements (full accrual)	2,364
Net pension obligaton	(3,121,687)
Increase in LEO pension obligation Increase in OPEB obligation	(50,692)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(190,905) (86,351)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/14	(1,440,141)
Recording of tax receipts deferred in the fund statements as of 6/30/15 Current year collections of special assessments recorded as revenue in the fund statements this year but in the government-wide statements in the year they were	1,044,794
assessed.	109,647
Total adjustment	\$ 8,434,915

### NOTE II – DETAIL NOTES ON ALL FUNDS

## A. Assets

## 1. Deposits

All of the City's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the City in the unit'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 their agents in the entities' 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 with 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 in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The city has no formal policy regarding custodial credit risk, but relies on the state treasurer to enforce standards of minimum capitalization for all pooling methods financial institutions and to monitor them for compliance. The City complies with the provisions of G.S 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2016, the City's deposits had a carrying amount of \$15,609,497 and a bank balance of \$14,741,651. Of the bank balance, \$750,000 was covered by federal depository insurance and \$13,991,651 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2016, City of Goldsboro had \$3,030 cash on hand.

## 2. Investments

At June 30, 2016, the City of Goldsboro had \$6,615,826 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. The City has no policy regarding credit risk.

# 3. Receivables – Allowances for Doubtful Accounts

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

Governmental Fund:	
Taxes receivable	\$ 1,044,794
Accounts receivable	4,162,972
Allowance for uncollectible	(477,910)
Net governmental receivables	4,729,856
Enterprise Fund:	
Accounts receivable	4,558,016
Allowance for uncollectible	(1,298,607)
Net enterprise receivables	3,259,409
Total net receivables	\$ 7,989,265

# 4. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning ance 7/1/2015	Increases		Decreases		Decreases		Bala	Ending nce 6/30/2016
Capital assets not being depreciated:									
Land	\$ 7,643,170	\$	-	\$	1,479,884	\$	6,163,286		
Construction in progress	 12,054,354		9,865,079		20,489,333		1,430,100		
Total capital assests not being depreciated	19,697,524		9,865,079		21,969,217		7,593,386		
Capital assets being depreciated:									
Buildings	17,686,641		6,448,993		-		24,135,634		
Equipment	2,474,858		109,445	-		-			2,584,303
Streets and improvements	60,410,218		14,263,876	-			74,674,094		
Vehicles and motor equipment	13,354,140		1,275,913	346,835			14,283,218		
Total capital assets being depreciated	93,925,857		22,098,227		346,835		115,677,249		
Less accumulated depreciation for:									
Buildings	6,742,072		529,711				7,271,783		
Equipment	2,013,966		197,261				2,211,227		
Streets and improvements	33,267,063		1,114,841				34,381,904		
Vehicles and motor equipment	9,784,343		741,782		346,835		10,179,290		
Total accumulated depreciation	51,807,444	\$	2,583,595	\$	346,835		54,044,204		
Total capital assets being									
depreciated, net	42,118,413						61,633,045		
Governmental activity capital assets, net	\$ 61,815,937					\$	69,226,431		

A breakdown of depreciation expense by function at June 30, 2016 is as follows:

# **Depreciation Expense:**

General government	\$ 400,457
Public safety	426,293
Transportation	1,136,782
Economic and physical development	25,836
Environmental protection	348,785
Cultural and recreational	245,442
Total depreciation expense	\$ 2,583,595

	Beginning ance 7/1/2015			Decreases		Increases Decreases		Ending nce 6/30/2016
Utility Fund								
Capital assets not being depreciated:								
Land	\$ 1,443,282	\$	-	\$	-	\$	1,443,282	
Construction in progress	2,873,845		3,383,436		3,141,257		3,116,024	
Total capital assets not being depreciated	4,317,127		3,383,436		3,141,257		4,559,306	
Capital assets being depreciated:								
Plant and distribution systems	123,923,620		3,369,447		-		127,293,067	
Furniture and maintenance equipment	1,560,455		166,043 -			1,726,498		
Vehicles	3,070,458		472,015		194,146		3,348,327	
Total capital assets being depreciated	128,554,533		4,007,505		194,146		132,367,892	
Less accumulated depreciation for:								
Plant and distribution systems	61,644,462		3,340,183		-		64,984,645	
Furniture and maintenance equipment	702,269		140,748	140,748 -			843,017	
Vehicles	2,492,251		153,811		194,146		2,451,916	
Total accumulated depreciation	64,838,982	\$	3,634,742	\$	194,146		68,279,578	
Total capital assets being depreciated, net	63,715,551						64,088,314	
Utility Fund capital assets, net	\$ 68,032,678					\$	68,647,620	

#### **Construction commitments**

The government has active construction projects as of June 30, 2016. The projects include various water and sewer system projects and the ongoing projects in the General Fund. At June 30, 2016, the government's commitments with contractors are as follows:

			Remaining		
Project	Spe	Spent-to-date		mmitment	
Governmental activities:					
Bituminous Concrete Resurfacing	\$	454,348	\$	23,913	
New Hope Multiuse Path		232,917		543,474	
Total governmental activities		687,265		567,387	
Business-type activities:					
Priority Sewer Rehab Phase I		1,278,521		26,092	
Priority Sewer Rehab Phase II		133,731		2,540,881	
Total business-type activities		1,412,252		2,566,973	
Total	\$	2,099,517	\$	3,134,360	

### **B.** Liabilities

# 1. Pension Plan Obligations

### a. Local Governmental Employees' Retirement System

Plan Description. The City is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as exofficio members. The Local Governmental 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, by calling (919) 981-5454, or at <a href="https://www.osc.nc.gov">www.osc.nc.gov</a>.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service

(age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.76% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$1,295,249 for the year ended June 30, 2016.

Refunds of Contributions – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

# Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the City reported a liability of \$1,546,596 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the City's proportion was .34461%, which was a decrease of .00494% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$654,411. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		D	Deferred Inflows of Resources	
Differences between expected and actual experience	\$	-	\$	363,536	
Changes of assumptions		-		-	
Net difference between projected and actual earnings on pension plan investments  Changes in proportion and differences between employer contributions and		-		440,309	
proportionate share of contributions		-		169,697	
Employer contributions subsequent to the measurement date		1,295,250			
Total	\$	1,295,250	\$	973,542	

\$1,295,250 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Future amortization:

Year ended June 30:	
2017	\$ (564,739)
2018	(564,739)
2019	(563,847)
2020	719,782
2021	-
Thereafter	 -
	\$ (973,543)

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 3.0 Percent

Salary Increases 4.25 to 8.55 percent, including inflation and

productivity factor

Investment Rate of Return 7.25 percent, net of pension plan investment

expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

		Long-Term
	Target	<b>Expected Real</b>
Asset Class	Allocation	Rate of Return
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including

LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
City's proportionate share of the net pension liability (asset)	10,784,581	1,546,596	(6,236,214)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

#### 1. Plan Description.

City of Goldsboro administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	16
Active plan members	102
Total	118

A separate report was not issued for the plan.

#### 2. 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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

#### 3. Contributions

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

The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3%. The assumptions did not include post-retirement benefit increases. The actual value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2015 was 16 years.

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

Annual required contribution	\$ 289,707
Interest on net pension obligation	16,998
Adjustment to annual required contribution	(29,875)
Annual pension cost	276,830
Contributions made	226,138
Increase (decrease) in net pension obligation	50,692
Net pension obligation beginning of year	339,969
Net pension obligation end of year	\$ 390,661

2	Vear	Trend	Inforn	nation
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	For Year	Annı	ual Pension	Percentage of		
	Ended		Cost	APC	Net	t Pension
_	June 30		(APC)	Contributed	Oł	oligation
	2014	\$	223,976	93.58%	\$	289,696
	2015		268,529	81.28%		339,969
	2016		276,830	81.69%		390,661

#### 4. Funded Status and Funding Progress

As of December 31, 2015, the most recent actuarial valuation date, the plan was 0% percent funded. The actuarial accrued liability for benefits was \$3,124,939, and the actuarial value of assets was \$-0-,, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,124,939. The covered payroll (annual payroll of active employees covered by the plan) was \$4,659,564 and the ratio of the UAAL to the covered payroll was 67.07%.

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

#### c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan

that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919)981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$215,763, which was paid entirely by the City.

#### d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Goldsboro, to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2015, the State contributed \$13,900,000 to the plan. The City's proportionate share of the State's contribution is \$5,612.

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with City and supported by the State was \$14,927. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2015 and at June 30, 2014 was 0%.

For the year ended June 30, 2016, the City recognized pension expense of \$2,760 and revenue of \$2,760 for support provided by the State. At June 30, 2016, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 3.0 percent
Salary Increases Not applicable

Investment Rate of Return 7.25 percent, net of pension plan investment

expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

#### e. Other Post-employment Benefit

#### Healthcare benefits

Plan Description. Under the terms of a City resolution, The City of Goldsboro administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System), were 55 years of age and have at least 20 years of experience or participated in the System and have 30 years of experience at any age. The retiree pays the full cost of the blended rate group health insurance premium. Also, the City retirees can purchase coverage for their dependents at the City's group rates if enrolled in dependent coverage at the time of retirement. Dependent coverage continues after the retiree's death. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

		Law
	General	Enforcement
	Employees	Officers
Retirees and dependents receiving benefits	3	13
Active plan members	311	90
Total	314	103

Funding Policy. The City does not pay any post-employment benefits on behalf of retired employees. Retired employees are allowed to purchase health insurance at the City's prevailing rate.

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

Annual Required Contribution	\$ 225,839
Interest on net OPEB obligation	117,920
Adjustments to annual required contribution	112,651
Annual OPEB Cost (expense)	231,108
Contributions made	
Increase in net OPEB obligation	231,108
Net OPEB obligation, beginning of year	2,948,021
Net OPEB obligation, end of year	\$ 3,179,129

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015 as follows:

	Percentage of				
For Year Ended	Anı	nual OPEB	Annual OPEB	1	Net OPEB
June 30		Cost	Cost Contributed	(	Obligation
2016	\$	231,109	0.00%	\$	3,179,129
2015		566,709	0.00%		2,948,021
2014		557,401	0.00%		2,381,311

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$2,469,504. The covered payroll (annual payroll of active employees covered by the plan) was \$18,280,711, and the ratio of the UAAL to the covered payroll was 13.5%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

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

In the December 31, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75% and 5.0% annually. Both rates included a 3% inflation assumption. The actuarial value of assets, of any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015, was 30 years.

#### 2. Other Employment Benefit

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

contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

#### 3. Deferred Outflows and Inflows of Resources

The City has several deferred outflows of resources. Deferred outflows of resources are comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 1,295,250
Deferred charge on refunding	345,782
Total	\$ 1,641,032

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

Taxes receivable (General Fund)	\$ 1,038,661
Taxes receivable (Special District)	6,131
Cemetery receivables (General Fund)	2,818
Refuse receivable (General Fund)	245,786
Special assessments (General Fund)	97,627
Miscellaneous receivables (General Fund)	250,162
Prepaid assessments (General Fund)	4,036
Prepaid utility bills (Utility Fund)	759,170
Pension deferrals	973,542
Total	\$ 3,377,933

#### 4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City obtains property insurance coverage and general liability coverage for these risks through commercial carriers. The City also obtains health insurance for City employees through the State health insurance plan administered by Blue Cross Blue Shield of NC. Based on past experience, management believes that the City's coverage's are sufficient.

The City carries commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims from these risks have not exceeded the total commercial insurance coverage in any of the last three fiscal years.

Although the City is not in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the City has elected to carry flood insurance through the National Flood Insurance Plan (NFIP) on those buildings located within the 100 year flood area. The City has also purchased commercial flood insurance coverage of from \$5,100 to \$500,000 per structure based on specifically identified structures located in the 100 year flood area.

In accordance with G.S. 159-29, the finance officer and tax collector are each individually bonded for \$50,000 and \$55,000 respectively.

#### 5. Claims, Judgments and Contingent Liabilities

At June 30, 2016, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have any significant effect on the City's financial position.

#### 6. Long-Term Obligations

#### a. Capital Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on August 23, 2011 to lease hardware/software equipment to enhance network disaster recovery and replace old personal computers and requires five annual payments of \$120,956. The second agreement was executed on January 11, 2013 to lease hardware/software equipment for network upgrades, host servers, and virtual desktops and requires five annual payments of \$103,503. A third agreement was executed on September 11, 2015 to lease police radio equipment, and a fourth agreement was executed on March 16, 2016 for additional technology equipment. In all agreements, title passes to the City at the end of the lease term.

The following is an analysis of the assets recorded under capital leases at June 30, 2016.

	Accumulated							
	Cost		Depreciation		et Book Value			
Computer equipment	\$ 1,264,242	\$	310,027	\$	954,215			

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year ending June 30	
2017	\$ 507,332
2018	386,376
2019	188,500
2020	94,127
Total minimum lease payments	1,176,335
Less: amount representing interest	47,560
Present value of the minimum lease payments	\$ 1,128,775

#### b. General Obligation Indebtedness

All general obligation bonds serviced by the City's general fund are collateralized by the full faith, credit, and taxing power of the City. City of Goldsboro issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Utility Fund, are collateralized by the full faith, credit, and taxing power of the City. Principal and interest payments are appropriated when due.

The City's general obligation bonds payable at June 30, 2016 are comprised of the following individual issues:

#### Serviced by the General Fund

\$1,705,000 2014 Public Improvements Serial Bonds due in varying annual principal installments and varying semi-annual interest installments through May 1, 2034, interest at 3.34 percent payable with each installment	\$ 1,530,000
\$3,500,000 2008 Public Improvements Serial Bonds (Street Portion) due in annual principal installments of \$175,000 through June 1, 2028 plus varying semi-annual interest through June 1, 2028, interest at 3.76 to 4.5 percent payable with each installment	2,100,000
\$580,200 2011 Refunding Serial Bonds (Street Portion) due in varying annual principal installments and varying semi-annual interest installments through June 1, 2022, interest at 2.67 percent payable with each installment	301,600
\$829,590 2013 Refunding Serial Bonds (Street Portion) due in varying annual principal installments and varying semi-annual interest installments through June 1, 2025, interest at 1.75 percent payable with each installment	712,407
Total	\$ 4,644,007

Serviced by the Utility Fund	
\$2,469,410 2013 Refunding Serial Bonds (Sewer Portion) due in varyingannual principle installments and varying semi-annual interest installments through June 2, 2025, interest at 1.75 percent payable with each installment	\$ 2,120,593
\$4,600,000 2010 Refunding Serial Bonds (Sewer Portion) due in varying annual principle installments and varying semi-annual interest installments through June 1, 2017 interest at 2.5-4.0 percent payable with each installment	930,000
\$8,605,000 2010 Public Improvement Serial Bonds (Sanitary Sewer Portion) due in varying annual principle installments and varying semi- annual interest installments through June 1, 2030 interest at 3.0-4.125 percent payable with each installment	7,665,000
\$2,320,800 2011 Refunding Serial Bonds (Sewer Portion) due in varying annual principal installments and varying semi-annual interest installments through June 1, 2022, interest at 2.67 percent payable with each installment	1,206,400
Total	\$ 11,921,993

At June 30, 2016, City of Goldsboro had bonds authorized but unissued of \$0 and a legal debt margin of \$162,152,225.

Annual debt service requirements to maturity for long-term obligations are as follows:

		Governme	ental Fu	nd		Utility Fund					
Year Ending June 30,	Prir	ncipal	Inter	rest	Prir	ncipal	Inte	erest			
2016		-		-		-		-			
2017		484,408		137,782		1,663,592		392,072			
2018		482,099		126,543		845,901		345,431			
2019		479,539		114,715		992,462		322,954			
2020		476,778		102,257		988,222		291,567			
2021-2025		2,196,183		310,247		4,356,816		1,033,004			
2026-2030		525,000		43,313		3,075,000		372,845			
2031-2034		-		-		-					
	\$	4,644,007	\$	834,857	\$	11,921,993	\$	2,757,873			

#### c. Notes Payable

#### Serviced by the General Fund

On December 20, 2004, the City entered into a financing agreement for \$4,413,380 with RBC Centura for the construction of a new City Hall. On July 10, 2014, the City refinanced this agreement with Capital One Public Funding, LLC. The installment agreement is collateralized by all

real and personal property associated with City Hall. The terms of the new agreement require 19 semi-annual installments of varying amounts plus interest at 2.04% per annum beginning November 1, 2014. The balance outstanding at June 30, 2016 was \$1,194,057.

On April 13, 2007, the City entered into a financing agreement for \$4,000,000 with Branch Banking and Trust Company for renovation of City Hall. On March 16, 2012, the City refinanced this agreement with Bank of America. The installment agreement is collateralized by all real and personal property at City Hall. The terms of the new agreement require 20 semi-annual installments of varying amounts plus interest at 1.96% per annum beginning October 1, 2012. The balance outstanding at June 30, 2016 was \$1,405,711.

On September 10, 2008, the City entered into a financing agreement for \$4,500,000 with RBC Centura for the purchase of the Paramount Theater. On July 10, 2014, the City refinanced this agreement with Capital One Public Funding, LLC. The installment agreement is collateralized by all real and personal property acquired at the Paramount Theater. The terms of the new agreement require 10 semi-annual installments of varying amounts plus interest at 2.04% per annum beginning November 1, 2014. The balance outstanding at June 30, 2016 was \$2,102,944.

On December 9, 2009, the City entered into a financing agreement for \$2,110,400 with Bank of America for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 20 semi-annual installments of \$105,731 plus interest at 2.77% per annum. The balance outstanding at June 30, 2016 was \$740,866.

On March 16, 2012, the City entered into a financing agreement for \$896,000 with Bank of America for the development of Center Street streetscape. The terms of the agreement require 10 semi-annual installments of varying amounts plus interest at 1.96% per annum beginning October 1, 2012. The balance outstanding at June 30, 2016 was \$423,178.

On February 15, 2013, the City entered into a financing agreement for \$225,000 with Wells Fargo Bank, N.A. for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 3 annual installments of varying amounts plus interest at 1.248% per annum beginning September 1, 2013. The balance outstanding at June 30, 2016 was \$0.

On January 28, 2015, the City entered into a financing agreement for \$1,783,000 with Southern National Bank for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 5 annual payments of varying amounts plus interest at 1.27% per annum. The balance outstanding at June 30, 2016 was \$1,432,000.

On October 16, 2014, the City entered into an intergovernmental agreement with the County of Wayne for an Eastern Regional Economic funding agreement for \$636,876 to assist with the Berkeley Blvd. Widening Project. The installment agreement is collateralized by water and sewer lines located on Berkeley Blvd between Royal Avenue and New Hope Road. The terms of the agreement require 5 annual payments of \$127,375.20 plus interest at .25% per annum. The balance outstanding at June 30, 2016 was \$382,126.

On July 10, 2014, the City entered into a financing agreement for \$4,558,000 with Capital One Public Funding LLC for the construction of a Transfer Facility, Police Complex Improvements and Center Street Streetscape Improvements. The installment agreement is collateralized by all real and personal property acquired at the Paramount Theater and City Hall. The terms of the new agreement require 20 semi-annual installments of varying amounts plus interest at 3.34 % per annum beginning November 1, 2014. The balance outstanding at June 30, 2016 was \$4,107,000.

On June 26, 2015, the City entered into a financing agreement for \$7,280,000 with Sterling National Bank for the construction of the W.A. Foster Recreation Center and renovations of the Goldsboro Event Center. The installment agreement is collateralized by all real and personal property acquired with the construction of W. A. Foster Recreation Center and Goldsboro Event Center Facility. The terms of the new agreement require 15 semi-annual installments of varying amounts plus interest at 2.91 % per annum beginning November 1, 2015. The balance outstanding at June 30, 2016 was \$6,796,000.

On March 8, 2016, the City entered into a financing agreement for \$1,206,590 with Banc of America Public Capital Corporation for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 58 monthly payments of varying amounts plus interest at 1.495% per annum. The balance outstanding at June 30, 2016 was \$1,206,590.

#### Serviced by the Utility Fund

On October 12, 2006, the City entered into a financing agreement for \$1,604,335 with RBC Centura for the purchase and installation of an automatic meter reading system. On March 16, 2012, the City refinanced this agreement with Bank of America. The installment agreement is collateralized by the equipment. The terms of the new agreement require 20 semi-annual installments of varying amounts plus interest at 1.96% per annum beginning October 1, 2012. The balance outstanding at June 30, 2016 was \$510,111.

The City has entered into a long-term loan agreement with the North Carolina Department of Environment, Health and Natural Resources' North Carolina Water Pollution Control Revolving Fund for sanitary sewer improvements. The loan agreement was executed for \$3,000,000 for water improvements. The terms of the agreement require 20 annual installments of \$150,000 plus interest at 5.85% per annum. At June 30, 2016, the outstanding balance is \$0.

During the fiscal year ended June 30, 2001, the City began a water and sewer system improvement project with cost estimates in excess of \$21,000,000. This project is being funded by a \$3,000,000 state grant and \$18,359,551 in Water Pollution Control Revolving Loan Funds. An additional \$2,429,360 has been granted by the Clean Water Management Trust Fund for an associated wet-lands project. Total advances received at June 30, 2009 under all the agreements were \$18,279,137, with an outstanding balance at June 30, 2016 of \$2,437,218. The terms of the agreements require 15 annual installments of \$1,000,000 and \$218,609 plus interest at 2.55% and 2.57% per annum beginning May 1, 2004, respectively.

On December 9, 2009, the City entered into a financing agreement for \$271,000 with Bank of America for the purchase of a jet vac. The installment agreement is collateralized by the equipment acquired with the loan. The terms of the agreement require 20 semi-annual installments of \$13,604 plus interest at 2.77% per annum. The balance outstanding at June 30, 2016 was \$94,399.

On February 2, 2010, the City entered into a long-term loan agreement with the North Carolina Department of Environment, Health and Natural Resources' North Carolina Water Pollution Control Revolving Fund for water reclamation improvements. The loan agreement was executed for \$6,460,894 for water improvements. The terms of the agreement require 20 installments of \$336,015 plus interest at 2.5% per annum. The balance outstanding at June 30, 2016 was \$5,375,475.

On February 14, 2012, the City entered into a long-term loan agreement with the North Carolina Department of Environment, Health and Natural Resources' North Carolina Water Pollution Control Revolving Fund for phase 2 of the water reclamation improvements. The loan agreement was executed for \$2,949,322 for water improvements. The terms of the agreement require 20 installments due not earlier than six months after completion of the project. The balance outstanding at June 30, 2016 was \$2,500,585.

On March 8, 2016, the City entered into a financing agreement for \$360,410 with Banc of America Public Capital Corporation for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 58 monthly payments of varying amounts plus interest at 1.495% per annum. The balance outstanding at June 30, 2016 was \$360,410.

Annual debt service requirements to maturity for the above notes, including interest of \$1,283,192 for the Utility Fund and \$3,233,446 for the Governmental Funds, are as follows:

	Governmental Funds					Utility Fund					
Year Ending											
June 30,		Principal		Interest		Principal		Interest			
2017	\$	2,714,400	\$	474,261	\$	1,923,315	\$	209,356			
2018		2,559,571		433,504		1,882,144		170,915			
2019		2,551,718		377,086		663,388		127,702			
2020		2,162,580		322,720		648,816		115,613			
2021		1,542,610		277,485		635,450		104,312			
2022-2026		4,498,663		933,809		2,479,640		378,910			
2027-2031		3,080,000		369,090		2,415,304		167,984			
2032-2036		680,930		45,491		630,141		8,400			
	\$	19,790,472	\$	3,233,446	\$	11,278,198	\$	1,283,192			

#### d. Advance Refundings

On July 10, 2014, The City issued \$4,609,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$4,468,238 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$82,976. This amount is being netted against the new debt and amortized over the life of the new debt, which is shorter than the life of the refunded debt. This advance

refunding was undertaken to reduce total debt service payments over the next nine years by \$334,005 and resulted in an economic gain of \$269,487.

#### e. Long-Term Obligation Activity

The following is a summary of changes in the City's long-term obligations for the fiscal year ended June 30, 2016:

Governmental activities:	Ва	lance July 1, 2015	' Increases		Decreases		Balance June 30, 2016		Current Portion of Balance	
General obligation debt	\$	5,135,723	\$	-	\$	491,716	\$	4,644,007	\$	484,408
Capitalized leases		529,330		899,736		300,291		1,128,775		300,291
Notes Payable		21,154,145		1,206,590		2,570,263		19,790,472		2,714,400
Net pension liability (LGERS)		-		3,121,687		1,789,358		1,332,329		-
Net pension obligation (LEO)		339,969		50,692		-		390,661		-
Net OPEB obligation		2,561,291		190,905		-		2,752,196		-
Compensated absences		1,337,073		86,351		-		1,423,424		-
Total governmental activities	\$	31,057,531	\$	5,555,961	\$	5,151,628	\$	31,461,864	\$	3,499,099

Business-Type activities:	Bal	ance July 1, 2015	Increases	Decreases	Ва	lance June 30, 2016	Cur	rent Portion of Balance
General obligation debt	\$	13,628,277	\$ -	\$ 1,706,284	\$	11,921,993	\$	1,663,592
Notes Payable		12,922,295	360,410	2,004,507		11,278,198		1,923,315
Net pension liability (LGERS)		-	214,267	-		214,267		-
Net OPEB obligation		386,730	40,203	-		426,933		-
Compensated absences		223,794	-	6,834		216,960		
Total-business type activities	\$	27,161,096	\$ 614,880	\$ 3,717,625	\$	24,058,351	\$	3,586,907

Compensated absences and net pension obligation and net other postemployment benefit obligation for governmental activities typically have been liquidated in the general fund. The LGERS plan had a net pension liability as of June 30, 2016; however, the plan had a net pension asset at the beginning of the fiscal year.

#### C. Interfund Balances and Activity

Balances due to/from other funds

Fund	Due to	Due from			
General	\$ -	\$	100,000		
Community Development	100,000				
Total	\$ 100,000	\$	100,000		
Utility Fund	\$ -	\$	513,947		
General	513,947				
Total	\$ 513,947	\$	513,947		

General fund advanced \$100,000 to the Community Development for operating expenses. The Utility fund loaned \$2,700,000 to the General fund during the fiscal year ended June 30, 2014 to fund a large claim settlement. The balance outstanding at June 30, 2016 is \$513,947.

#### D. Revenues, Expenditures, and Expenses

On-behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2016, the City of Goldsboro has recognized on-behalf payments for pension contributions made by the State as revenue and an expenditure of \$2,760 for the 24 employed firefighters who perform firefighting duties for the City's fire department. The volunteers and employees elected to be members of the Firefighters and Rescue Worker's Pension Fund, a cost-sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by member contributions, investment income, and a State appropriation.

Also, the City has recognized as revenue and an expenditure on-behalf payment for fringe benefits and salaries of \$23,578 for the salary supplement and stipend benefits paid to eligible firefighters by the local board of trustees of the Firefighter's Relief Fund during the fiscal year ended June 30, 2016. Under State law the local board of trustees for the Fund receives an amount each year which the board may use at its own discretion for eligible firefighters or their departments.

#### E. Net Investment in Capital Assets

G	overnmental	В	Business-type
\$	69,226,431	\$	68,647,620
	(25,563,254)		(23,200,191)
	746,853		2,077,692
\$	44,410,030	\$	47,525,121
	\$ \$	(25,563,254) 746,853	\$ 69,226,431 \$ (25,563,254) 746,853

#### F. Fund Balance

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

Total fund balance - General Fund	\$ 10,471,665
Less: Restricted cash and investments	1,269
Inventories	249,268
Stabilization by state statute	2,807,277
Working capital/fund balance policy	5,643,326
Remaining fund balance	\$ 1,770,525

The City of Goldsboro has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance will target at the close of each fiscal year equal to 15% of the general fund operating budget; at no time shall the available fund balance fall below 10% of the general fund operating budget.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	Gei	neral Fund	Non-	Major Funds
Encumbrances	\$	983,681	\$	208,631

#### **III. JOINT VENTURES**

The City, in conjunction with Wayne County, participates in a regional transportation authority. Each participating government appoints four members to the nine member board with one joint appointee. The Authority is a joint venture established to facilitate the transportation within the County and improve the quality of life for its citizens. The Authority designates its own management. Wayne County and the City provide financial support for the Authority, but are not responsible for the debts or entitled to the surpluses of the Authority. The City contributed \$257,463 to the Authority during fiscal year ended June 30, 2016. 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, 2016. Complete financial statements for the Authority can be obtained from the Authority administrative offices at 1615 E. Beech Street, Goldsboro, NC 27530.

The City and the members of the City's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightening insurance premiums which insurers remit to the State. The State passes these moneys to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The City obtains an ongoing financial benefit from the Fund for payments for salaries and fringe benefits made to members of the City's fire department by the board of trustees.

The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2016. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at Post Office Box 188, Farmville, NC 27828.

The City and the Paramount Foundation each appoint two members to the four-member local board of trustees for the Paramount Foundation.

#### **IV. RELATED ORGANIZATION**

The seven-member board of the Goldsboro Housing Authority is appointed by the Mayor of Goldsboro. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of Goldsboro is also disclosed as a related organization in the notes to the financial statements for the Goldsboro Housing Authority.

#### V. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

#### **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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

#### **VI. SUBSEQUENT EVENTS**

On May 10, 2016, the City entered into a long-term agreement with the North Carolina Department of Environment, Health and Natural Resources Revolving Fund for the Stoney Creek Sewer Outfall Rehabilitation. The loan agreement was executed effective July, 2016 for \$2,891,068 for these improvements. The terms of the agreement require 20 installments of \$144,553.40 plus interest at 1.88% per annum.

In July 2016, the City of Goldsboro was notified that it will be awarded TIGER VIII funding from the United States Department of Transportation in the amount of \$5 million. This grant will allow the City to complete several transportation-focused projects including the continuation of streetscape construction along South Center Street, improving the pedestrian plaza, implementation of the Way-Finding Signage System and the construction of a concourse at the Transit Center. The City will allocate a 26% match towards these projects.

On November 8, 2016, the citizens of Goldsboro voted approval of \$7 million in Street Bond Improvements and \$3 million for Parks and Recreation facilities. The Street Bonds will allow the City to increase resurfacing funding and paving of unpaved streets maintained by the City. The Parks and Recreation Bonds will be used for the multi-sports complex. Seymour Johnson AFB and City of Goldsboro have partnered for the construction of 8 full size sport fields, parking, restrooms, walking trails, shelters, playgrounds and concession facilities. The City has funding available in the amount of \$4 million and the \$3 million in bonds will improve field and facility quality.

#### **VII. PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2015, the City issued debt for recreation capital projects. The project was expected to begin during the current fiscal year ending June 30, 2016, for which a project ordinance was adopted. The funding for this project was received prior to July 1, 2015, and a budget amendment was adopted for the General Fund to budget the receipt of the proceeds in the year ended June 30, 2015, which were subsequently recorded in the General Fund. Effective July 1, 2015, these funds were transferred to the Capital Project Fund.

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#### **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

This section contains additional information required by generally accepted accounting principles

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Schedule of City's Proportionate Share of Net Pension Asset for Local Government Employees Retirement System
- Schedule of City Contributions to Local Government Employees Retirement System
- Schedule of City's Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan

#### City of Goldsboro Law Enforcement Officers' Special Separation Allowance Required Supplementary Information Exhibit A-1

#### **Schedule of Funding Progress**

			Actuarial					
			Accrued					
	Actuarial	l	_iability(AAL)					UAAL as a
Actuarial	Value of		Projected		Unfunded	Funded	Covered	% of Covered
Valuation	Assets		Unit Credit	Д	AL (UAAL)	Ratio	Payrol	Payroll
Date	(a)		(b)		(b-a)	(a/b)	©	((b-a)/c)
12/31/2010	\$	- \$	2,116,860	\$	2,116,860	0%	\$ 4,644,917	45.57%
12/31/2011		-	2,304,624		2,304,624	0%	4,782,683	48.19%
12/31/2012		-	2,207,264		2,207,264	0%	4,474,318	49.33%
12/31/2013		-	2,188,704		2,188,704	0%	4,581,140	47.78%
12/31/2014		-	2,193,108		2,193,108	0%	4,565,861	48.03%
12/31/2015		-	3,124,939		3,124,939	0%	4,659,564	67.07%

## City of Goldsboro Post-Employment Health Benefit Obligation Required Supplementary Information Exhibit A-2

Schedule of	Funding	<b>Progress</b>
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Actuarial Valuation Date	Actuarial Value of Assets ( a )	Li	uarial Accrued ability (AAL) rojected Unit Credit ( b )	U	nfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Cov	vered Payroll ( c )	UAAL as a % of Covered Payroll (( b-a)/c)
12/31/2007	\$ -	\$	3,738,326	\$	3,738,326	0.00%	\$	16,528,775	22.60%
12/31/2009	-		3,581,472		3,581,472	0.00%		18,969,315	18.90%
12/31/2011	-		5,654,583		5,654,583	0.00%		18,791,106	30.10%
12/31/2013	-		2,469,504		2,469,504	0.00%		18,280,714	13.50%
12/31/2015	-		1,955,210		1,955,210	0.00%		17,847,737	11.00%

#### **Schedule of Employer Contributions**

Year Ended June 30,	Annual Required  Contribution *	Percentage Contributed *
2010	371,353	3.10%
2011	371,353	3.10%
2012	352,665	10.81%
2013	352,665	14.32%
2014	554,141	10.81%
2015	562,453	0.00%
2016	225,839	0.00%

#### Notes to the Required Schedules:

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

Valuation date	12/31/15
Actuarial cost method	Projected unit credit
Amortization method	Level percent of projeted pay open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial assumptions:	
Invesment rate of return *	4.00%
Annual medical cost trend rate*	
Pre-Medicare trend rate	7.75%-5.00%
Post-Medicaire trend rate	5.75%-5.00%
Year of ultimate trend rate	2022
* Includes inflation at	3.00%

#### City of Goldsboro Local Government Employees' Retirement System Required Supplementary Information Exhibit A-3

#### Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

Last Three Fiscal Years \*

	 2016	2015	2014
City's proportion of the net pension liability (asset) %	0.34461%	0.34955%	0.35980%
City's proportion of the net pension liability (asset) \$	\$ 1,546,589	\$ (2,061,457) \$	4,336,972
City's covered-employee payroll	\$ 19,751,218	\$ 18,765,633 \$	18,765,633
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.83%	-10.99%	23.11%
Plan fiduciary net position as a percentage of the total pension liability	5.07%	0.35%	1.50%

<sup>\*</sup> The amounts presented for each year were determined as of the prior fiscal year ending June 30.

#### **Schedule of City Contributions**

Last Three Fiscal Years

	-	2016	2015	2014
Contractually required contribution	\$	1,282,111 \$	1,361,251 \$	1,336,240
Contributions in relation to the contractually required contribution		1,282,111	1,361,251	1,336,240
Contribution deficiency (excess)	\$	- \$	- \$	
City's covered-employee payroll	\$	18,911,508 \$	19,751,218 \$	18,765,633
Contributions as a percentage of covered-employee payroll		6.78%	6.89%	7.12%

Information is not required to be presented retroactivley. This schedule will not present 10 years' work of information until fiscal year 2024  $\,$ 

#### City of Goldsboro Firefighters' and Rescue Squad Workers' Pension Required Supplementary Information Exhibit A-4

#### Schedule of the City's Proportionate Share of the Net Pension Liability

Last two Fiscal Years \*

	2016	2015
City's proportion of the net pension liability (%)	0.00000%	0.00000%
City's proportion of the net pension liability (\$)	\$ - \$	-
State's proportionate share of the net pension liability		
associated with City of Goldsboro	64,063	14,927
Total	\$ 64,063 \$	14,927
City's covered-employee payroll	\$ 3,661,893 \$	3,599,469
City's proportionate share of the net pension		
liability as a percentage of its covered-employee payroll	1.75%	0.41%
Plan fiduciary net position as a percentage of the total		
pension liability	100.00%	100.00%

Information is not required to be presented retroactivley. This schedule will not present 10 years' work of information until fiscal year 2024

<sup>\*</sup> The amounts presented for the fiscal year ending June 30, 2016 was determined as of June 30, 2015

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**INDIVIDUAL FUND STATEMENTS AND SCHEDULES** 

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#### **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.

# Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual General Fund For the Fiscal Year Ended June 30, 2016 Exhibit B-1

Page 1 of 6

	Budget	Actual	ı	/ariance Positive Jegative)
REVENUES				
Ad valorem taxes	\$ 15,566,337	\$ 15,221,200	\$	(345,137)
Penalties and interest	85,000	80,673		(4,327)
Total	15,651,337	15,301,873		(349,464)
Other taxes and licenses:				
Local option sales taxes	7,450,000	7,625,338		175,338
Privilege licenses	700	3,059		2,359
Vehicle taxes - rental/leases	50,500	60,361		9,861
Penalties and interest	-	1		1
Solid waste disposal tax	21,600	22,534		934
Total	7,522,800	7,711,293		188,493
Unrestricted intergovernmental				
Payment in lieu of taxes	110,000	134,523		24,523
Utility taxes	2,622,000	2,929,236		307,236
Beer and wine tax	168,400	155,882		(12,518
Wayne County School Resource	99,100	99,183		83
ABC revenues	180,000	377,891		197,891
Cherry Hospital reimbursement	54,200	53,833		(367
Appropriation from Wayne	8,000	8,000		-
Other Reimbursements	550,000	192,189		(357,811
NCDOT Signals Reimbursement	200,000	254,118		54,118
DEA funds	23,975	23,975		-
Total	4,015,675	4,228,830		213,155
Restricted intergovernmental:				
Powell Bill allocation	989,200	988,963		(237
Controlled substance tax	9,806	9,397		(409
Local Law Enforcement Block Grant	-	51,470		51,470
Transportation planning grant	840,000	331,111		(508,889)
East Carolina Housing Grant	31,000	31,253		253
Clean Water Management Grant	-	69,215		69,215
Governor's Crime Commission	15,336	-		(15,336
GWTA Garage reimbursement	180,000	139,597		(40,403
Total	2,065,342	1,621,006		(444,336

#### Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual General Fund For the Fiscal Year Ended June 30, 2016

#### **Exhibit B-1**

Page 2 of 6

			Variance Positive
	Budget	Actual	(Negative)
Permits and fees:			
Building and inspection permits	125,000	156,998	31,998
Mechanical permits	65,000	62,890	(2,110)
Plumbing, gas and electric inspections	100,000	118,377	18,377
Stormwater Management Fee	14,000	15,350	1,350
Miscellaneous permits	66,900	66,500	(400)
Total	370,900	420,115	49,215
Sales and services:			
Recreation fees	172,500	165,457	(7,043)
Golf course revenue	555,000	568,765	13,765
Recyclable materials sold	15,000	7,166	(7,834)
Cemetery services	25,800	53,460	27,660
Refuse services	3,250,500	3,227,563	(22,937)
Cable franchise fees	269,200	255,630	(13,570)
Miscellaneous fees and services	13,500	18,194	4,694
Total	4,301,500	4,296,235	(5,265)
Investment earnings	4,000	20,678	16,678
Miscellaneous:			
Cemetery lot sales	-	131	131
Officers fees	21,000	18,747	(2,253)
Sale of property	44,400	69,351	24,951
Assessments	500	-	(500)
Other miscellaneous	1,480,120	239,829	(1,240,291)
Total	1,546,020	461,723	(1,084,297)
Total revenues	35,477,574	34,061,753	(1,415,821)
EXPENDITURES			
General government			
Governing body:			
Salaries and employee benefits	346,401	343,201	
Operating expenses	580,537	507,161	
Capital outlay	5,064	5,064	
Reimbursement-enterprise fund	(139,517)	(139,517)	
Total	792,485	715,909	76,576

#### Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual General Fund For the Fiscal Year Ended June 30, 2016

Page 3 of 6

**Exhibit B-1** 

	Budget	Actual	Variance Positive (Negative)
Administration:		7,000.0	(110844110)
Salaries and employee benefits	1,059,806	913,544	
Operating expenditures	1,330,111	1,207,566	
Capital outlay	350,000	33,357	
Reimbursement-enterprise fund	(344,141)	(344,141)	
Total	2,395,776	1,810,326	585,450
Finance:			
Salaries and employee benefits	796,537	799,903	
Operating expenditures	447,376	421,663	
Reimbursement-enterprise fund	(864,244)	(864,244)	
Total	379,669	357,322	22,347
Public building and grounds:			
Salaries and employee benefits	258,280	213,302	
Operating expenditures	193,981	184,827	
Reimbursement-enterprise fund	(93,011)	(93,011)	_
Total	359,250	305,118	54,132
Total general government	3,927,180	3,188,675	738,505
Transportation:			
Street and highways:			
Salaries and employee benefits	1,733,600	1,642,141	
Street lights	592,510	589,691	
Operating expenditures	947,369	946,693	
Capital outlay	67,968	57,489	
Total	3,341,447	3,236,014	105,433
Goldsboro/Wayne Transportation Authority:	257,463	257,463	-
Total transportation	3,598,910	3,493,477	105,433
Economic and physical development:			
Planning and redevelopment			
Salaries and employee benefits	559,615	496,515	
Operating expenditures	679,339	376,542	
Reimbursement-enterprise	(353,443)	(353,443)	
Capital outlay	872,133	203,901	
Total	1,757,644	723,515	1,034,129

#### Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual General Fund For the Fiscal Year Ended June 30, 2016

**Exhibit B-1** 

Page 4 of 6

			Variance Positive
	Budget	Actual	(Negative)
Community affairs			
Salaries and employee benefits	179,187	169,483	
Operating expenditures	21,364	18,059	
Total	200,551	187,542	13,009
Downtown district			
Salaries and employee benefits	251,958	244,097	
Operating expenditures	103,902	98,180	
Total	355,860	342,277	13,583
Other appropriations			
Project Uplift	5,000	5,000	
Community in Schools	15,000	15,000	
Wages	15,000	15,000	
WATCH	20,000	20,000	
Total	55,000	55,000	-
Total economic and physical			
development	2,369,055	1,308,334	1,060,721
Public safety:			
Personnel and safety:			
Salaries and employee benefits	464,939	437,726	
Operating expenditures	139,927	134,691	
Capital outlay	<u>-</u>	-	
Total	604,866	572,417	32,449
Building and traffic maintenance:			
Salaries and employee benefits	350,271	329,764	
Operating expenditures	176,631	150,792	
Capital outlay	154	-	
Total	527,056	480,556	46,500
Engineering			
Engineering: Salaries and employee benefits	710,467	690,051	
Operating expenditures	296,672	111,139	
Capital outlay	364,200	309,375	
Reimbursement-enterprise fund	(652,140)	(652,140)	
Total	719,199	458,425	260,774

#### Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual General Fund For the Fiscal Year Ended June 30, 2016

**Exhibit B-1** 

Page 5 of 6

			Variance Positive
Fire:	Budget	Actual	(Negative)
	F 172 426	F 117 F7F	
Salaries and employee benefits	5,173,436	5,117,575	
Operating expenditures	630,913	535,868	
Capital outlay	146,795	135,866	161 935
Total	5,951,144	5,789,309	161,835
Police:			
Salaries and employee benefits	7,504,325	6,659,513	
Operating expenditures	1,998,248	1,275,278	
Capital expenditures	488,887	406,494	
Total	9,991,460	8,341,285	1,650,175
Other appropriations			
Salaries and employee benefits	528,997	517,062	
Operating expenditures	251,579	229,923	
Capital expenditures	18,971	18,463	
Total	799,547	765,448	34,099
Total public safety	18,593,272	16,407,440	2,185,832
Environmental protection:			
Cemetery:			
Salaries and employee benefits	272,837	261,288	
Operating expenditures	47,613	45,452	
Capital Outlay	10,000	45,748	
Total	330,450	352,488	(22,038)
Sanitation:			
Salaries and employee benefits	1,708,846	1,668,400	
Operating expenditures	1,063,113	1,052,094	
Capital outlay	523,357	523,177	
Total	3,295,316	3,243,671	51,645
Total environmental protection	3,625,766	3,596,159	29,607
Cultural and recreational:			
Parks and recreation:			
Salaries and employee benefits	1,746,783	1,744,802	
Operating expenditures	893,044	642,028	
Capital outlay	783,659	203,687	
Total	3,423,486	2,590,517	832,969

### **City of Goldsboro**

### Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual General Fund For the Fiscal Year Ended June 30, 2016

### **Exhibit B-1**

Page 6 of 6

	Budget	Actual	Variance Positive (Negative)
Golf Course:			
Salaries and employee benefits	377,854	364,393	
Operating expenditures	373,683	315,230	
Capital outlay	882	-	
Total	752,419	679,623	72,796
Assistance to:			
Museum	12,000	12,000	
Art Council	25,000	25,000	
Total	37,000	37,000	-
Total cultural and recreational	4,212,905	3,307,140	905,765
Debt Service:			
Principal	3,161,041	3,087,270	
Interest and fees	665,727	665,728	
Total debt service	3,826,768	3,752,998	73,770
Contingency	-	-	-
Total expenditures	40,153,856	35,054,223	5,099,633
Revenue over (under) expenditures	(4,676,282)	(992,470)	3,683,812
Other financing sources (uses):			
Transfer from Utililty Fund	-	-	-
Transfer to Utililty Fund	(250,000)	-	250,000
Proceeds from issuance of debt	1,836,247	2,106,326	270,079
Total other financing sources (uses)	1,586,247	2,106,326	520,079
Revenue and other financing sources over (under)			
expenditures and other financing uses	(3,090,035)	1,113,856	4,203,891
Fund balance appropriated	3,090,035	-	(3,090,035)
Revenues, other financing sources and			
appropriated fund balance over (under)			
expenditures and other financing uses	\$ -	1,113,856	\$ 1,113,856
Fund balances, beginning as previously reported		16,229,178	
		(6,297,412)	
Prior period adjustment			
Prior period adjustment Change in reserve for inventory		(61,786)	

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**NON-MAJOR GOVERNMENTAL FUNDS** 

### City of Goldsboro Combining Balance Sheet Non-Major Governmental Funds June 30, 2016 Exhibit C-1

		wntown rict Fund	Occ	cupancy Tax Fund		mmunity elopment Fund		ital Project nd-Street	Totals	
ASSETS										
Cash and investments	\$	68,393	\$	1,322,594	\$	217,883	\$	-	\$	1,608,870
Accounts receivable		6,132		-		-		_		6,132
Restricted assets		,								·
Cash and investments								236,958		236,95
Total assets	\$	74,525	\$	1,322,594	\$	217,883	\$	236,958	\$	1,851,960
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable and accrued liabilities	\$	1,882	\$	17,635	\$	10,312	\$	-	\$	29,829
Due to other funds		-		-		100,000		-		100,000
Total liabilities		1,882		17,635		110,312		-		129,829
Deferred Inflows of Resources										
Taxes receivable		6,131		-		-		-		6,13
Fund balances:										
Restricted										
Capital projects		-		-		-		236,958		236,95
Committed										
Economic Development		-		1,304,959		107,571		-		1,412,530
Downtown Development		66,512		-		-		-		66,51
Assigned										
Subsequent year's expenditures				-						
Unassigned Total fund balance				1 204 050		107 574				1 710 000
Total fund balance		66,512		1,304,959		107,571		236,958		1,716,000
Total liabilities, deferred inflows of	۴	74 525	Ċ	1 222 504	¢	247.002	¢	226.050	۸.	1 051 00
resources, and fund balances	\$	74,525	\$	1,322,594	\$	217,883	\$	236,958	\$	1,851,96

### City of Goldsboro Combining Statement of Revenues, Expenditures, And Changes in Fund Balance Non-Major Governmental Funds For the Fiscal Year Ended June 30, 2016 Exhibit C-2

					Со	mmunity			
	Do	wntown	Occ	cupancy Tax	Dev	elopment	Ca	pital Project	
	Dist	trict Fund		Fund		Fund		Fund	Totals
Revenues:									
Restricted intergovernmental									
Community Development Block Grant	\$	-	\$	-	\$	247,797	\$	-	\$ 247,797
Home Partnership Program		-		-		100,977		-	100,977
Program income		-		-		100,000		-	100,000
Ad valorem taxes		71,688		-		-		-	71,688
Other taxes and licenses		-		743,626		-		-	743,626
Investment earnings		173		1,780		-		4,184	6,137
Other income		-		9,409		-		-	9,409
Total revenues		71,861		754,815		448,774		4,184	1,279,634
Expenditures									
Economic and physical development									
Salaries and employee benefits		-		115,033		-		-	115,033
Operating expenditures		-		196,032		-		-	196,032
Downtown revitalization		136,013		-		920,261		-	1,056,274
Capital Outlay		-		-		-		6,064,638	6,064,638
Total Economic and physical development		136,013		311,065		920,261		6,064,638	7,431,977
Debt Service:									
Principal		-		275,000		-		-	275,000
Interest		-		-		-		-	-
Total debt service		-		275,000		-		-	275,000
Total expenditures		136,013		586,065		920,261		6,064,638	7,706,977
Revenues over (under) expenditures		(64,152)		168,750		(471,487)		(6,060,454)	 (6,427,343)
FUND BALANCES, beginning of year		130,664		1,136,209		579,058		6,297,412	8,143,343
FUND BALANCES, end of year	\$	66,512	\$	1,304,959	\$	107,571	\$	236,958	\$ 1,716,000

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### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are established to account for specific revenues that are legally restricted to expenditures for specified purposes.

### INDIVIDUAL FUND DESCRIPTIONS

### Community Development Fund

The Community Development Fund is established to account for block grant monies received from the federal government under Title I of the Housing and Community Development Act of 1974.

### Downtown District Fund

The Downtown District Fund is established to account for property tax revenues generated from special assessments to downtown property owners for purposes of downtown revitalization.

### Occupancy Tax Fund

The Occupancy Tax Fund was established to account for occupancy tax revenues derived from a tax levied upon the gross receipts received from the rental of any room, lodging or similar accommodation for the purpose of developing tourism, support services, and tourist-related events and for any other appropriate activities to provide tourism-related facilities and attractions

### DOT TIGER Grant Fund

The DOT TIGER Grant Fund was established to account for grant proceeds received for a downtown improvement project

# City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual Community Development Fund From Inception and For the Fiscal Year Ended June 30, 2016 Exhibit C-3

Page 1 of 4

			Variance		
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues:					_
Restricted intergovernmental					
Community Development Block Grant	\$ 3,647,370	\$ 2,313,849	247,797	\$ 2,561,646	\$ (1,085,724)
Home Partnership Program	2,050,317	1,900,286	100,977	2,001,263	(49,054)
Urgent Repair Program	37,000	37,000	100,000	137,000	100,000
Local Grants	112,036	453,062	-	453,062	341,026
Total revenues	5,846,723	4,704,197	448,774	5,152,971	(693,752)
Expenditures:					
HOME FY 02-03					
Administration	22,482	22,482	-	22,482	-
Rehabilitation	8,199	6,449	-	6,449	1,750
Homebuyer Assistance	39,308	39,308	-	39,308	-
HOME FY 08-09					
Administration	14,440	14,440	_	14,440	_
Rehabilitation	109,830	62,259	_	62,259	47,571
Homebuyer Assistance	190,244	190,244	_	190,244	-
CHDO	107,051	107,051	-	107,051	-
CDBG FY 09-10					
Administration	133,770	120,518	_	120,518	13,252
Rehabilitation	19,358	20,286	_	20,286	(928)
Public Facilities	267,921	161,772		161,772	106,149
	5,813	5,813	_	5,813	100,149
Hazardous Management Demolition	· ·	•	-	10,900	-
Afterschool enrichment	10,900 59,758	10,900 59,758	_	59,758	-
CDBG-R Project	104,488	104,448	-	104,448	40
CDBG-K FTOJECE	104,466	104,446	-	104,448	40
HOME FY 09-10					
Administration	20,569	20,569	-	20,569	-
Rehabilitation	18,614	18,614	-	18,614	-
Homebuyer Assistance	176,160	176,160	-	176,160	-
CHDO-Set Aside	110,621	110,000	-	110,000	621
CDBG FY 10-11					
Administration	107,520	77,220	-	77,220	30,300
Relocation	722	722	-	722	-
Rehabilitation	10,623	62,311	-	62,311	(51,688)
Public Facilities	58,048	76,282	-	76,282	(18,234)
Hazardous Management	40,499	38,592	-	38,592	1,907
Afterschool Enrichment	66,700	66,460	-	66,460	240
Lead Based Paint Hazardous	106,965	280	-	280	106,685
Transitional Housing	20,000	20,000	-	20,000	-
Demolition	10,900	10,900	-	10,900	-

# City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual Community Development Fund From Inception and For the Fiscal Year Ended June 30, 2016 Exhibit C-3

Page 2 of 4

	_		Variance		
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
HOME FY 10-11					
Administration	27,674	27,474	-	27,474	200
Rehabilitation	27,665	27,662	-	27,662	3
Homebuyer Assistance	161,879	161,879	-	161,879	-
CHDO-Set Aside	98,779	98,779	-	98,779	-
CDBG FY 11-12					
Administration	93,886	73,825	-	73,825	20,061
Relocation	66	-	-	-	66
Public Facilities	136,626	18,738	-	18,738	117,888
Hazardous Materials	27,906	27,288	-	27,288	618
Afterschool Enrichment	57,411	57,411	-	57,411	-
Transitional Housing	21,388	20,000	-	20,000	1,388
Demolition	189,095	194,395	-	194,395	(5,300)
HOME FY 11-12					
Administration	25,701	25,633	-	25,633	68
Housing Development	131,250	131,250	-	131,250	-
Homebuyer Assistance	76,406	76,406	-	76,406	-
CHDO-Administration	10,000	10,000	-	10,000	-
CDBG FY 12-13					
Administration	76,901	61,602	-	61,602	15,299
Relocation	79,285	43,448	_	43,448	35,837
Public Facilities	150,000	35,316		35,316	114,684
Afterschool Enrichment	56,475	56,474	-	56,474	1
Demolition	-	11,060	-	11,060	(11,060)
HOME FY 12-13					
Administration	17,927	16,600	-	16,600	1,327
Housing Development	131,250	131,250	-	131,250	-
Homebuyers Assistance	5,000	5,000	-	5,000	-
CHDO-Set Aside	32,080	32,080	-	32,080	-
CDBG FY 13-14					
Administration	77,870	69,882	-	69,882	7,988
Public Facilities	152,754	2,754	-	2,754	150,000
Hazardous Materials	500	-	-	, -	500
Afterschool Enrichment	50,140	50,051	-	50,051	89
Demolition	44,217	43,239	-	43,239	978
Rehab. Homeowners	53,115	51,615	750	52,365	750
Transitional Housing	5,000	2,246	,33	2,246	2,754
Urgent Repair Program	39,100	37,000		37,000	2,100

City of Goldsboro
Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual
Community Development Fund
From Inception and For the Fiscal Year Ended June 30, 2016
Exhibit C-3
Page 3 of 4

			Actual		Variance	
	Project	Prior	Current	Total	Positive	
	Authorization	Years	Year	to Date	(Negative)	
HOME FY 13-14						
Administration	16,517	15,514	-	15,514	1,003	
Homebuyers Assistance	136,881	102,066	-	102,066	34,815	
CHDO-Set Aside	40,267	33,237	-	33,237	7,030	
CDBG FY 14-15						
Administration	64,433	61,012	-	61,012	3,421	
Public Facilities	602,173	453,050	12,375	465,425	136,748	
Hazardous Materials	7,825	7,825	-	7,825	-	
Afterschool Enrichment	50,182	50,179	-	50,179	3	
Demolition	30,480	30,480	-	30,480	-	
Rehab. Homeowners	34,752	34,752	-	34,752	-	
Transitional Housing	10,303	5,697	2,303	8,000	2,303	
Urgent Repair Program					-	
HOME FY 14-15					-	
Administration	15,965	14,742	-	14,742	1,223	
Homebuyers Assistance	111,564	40,725	-	40,725	70,839	
CHDO-Set Aside	71,665	71,665	-	71,665	-	
CDBG FY 15-16						
Administration	69,283	-	67,697	67,697	1,586	
Public Facilities	516,055	-	507,785	507,785	8,270	
Hazardous Materials	3,472	-	2,147	2,147	1,325	
Afterschool Enrichment	50,517	-	46,831	46,831	3,686	
Demolition	15,250	-	15,250	15,250	-	
Economic Development	30,000	-	30,000	30,000	-	
Rehab. Homeowners	13,155	-	13,155	13,155	-	
Transitional Housing	-	-	-	-	-	
Urgent Repair Program	100,000	-	100,000	100,000	-	

# City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual Community Development Fund From Inception and For the Fiscal Year Ended June 30, 2016 Exhibit C-3

Page 4 of 4

			Actual		Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
HOME FY 15-16					
Administration	14,992	-	14,574	14,574	418
Homebuyers Assistance	70,869	-	49,541	49,541	21,328
CHDO-Set Aside	130,839	-	57,853	57,853	72,986
Total expenditures	6,106,288	4,125,139	920,261	5,045,400	1,060,888
Revenue over (under) expenditures	(259,565)	579,058	(471,487)	107,571	367,136
Fund balance appropriated	259,565	-	-	-	(259,565)
Revenues and appropriated fund balance					
over (under) expenditures	\$ -	\$ 579,058	(471,487)	\$ 107,571	\$ 107,571
Fund balance, beginning of year			579,058		
Fund balance, end of year			\$ 107,571		

### City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual Downtown District Fund For the Fiscal Year Ended June 30, 2016 Exhibit C-4

	Budget			Actual	Variance Positive (Negative)		
Revenues:							
Ad valorem taxes	\$	71,298	\$	71,231	\$	(67)	
Penalties and interest		400		457		57	
Investment earnings		25		173		148	
Other income		-		-		-	
Total revenues		71,723		71,861		138	
Expenditures:							
Salaries and employee benefits		-		-		-	
Downtown revitalization		178,335		136,013		42,322	
Total expenditures		178,335		136,013		42,322	
Revenue over (under) expenditures		(106,612)		(64,152)		42,460	
Fund balance appropriated		106,612		-		(106,612)	
Revenues and appropriated fund balance over (under) expenditures	\$	-		(64,152)	\$	(64,152)	
Fund balance, beginning of year				130,664			
Fund balance, end of year			\$	66,512			

## City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual Occupancy Tax Fund For the Fiscal Year Ended June 30, 2016 Exhibit C-5

	Budget	Actual	Variance Positive (Negative)		
Revenues:					
Other taxes and licenses	\$ 550,000	\$ 743,626	\$	193,626	
Other income	9,054	9,409		355	
Investment earnings	200	1,780		1,580	
Total revenues	559,254	754,815		195,561	
Expenditures:					
Tourism expenses:					
Salaries and employee benefits	120,660	115,033		5,627	
Operating expenditures	378,244	196,032		182,212	
Capital Outlay	-	-		-	
Total Tourism	498,904	311,065		187,839	
Debt Service:					
Principal	275,000	275,000		_	
Interest				_	
Total debt service	275,000	275,000		-	
Contingency	_	_		_	
Total expenditures	773,904	586,065		187,839	
Total oxportations	770,001	000,000		107,000	
Revenues over (under) expenditures	(214,650)	168,750		(383,400)	
Fund balance appropriated	214,650	-		214,650	
Revenues, other financing sources and appropriated fund balance over (under)					
expenditures and other financing uses	\$ 	168,750	\$	168,750	
Fund balance, beginning of year		 1,136,209			
Fund balance, end of year		\$ 1,304,959			

### City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual DOT Tiger Grant Fund For the Fiscal Year Ended June 30, 2016 Exhibit C-6

	Project Authorization	Prior Year	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Unrestricted intergovernmental:					
Tiger V Grant Reimbursement	\$ 10,000,000	\$ 6,730,657	\$ 3,317,775	\$ 10,048,432	\$ 48,432
Other taxes and revenues	-	-	60,170	60,170	60,170
Investment earnings	-	433	1,212	1,645	1,645
Total revenues	10,000,000	6,731,090	3,379,157	10,110,247	110,247
Expenditures:					
Loan Expense	115,000	155,737	-	155,737	(40,737)
Construction Cost	14,500,785	11,368,764	3,156,577	14,525,341	(24,556)
Total expenditures	14,615,785	11,524,501	3,156,577	14,681,078	(65,293)
Revenues over (under) expenditures	(4,615,785)	(4,793,411)	222,580	(4,570,831)	44,954
Other financing sources (uses)					
Loan Proceeds	4,615,785	4,672,966	-	4,672,966	57,181
Donations	-	406,491	-	406,491	406,491
Total other financing sources	4,615,785	5,079,457	-	5,079,457	463,672
Revenues and other financing sources over					
(under) expenditures and other financing uses =	\$ -	\$ 286,046	222,580	\$ 508,626	\$ 508,626
Fund balance, beginning of year			286,046		
Fund balance, end of year			\$ 508,626		

### **CAPITAL PROJECTS FUND**

The Capital Projects Fund is established to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds.

### INDIVIDUAL FUND DESCRIPTIONS

• Capital Projects Fund

The Capital Projects Fund is established to account for general capital projects.

### City of Goldsboro Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual Capital Project Fund - Street From Inception For the Fiscal Year Ended June 30, 2016 Exhibit D-1

				- Martana		
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)	
Revenues					_	
Street Project						
Investment earnings	\$ -	\$ -	\$ 4,184	\$ 4,184	\$ 4,184	
Expenditures						
Capital Projects						
Goldsboro Event Center	1,200,000	48,654	1,068,746	1,117,400		
W. A. Foster Recreation Center	6,000,000	853,934	4,995,892	5,849,826		
Administrative costs	80,000	80,000	-	80,000		
Total expenditures	7,280,000	982,588	6,064,638	7,047,226	232,774	
Revenues over (under) expenditures	(7,280,000)	(982,588)	(6,060,454)	(7,043,042)	236,958	
Other financing sources (uses)						
Proceeds from debt issuance	7,280,000	7,280,000	-	7,280,000	-	
Matching contributions	-	-	-	-	-	
Total other financing sources	7,280,000	7,280,000	-	7,280,000	-	
Revenues and other financing sources over						
(under) expenditures and other financing uses	\$ -	\$ 6,297,412	(6,060,454)	\$ 236,958	\$ 236,958	
Fund balance, beginning of year			6,297,412			
Fund balance, end of year			\$ 236,958			

### **ENTERPRISE FUND**

The Enterprise Fund is established to account for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt a balanced budget for this fund.

### INDIVIDUAL FUND DESCRIPTION

### • Utility Fund

The Utility Fund is established to account for revenues and expenses related to the provision of water and sewer services to residents of the City and adjacent areas. The financial statements that follow present the two main activities of this fund - operations and construction - separately in detailed schedules. The combining financial statements reflect the activities of the Water and Sewer Operating and Capital Project Funds together as the Utility Fund.

### City of Goldsboro Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP) Utility Fund For the Fiscal Year Ended June 30, 2016 Exhibit E-1

Page 1 of 2

				Page 1 of 2
				Variance
			Positive	
	Budget	Actual	(	(Negative)
Revenues				
Operating revenues:				
Charges for services	\$ 14,980,000	\$ 15,391,602	\$	411,602
Assessments	5,000	5,824		824
Water and sewer taps	40,000	42,564		2,564
Miscellaneous fees and services	335,100	356,276		21,176
Total operating revenues	15,360,100	15,796,266		436,166
Nonoperating revenues:				
Other revenues	152,000	379,388		227,388
Investment earnings	3,700	13,075		9,375
Total nonoperating revenues	155,700	392,463		236,763
Total revenues	15,515,800	16,188,729		672,929
Expenditures				
Maintenance				
Salaries and employee benefits	1,383,201	1,352,341		
Travel	3,072	3,072		
Supplies	367,995	258,610		
Insurance	19,377	7,940		
Repairs and maintenance	62,829	32,679		
Other expenses	283,896	230,818		
	2,120,370	1,885,460		234,910
Water Plant				
Salaries and employee benefits	701,608	689,888		
Travel	2,220	807		
Supplies	676,816	555,846		
Insurance	66,308	66,308		
Utilities	235,000	224,224		
Repairs and maintenance	459,030	218,099		
Other expenses	685,304	357,756		
Utility service fee	1,223,248	1,223,248		
	4,049,534	3,336,176		713,358
Waste Treatment Plant				
Salaries and employee benefits	1,191,761	1,171,588		
Travel	3,075	2,963		
Supplies	207,909	148,824		
Insurance	151,054	151,054		
Utilities	554,536	548,734		
Repairs and maintenance	1,162,841	886,726		
Other expenses	323,120	278,707		
Utility service fee	1,223,248	1,223,248		
·	4,817,544	4,411,844		405,700

### City of Goldsboro Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP) Utility Fund For the Fiscal Year Ended June 30, 2016 Exhibit E-1

Page 2 of 2

				Positive
Public works donortment	Budget		Actual	(Negative)
Public works department Salaries and employee benefits \$	266,224	\$	263,276	
Supplies Supplies	200,224	Ş	203,270	
Insurance	34,975		28,974	
Repairs and maintenance	390,040		361,428	
Other expenses	140,279		97,261	
Other expenses	854,048		771,868	82,180
Other	054,040		771,000	02,100
General operating expenses	216,968		174,218	42,750
Budgetary appropriations				
Bond principal and other debt payments	3,710,793		3,710,791	
Bond interest	695,306		695,304	
Capital outlay	2,996,246		2,089,234	
	7,402,345		6,495,329	907,016
Total expenditures	19,460,809		17,074,895	2,385,914
Revenues over (under) expenditures	(3,945,009)		(886,166)	3,058,843
Other financing sources (uses):				
Transfer from general fund	250,000		-	(250,000)
Capital lease proceeds	365,000		360,410	(4,590)
Fund balance appropriated	3,330,009		-	(3,330,009)
Total other financing sources( uses)	3,945,009		360,410	(3,584,599)
Revenues and other financing sources over (under)				
expenditures and other financing uses \$	-	\$	(525,756)	\$ (525,756)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Capital outlay			2,089,234	
Decrease in compensated absences			6,834	
Decrease in accrued interest payable			11,100	
Increase in OPEB obligation			(40,203)	
Decrease in net pension asset			(272,099)	
Decrease in deferred outflows of resources - pensions			(62,263)	
Increase in net pension liability			(214,267)	
Decrease in deferred inflows resources - pensions			564,056	
Bond principal and other debt payments			3,710,791	
Note payable proceeds			(360,410)	
Depreciation expense			(3,634,742)	
Total			1,798,031	
Change in net position		\$	1,272,275	

### City of Goldsboro Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP) Water and Sewer Capital Project Fund For the Fiscal Year Ended June 30, 2016 Exhibit E-2

			Actual		
	Project Authorization  \$ 67,240	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues-water projects					
Investment earnings		\$ 86,694	\$ -	\$ 86,694	\$ 19,454
Other income	52,822	22,974		22,974	(29,848)
Total revenues-water projects	120,062	109,668	-	109,668	(10,394)
Revenues-sewer projects					
Restricted intergovernmental revenue	3,000,000	2,823,363	-	2,823,363	(176,637)
Investment earnings	203,301	441,417	-	441,417	238,116
Otherincome	118,188	101,485	-	101,485	(16,703)
Total revenues-sewer projects	3,321,489	3,366,265	-	3,366,265	44,776
Total revenues	3,441,551	3,475,933	-	3,475,933	34,382
Expenditures-water projects					
Construction		4,484,788	167,418	4,652,206	
Total expenditures-water projects	4,700,644	4,484,788	167,418	4,652,206	48,438
Expenditures-sewer projects					
Construction		20,402,984	3,216,017	23,619,001	
Legal and administrative		177,238	-	177,238	
Total expenditures-sewer projects	21,790,715	20,580,222	3,216,017	23,796,239	(2,005,524)
Total expenditures	26,491,359	25,065,010	3,383,435	28,448,445	(1,957,086)
Revenues over (under) expenditures	(23,049,808)	(21,589,077)	(3,383,435)	(24,972,512)	(1,922,704)
Other financing sources (uses)					
Transfers out	(3,634,377)	(3,634,377)	-	(3,634,377)	-
Proceeds from long-term borrowings	26,684,185	31,382,776		31,382,776	4,698,591
Total other financing sources	23,049,808	27,748,399	-	27,748,399	4,698,591
Revenues and other financing					
sources over (under) expenditures	\$ -	\$ 6,159,322	\$ (3,383,435)	\$ 2,775,887	\$ 2,775,887

### OTHER FINANCIAL INFORMATION

To provide additional insight into the City's operations, both past and present, the following additional financial information is included in subsequent sections of the comprehensive report:

### • Governmental Capital Assets

This section includes additional information about the City's investment in governmental fixed assets, including a summary of assets benefiting each governmental function.

### • Additional Financial Data

Additional financial data includes information on property tax collections, uncollected property taxes, and additional information about the City's finances.

### • Statistical Information

The statistical section includes ten year comparison data on various aspects of City finances as well as other information to enhance understanding of City operations.

### • Single Audit Information

The Single Audit section includes auditor's reports on federal and state compliance matters and details on the expenditures of federal and state awards.

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**GOVERNMENTAL CAPITAL ASSETS** 

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### City of Goldsboro Comparative Schedule of Governmental Capital Assets – By Source June 30, 2016 (With Comparative Actual Amounts As Of June 30, 2015) Exhibit F-1

Governmental Capital Assets	2016	2015
Land and improvements	\$ 6,163,286	\$ 7,643,170
Construction in process	1,430,100	12,054,354
Buildings	24,135,634	17,686,641
Streets and infrastructure	74,674,094	60,410,218
Vehicles and equipment	16,867,521	15,828,998
Total	\$ 123,270,635	\$ 113,623,381

Investments in Governmental Capital Assets by Source

Fund source is not readily available at this time. Appropriate information will be available in the future.

### City of Goldsboro Schedule of Changes in Governmental Capital Assets For the Fiscal Year Ended June 30, 2016 Exhibit F-2

	Bal	lance June 30,			Bal	ance June 30,
Functional and Activity		2015	 Additions	 eductions		2016
General government	\$	15,776,220	\$ 33,357	\$ 1,479,884	\$	14,329,693
Transportation		69,160,719	3,657,054	35,092		72,782,681
Economic and physical development		2,722,508	17,800			2,740,308
Public safety		6,804,766	608,502	53,649		7,359,619
Environmental protection		5,199,843	568,925	233,513		5,535,255
Cultural and recreational		13,959,325	6,588,335	24,581		20,523,079
Total	\$	113,623,381	\$ 11,473,973	\$ 1,826,719	\$	123,270,635

**ADDITIONAL FINANCIAL DATA** 

### City of Goldsboro Schedule of Ad Valorem Taxes Receivable June 30, 2016 Exhibit G-1

Fiscal Year	_	ncollected nce June 30, 2015		Additions	Со	llections and Credits		ncollected nce June 30, 2016
2015-2016	\$	-	\$	15,251,883	\$	14,950,219	\$	301,664
2014-2015	•	277,035	,		,	138,525	,	138,510
2013-2014		197,731		-		58,932		138,799
2012 and prior		959,596		-		499,907		459,689
	\$	1,434,362	\$	15,251,883	\$	15,647,583	\$	1,038,662

### Reconcilement with revenue Ad Valorem taxes - General Fund \$ 15,301,873 Reconciling items: Interest collected (80,673) Taxes written off 426,383 Total collections and credits \$ 15,647,583

### **Downtown District Fund**

Fiscal Year		ncollected nce June 30, 2015	A	dditions		ections and Credits	 ncollected nce June 30, 2016
2015-2016	\$	_	Ś	72,547	\$	70,001	\$ 2,546
2014-2015	,	1,817	•	-	·	663	1,154
2013-2014		1,069		-		433	636
2012 and prior		2,894		-		1,098	1,796
	\$	5,780	\$	72,547	\$	72,195	\$ 6,132

\$ 71,688
(457)
964
\$ 72,195
\$

### City of Goldsboro Analysis of Current Tax Levy City-Wide Levy June 30, 2016 Exhibit G-2

		tal Property Valuation	ı	Rate	,	Amount of Levy		Property Excluding Registered Motor Vehicles		egistered Motor Vehicles
Original levy-City:										
Property taxed at current	٠.	202 200 645	,	0.65	,	44.042.022	,	42 264 700	<u>,</u>	4 477 244
years' rate	\$ 4	2,283,389,615	\$	0.65	\$	14,842,033	\$	13,364,789	\$	1,477,244
Discoveries		108,853,077		0.65	\$	707,545		707,545		-
Abatements		(45,799,206)			\$	(297,695)		(276,968)		(20,727)
Total property valuation	\$ 2	2,346,443,486								
Net levy					\$	15,251,883	\$	13,795,366	\$	1,456,517
Uncollected taxes at June 30, 2015						(301,664)		(301,664)		-
Current year's taxes collected					\$	14,950,219	\$	13,493,702	\$	1,456,517
Current levy collection percentage						98.02%		97.81%		100.00%
Original levy-Downtown District: Property taxed at current years' rate	\$	27,778,068	\$	0.25	\$	69,445	\$	66,149	\$	3,296
Discoveries		1,241,600		0.25		3,104		3,104		-
Abatements		(924)				(2)		(2)		-
Total property valuation	\$	29,018,744								
Net levy					\$	72,547	\$	69,251	\$	3,296
Uncollected taxes at June 30, 2015						(2,546)		(2,546)		-
Current year's taxes collected					\$	70,001	\$	66,705	\$	3,296
Current levy collection percentage						96.49%		96.32%		100.00%

### City of Goldsboro Schedule of Cash and Investment Balances All Funds June 30, 2016 Exhibit G-3

				Market
				Value
Cash				
On Hand			\$	3,030
NOW, SuperNOW, and Money Market			Y	15,609,497
Total Cash				15,612,527
Other Investements				
North Carolina Capital Management Trust				6,615,826
Total Cash and Investments			\$	22,228,353
Distributed by Fund:				
				Carrying
				Value
General Fund				
Unrestricted	\$	9,799,992		
Restricted	,	1,269	\$	9,801,261
Special Revenue Fund				
Community Development Fund		217,883		
Downtown District Fund		68,393		
Occupancy Tax Fund		1,322,594		
DOT TIGER Grant Fund		508,626		2,117,496
Capital Project Fund - Restricted				
Street		236,958		236,958
Estample Found				
Enterprise Fund		7 004 047		
Unrestricted		7,994,947		40.072.000
Restricted		2,077,691	_	10,072,638
Total Distributed by Fund			\$	22,228,353

### STATISTICAL SECTION

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

### Contents

### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Goldsboro
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Table 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net Investment in capital assets	\$ 23,819,777	\$ 28,179,346	\$ 43,352,105	\$ 43,695,950	\$ 43,486,935	\$ 42,700,984	\$ 37,507,996	\$ 38,335,957	\$ 42,803,884	\$ 44,410,03
Restricted	4,381,889	3,842,808	3,753,545	-	-	-	-	-	6,300,863	238,22
Stabilization by State Statute	-	-	-	-	4,240,257	2,353,408	3,151,398	3,937,395	2,651,605	2,807,27
Streets	-	-	-	-	-	2,899,947	426,930	-	-	
Unrestricted	15,854,330	15,843,512	10,473,600	11,842,223	6,121,406	8,087,596	5,367,859	804,941	(2,315,163)	 5,329,66
Total governmental activities net position	\$ 44,055,996	\$ 47,865,666	\$ 57,579,250	\$ 55,538,173	\$ 53,848,598	\$ 56,041,935	\$ 46,454,183	\$ 43,078,293	\$ 49,441,189	\$ 52,785,197
Net Investment in capital assets Restricted Unrestricted	\$ 35,131,179 993,147 12,392,187	\$ 37,208,215 546,602 11,501,923	\$ 39,266,792 485,597 9,319,993	\$ 41,557,490 - 8,904,625	\$ 40,962,133 - 10,748,545	\$ 40,370,922 - 12,206,203	\$ 41,216,430 - 12,022,767	\$ 43,218,439 - 11,720,607	\$ 45,635,607 - 10,943,475	\$ 47,525,12 10,326,23
Total business-type activities net position	\$ 48,516,513	\$ 49,256,740	\$ 49,072,382	\$ 50,462,115	\$ 51,710,678	\$ 52,577,125	\$ 53,239,197	\$ 54,939,046	\$ 56,579,082	\$ 57,851,35
Primary government										
Net Investment in capital assets	\$ 58,950,956	\$ 65,387,561	\$ 82,618,897	\$ 85,253,440	\$ 84,449,068	\$ 83,071,906	\$ 78,724,426	\$ 81,554,396	\$ 88,439,491	\$ 91,935,15
Restricted	5,375,036	4,389,410	4,239,142	-	-	-	-		6,300,863	238,22
Stabilization by State Statute	-	-	-	-	4,240,257	2,353,408	3,151,398	3,937,395	2,651,605	2,807,27
Streets	-	-	-	-	-	2,899,947	426,930	-	-	
Unrestricted	28,246,517	27,345,435	19,793,593	20,746,848	16,869,951	20,293,799	17,390,626	12,525,548	8,628,312	 15,655,89
Total primary government net position	\$ 92,572,509	\$ 97,122,406	\$ 106,651,632	\$ 106,000,288	\$ 105,559,276	\$ 108,619,060	\$ 99,693,380	\$ 98,017,339	\$ 106,020,271	\$ 110,636,55

City of Goldsboro
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 2,905,57	8 \$ 2,183,065	\$ 3,312,696	\$ 2,945,434	\$ 2,947,130	\$ 2,822,577	\$ 3,570,115	\$ 3,564,525	\$ 4,184,415	\$ 3,547,629
Public safety	13,228,80	3 13,645,026	15,075,632	15,031,290	15,954,680	15,513,297	17,432,563	19,435,147	15,715,097	15,793,509
Transportation	3,715,93	6 2,433,738	3,834,972	4,256,885	4,835,713	2,395,299	9,176,022	3,656,128	4,235,342	4,618,881
Economic and physical development	3,067,36	0 1,753,132	3,632,243	3,915,549	3,221,967	5,048,592	5,502,759	3,696,955	3,724,636	2,241,469
Environmental protection	3,179,92	7 2,731,841	3,579,950	2,797,958	3,307,854	3,293,159	3,369,229	3,656,775	3,620,474	3,371,917
Cultural and recreational	2,781,96	4 2,922,101	3,075,009	3,062,944	2,370,322	2,208,649	2,958,211	3,137,048	3,213,278	3,374,173
Interest on long-term debt	307,08	8 532,923	338,011	724,351	690,706	724,774	671,960	489,199	505,575	647,356
Total governmental activities expense	\$ 29,186,65	6 \$ 26,201,826	\$ 32,848,513	\$ 32,734,411	\$ 33,328,372	\$ 32,006,347	\$ 42,680,859	\$ 37,635,777	\$ 35,198,817	\$ 33,594,934
Total business-type activities -										
water and sewer	\$ 12,049,76	5 \$ 13,253,063	\$ 13,947,671	\$ 12,927,789	\$ 13,135,400	\$ 13,606,323	\$ 14,598,647	\$ 14,121,802	\$ 13,662,335	\$ 14,916,454
Total primary government expenses	\$ 41,236,42	1 \$ 39,454,889	\$ 46,796,184	\$ 45,662,200	\$ 46,463,772	\$ 45,612,670	\$ 57,279,506	\$ 51,757,579	\$ 48,861,152	\$ 48,511,388
Program revenues										
Governmental activities:										
Charges for services										
General governmental	\$ 355,58	1 \$ 446,166	\$ 488,376	\$ 409,691	\$ 380,695	\$ 371,656	\$ 354,205	\$ 347,680	\$ 302,688	\$ 309,090
Public safety	545,37	5 536,438	393,189	361,261	449,256	411,691	435,183	358,876	381,999	423,512
Transportation						409,430	316,779	485,833	1,219,735	139,597
Environmental protection	2,276,84	6 2,370,956	2,453,812	2,910,753	3,120,888	3,261,733	3,197,586	3,382,985	3,244,483	3,250,079
Cultural and recreational	637,74	5 709,494	717,592	829,781	750,577	616,498	562,576	727,498	1,831,393	743,631
Operating grants and contributions										
General governmental	2,363,00	4 2,533,730	3,182,764	2,771,467	2,899,883	2,742,032	3,159,698	3,151,217	3,735,555	3,905,483
Public safety	400,60	7 165,883	266,932	94,866	863,878	650,740	372,695	276,439	193,725	184,025
Transportation	1,431,10	8 1,700,532	1,406,872	1,435,682	1,494,860	1,257,218	1,179,871	1,406,886	1,389,397	1,320,074
Environmental protection						534,600	32,356	166,913	-	-
Economic and physical development	30,04	2 31,276	29,822	32,266	31,770	31,812	33,139	31,685	31,739	31,253
Cultural and recreational	942,81	947,265	778,966	1,296,977	709,238	1,123,879	527,157	343,778	854,358	448,774
Capital grants and contributions										
Economic and physical development				-	-	-	-	-	7,137,148	3,317,775
Transportation	2,697,37	7	11,945,877							

City of Goldsboro
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 2
Page 2 of 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services	\$ 14,827,552	\$ 13,471,934	\$ 13,564,559	\$ 13,756,931	\$ 14,362,215	\$ 15,957,295 \$	14,952,610	\$ 15,813,626 \$	15,691,832	\$ 16,175,65
Operating grants and contributions	-	-	-	-	-	-	-	-	-	
Capital grants and contributions	-	-	-	502,904	-	235,203	291,331	-	-	
Total business-type activities program revenue	14,827,552	13,471,934	13,564,559	14,259,835	14,362,215	16,192,498	15,243,941	15,813,626	15,691,832	16,175,654
Total primary government program revenues	\$ 26,508,049	\$ 22,913,674	\$ 35,228,761	\$ 24,402,579	\$ 25,063,260	\$ 27,603,787 \$	25,415,186 \$	26,493,416 \$	36,014,053	\$ 30,248,947
Net revenue (Expense)										
Governmental activities	(\$17,506,159)	(\$16,760,086)	(\$11,184,311)	(\$22,591,667)	(\$22,627,327)	\$ (20,595,058) \$	(32,509,614) \$	(26,955,987) \$	(19,521,641)	\$ (19,521,642
Business-type activity	2,777,787	218,871	(383,112)	1,332,046	1,226,815	2,586,175	645,294	1,691,824	1,259,200	1,259,200
Total primary government net expense	(\$14,728,372)	(\$16,541,215)	(\$11,567,423)	(\$21,259,621)	(\$21,400,512)	\$ (18,008,883) \$	(31,864,320) \$	(25,264,163) \$	(18,262,441)	\$ (18,262,44)
General revenues and other changes in net assets										
Governmental activities:										
Ad valorem taxes	\$ 12,659,906	\$ 12,845,928	\$ 13,246,454	\$ 13,782,127	\$ 13,554,554	\$ 14,726,183 \$	14,501,826	\$ 15,194,387 \$	15,420,547	\$ 15,056,92
Other taxes	6,875,376	6,902,494	6,512,124	6,401,448	6,799,858	7,616,282	7,696,501	7,746,608	8,000,249	8,515,08
Investment earnings	895,367	666,136	238,613	37,793	23,079	12,661	20,605	5,323	6,848	28,02
Miscellaneous revenue	537,213	155,198	900,704	329,222	560,261	433,269	702,929	633,779	416,502	745,49
Special item	-	-	-	-	-	-	-	-	-	(1,479,880
Transfers	-	-	-	-	-	-	-	-	-	
Total governmental activities	20,967,862	20,569,756	20,897,895	20,550,590	20,937,752	22,788,395	22,921,861	23,580,097	23,844,146	22,865,64
Business-type activities:										
Investment earnings	696,454	521,356	198,754	57,687	21,748	14,654	16,778	8,025	6,612	13,075
Extraordinary item	-	-	-	-	-	(1,734,382)	-	-		
Miscellaneous revenue	-	-	-	-	-	-	-	-		
Transfers	-	-	-	-	-	-	-	-		
Total business-type activity	696,454	521,356	198,754	57,687	21,748	(1,719,728)	16,778	8,025	6,612	13,075
Total primary government	\$ 21,664,316	\$ 21,091,112	\$ 21,096,649	\$ 20,608,277	\$ 20,959,500	\$ 21,068,667 \$	22,938,639 \$	23,588,122 \$	23,850,758	\$ 22,878,724
Change in net position										
Governmental activities	\$ 3,461,703	\$ 3,809,670	\$ 9,713,584	(\$2,041,077)	(\$1,689,575)	\$ 2,193,337 \$	(9,587,753) \$	(3,375,890)	8,967,550	\$ 3,344,00
Business-type activities	3,474,241	740,227	(184,358)	1,389,733	1,248,563	866,447	662,072	1,699,849	2,036,109	1,272,27
Total primary government	\$ 6,935,944	\$ 4,549,897	\$ 9,529,226	(651,344)	(441,012)	\$ 3,059,784 \$	(8,925,681) \$	(1,676,041) \$	11,003,659	\$ 4,616,28

NOTE: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

City of Goldsboro
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 3

		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016
General fund																				
Reserved	\$	3,201,459	\$	5,079,907	\$	4,823,548	\$	5,141,907	\$	-	\$	- 5	\$	-	\$	-	\$	-	\$	
Designated		748,358		1,136,743		556,718		43,179		-		-		-		-		-		
Unreserved, undesignated		8,409,725		6,002,136		5,437,961		5,304,810		-		-		-		-		-		
Nonspendable	\$	-	\$	_	\$	_	\$	-	\$	185,985	\$	258,178	\$	214,187	\$	337,269	\$	651,278	\$	589,493
Restricted		-		-		-		-		4,240,257		2,353,408		3,151,398		4,572,888		8,952,468		2,808,546
Committed		-		-		-		-		-		-		-		-		-		
Assigned		-		-		-		-		_		67,869		-		_		-		
Unassigned		-		-		-		-		4,246,716		6,902,667		4,710,346		645,905		6,625,432		7,585,797
Total general fund	\$	12,359,542	\$	12,218,786	\$	10,818,227	\$	10,489,896	\$	8,672,958	\$	9,582,122	\$	8,075,931	\$	5,556,062	\$	16,229,178	\$	10,983,836
All other governmental funds																				
Reserved	\$	3,531,711	\$	165,124	\$	-	\$	-	\$	-	\$	- 5	\$	-	\$	-	\$	-	\$	
Unreserved, reported in:																				
Special revenue funds		2,048,151		2,788,825		2,635,852		2,838,276		-		-		-		-		-		
Capital projects funds		1,352,397		3,673,814		3,745,537		3,560,600		_		-		-		_		-		
Nonspendable		-		-		-		-		_		-		-		_		-		
Restricted		-		-		-		-		3,206,228		2,899,947		426,930		-		-		236,958
Committed																				
Downtown Development		-		-		-		-		112,727		133,293		108,793		131,647		130,665		66,512
Economic Development		-		-		-		-		2,105,108		1,356,549		1,022,456		593,611		1,976,464		1,921,156
Assigned																•				
Subsequent Yr's Expenditures		-		-		_		-		262,421		276,892		346,828		180,485		24,850		
Unassigned		_		_		_		_		,				-				- :,230		
Total all other governmental funds	Ś	6,932,259	Ś	6,627,763	Ś	6,381,389	ς	6,398,876	ς	5,686,484	ς	4,666,681	¢	1,905,007	ς	905,743	Ś	2,131,979	Ś	2,224,62

Note: Data presented for the current fiscal year implementing GASB Statement 54.

City of Goldsboro
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 4

Page 1 of 2

										Page
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Ad valorem taxes	\$ 12,478,490	\$ 12,677,755	\$ 13,118,249	\$ 13,943,980	\$ 13,566,023	\$ 15,031,078	\$ 14,686,221	\$ 15,491,073	\$ 15,483,368	\$ 15,373,561
Local option sales taxes	6,071,408	6,111,961	5,615,126	5,479,518	5,743,051	6,350,223	6,466,342	6,484,745	7,214,633	7,625,338
Other taxes and licenses	803,710	790,213	803,216	819,891	966,446	1,169,941	1,132,323	1,157,562	785,616	889,751
Unrestricted intergovernmental	2,709,153	2,607,138	3,304,003	2,810,713	2,955,689	3,298,929	3,557,596	3,760,335	3,957,381	4,228,830
Restricted intergovernmental	2,458,420	2,771,548	2,361,353	2,820,545	3,043,940	3,445,825	2,064,100	2,102,416	10,256,791	5,387,555
Permits and fees	519,127	510,574	362,497	334,980	417,718	384,271	409,622	343,392	359,599	420,115
Sales and services	3,291,673	3,545,763	3,673,117	4,164,426	4,265,434	4,255,076	4,124,519	4,421,279	4,243,671	4,296,235
Investment earnings, net of										
market adjustment	895,367	666,136	238,613	37,793	23,079	17,619	20,605	5,323	6,848	28,027
Miscellaneous	551,256	350,332	918,059	341,302	578,525	455,499	718,339	686,147	1,944,958	471,132
OTAL REVENUES	\$ 29,778,604	\$ 30,031,420	\$ 30,394,233	\$ 30,753,148	\$ 31,559,905	\$ 34,408,461	\$ 33,179,667	\$ 34,452,272	\$ 44,252,865	\$ 38,720,544
XPENDITURES										
General government	2,897,200	5,608,847	2,910,334	2,543,212	2,547,526	2,890,900	2,883,603	3,252,104	3,790,187	3,180,045
Public safety	12,881,312	13,478,699	14,468,658	14,503,471	15,491,380	15,395,376	16,701,484	18,682,381	15,524,494	15,704,769
Transportation	2,876,364	3,403,367	2,551,782	2,613,336	3,199,589	3,317,544	2,741,812	3,129,332	3,164,379	3,102,998
Economic and physical develop.	2,820,467	3,847,716	3,579,577	3,847,055	3,327,523	4,986,741	5,447,114	3,675,907	3,712,003	1,385,332
Environmental protection	2,761,659	2,902,092	3,137,292	2,730,378	3,243,693	3,231,770	3,308,479	3,383,876	3,322,699	2,743,280
Cultural and recreational	2,686,856	2,917,297	2,777,453	2,740,237	2,362,242	2,624,684	2,900,990	3,049,440	3,014,588	2,797,524
Capital outlay	1,502,553	210,314	5,464,133	2,185,934	1,603,788	1,254,821	1,724,736	442,064	12,975,831	12,975,831
Debt service:										
Principal	1,075,199	1,330,752	1,383,425	1,619,070	1,688,055	1,597,654	1,817,581	1,990,185	2,552,236	3,362,270
Interest and other charges	307,088	483,920	338,011	724,351	690,706	634,241	654,355	489,199	406,507	665,728
Debt issuance cost	-	-	-	-	-	60,333	-	-	-	
Bond issuance cost	-	-	-	-	-	30,200	17,605	-	-	-
OTAL EXPENDITURES	29,808,698	34,183,004	36,610,665	33,507,044	34,154,502	36,024,264	38,197,759	38,094,488	48,462,924	45,917,77
REVENUES OVER (UNDER) EXPENDITURES	(\$30,094)	(\$4,151,584)	(\$6,216,432)	(\$2,753,896)	(\$2,594,597)	\$ (1,615,803)	\$ (5,018,092)	\$ (3,642,216)	\$ (4,210,059)	\$ (7,197,233

City of Goldsboro
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 4

Page 2 of 2

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
-	-	-	-	-	580,200	829,590	-	-	-
4,000,000	-	-	-	-	2,727,000	-	-	-	-
					(2,666,667)	-	-	-	-
-	-	-	-	-	559,165	485,229	-	-	-
-	3,737,606	4,500,000	2,454,376	-	896,000	225,000	-	-	-
-	-	-	-	-	-	-	-	20,686,842	2,106,326
-	-	-	-	-	(550,000)	(745,600)	-	(4,551,214)	-
4,000,000	3,737,606	4,500,000	2,454,376	-	1,545,698	794,219	-	16,135,628	2,106,326
3,969,906	(\$413,978)	(\$1,716,432)	(\$299,520)	(\$2,594,597) \$	(70,105) \$	(4,223,873) \$	(3,642,216) \$	11,925,569 \$	(5,090,907)
4.88%	5.34%	5.53%	7.48%	7.31%	6.42%	6.78%	6.58%	8.34%	12.23%
-	4,000,000 - - - - 4,000,000 3,969,906	4,000,000 - 3,737,606 - 4,000,000 3,737,606 3,969,906 (\$413,978)	4,000,000	4,000,000	4,000,000	580,200 4,000,000 2,727,000 (2,666,667) 559,165 - 3,737,606 4,500,000 2,454,376 - 896,000 (550,000) 4,000,000 3,737,606 4,500,000 2,454,376 - 1,545,698 3,969,906 (\$413,978) (\$1,716,432) (\$299,520) (\$2,594,597) \$ (70,105) \$	580,200 829,590 4,000,000 559,165 485,229 - 559,165 485,229 - 559,165 485,229 - 3,737,606 4,500,000 2,454,376 - 896,000 225,000 (550,000) (745,600) 4,000,000 3,737,606 4,500,000 2,454,376 - 1,545,698 794,219 3,969,906 (\$413,978) (\$1,716,432) (\$299,520) (\$2,594,597) (\$2,594,597) (\$1,716,432) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597) (\$2,594,597)		

City of Goldsboro
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
Table 5

				Privilege	Rental/		
Fiscal	Property	Sales	Occupancy	License	Lease	Penalties/	
Year	Тах	Тах	Тах	Тах	Tax	Interest	Total
2007	12,659,906	6,071,408	506,042	259,342	35,451	3,133	19,535,282
2008	12,845,928	6,111,961	485,030	271,201	31,244	3,058	19,748,422
2009	13,246,454	5,615,126	490,139	267,663	32,413	2,983	19,654,778
2010	13,782,127	5,479,518	456,205	302,847	32,433	2,279	20,055,409
2011	13,406,434	5,743,051	548,007	348,402	42,099	2,191	20,090,184
2012	14,862,383	6,350,223	656,984	435,399	48,948	3,346	22,357,283
2013	14,517,335	6,466,342	594,404	470,191	45,089	31	22,093,392
2014	15,311,560	6,484,745	559,596	526,390	50,641	901	22,933,833
2015	15,409,895	7,214,633	608,514	93,101	60,458	903	23,387,504
2016	15,056,921	7,577,935	743,626	25,593	60,361	1	23,464,437

Source: Comprehensive Annual Financial Report

City of Goldsboro
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
Table 6

				Privilege	Rental/		
Fiscal	Property	Sales	Occupancy	License	Lease	Penalties/	
Year	Тах	Тах	Тах	Тах	Тах	Interest	Total
2007	12,478,232	6,071,408	506,042	259,342	35,451	3,133	19,353,608
2008	12,677,435	6,111,961	485,030	271,201	31,244	3,058	19,579,929
2009	13,024,467	5,615,126	490,139	267,663	32,413	2,007	19,431,815
2010	13,841,941	5,479,518	456,205	302,847	32,433	2,279	20,115,223
2011	13,475,662	5,743,051	548,007	348,402	42,099	2,191	20,159,412
2012	14,934,960	6,350,223	656,984	435,399	48,948	3,346	22,429,860
2013	14,588,386	6,466,342	594,404	470,191	45,089	31	22,164,443
2014	15,386,772	6,484,745	559,596	526,390	50,641	901	23,009,045
2015	15,486,368	7,214,633	608,514	93,101	60,458	903	23,463,977
2016	15,373,561	7,577,935	743,626	25,593	60,361	1	23,781,077

Source: Comprehensive Annual Financial Report

## City of Goldsboro Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years Table 7

Fiscal Year					Total Direct
Ended	Real	Personal	Corporate	Total Taxable	Tax Rate
June 30	Property	Property	Excess	Assessed Value	Per \$100
2007	1,643,112,824	217,201,698	51,957,478	1,912,272,000	0.65
2008	1,680,215,516	251,413,598	48,584,886	1,980,214,000	0.65
2009	1,747,795,112	222,147,829	52,379,982	2,022,322,923	0.65
2010	1,880,435,595	227,136,544	53,285,170	2,160,857,309	0.65
2011	1,819,591,480	214,689,304	48,247,524	2,082,528,308	0.65
2012	2,053,210,019	212,513,475	54,808,968	2,320,532,462	0.65
2013	1,983,506,780	211,298,675	55,905,159	2,250,710,614	0.65
2014	2,071,199,242	204,156,845	52,971,759	2,328,327,846	0.65
2015	2,057,232,730	231,037,274	52,652,660	2,340,922,664	0.65
2016	2,054,356,827	230,001,759	62,084,900	2,346,443,486	0.65

SOURCE: Wayne County Tax Administrator/Collector

Note: Property in the county is reassessed once every eight years on average. The last county-wide

revaluation occurred January 1, 2012. The county assesses property at actual value; therefore,

the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

City of Goldsboro
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value
Table 8

	<u>City</u>	Direct Rates	Overlapping Rates			
Fiscal Year Ended June 30	General Fund Rate	Total Direct Rate	Downtown Service District Rate	County Rate	Total Direct and Overlapping Rates	
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016	0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65	0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.64	0.25 0.25 0.25 0.25 0.25 0.235 0.235 0.235 0.235	0.735 0.764 0.764 0.764 0.764 0.7025 0.7025 0.6650 0.6650	1.635 1.664 1.664 1.664 1.5875 1.5875 1.5500 1.5500	

<sup>(1)</sup> Tax rate decrease due to revaluation

NOTES:

There is a N.C. statutory tax rate limit of \$1.50 per hundred dollars valuation for operating expenses, but no limitation on the rate of tax which may be levied for debt service.

Tax rates are established on a per \$100 valuation basis.

## City of Goldsboro Principal Property Tax Payers Current Year and Nine Years Ago Table 9

		Fiscal Year	2016			Fiscal Yea	r 2007	
				Percentage of Total				Percentage of Total
Tananana	Town of Decisions	Assessed	DI-	Assessed		Assessed	DI-	Assessed
Taxpayer	Type of Business	 Valuation	Rank	Valuation	_	Valuation	Rank	Valuation
Walmart Stores	Retail Department Store	\$ 44,872,213	1	1.95%	\$	22,679,184	1	1.19%
Progress Energy/Duke	Public Utility	23,063,757	2	1.00%		20,233,671	4	1.06%
Berkeley Mall, LLC	Mall Shopping Center	22,625,900	3	0.98%		22,597,120	2	1.18%
Franklin Baking Co.	Bread Manufactoring	21,069,610	4	0.92%		22,363,912	3	1.17%
Goldsboro Apartments Investors LLC	Real Estate	20,859,397	5	0.91%		-		
Gruma Corporation	Real Estate	19,815,520	6	0.86%		-		
Berkeley Place Apartments	Real Estate	18,531,685	7	0.81%		17,450,080	6	0.91%
AP Exhaust Technologies, Inc.	Real Estate	15,329,074	8	0.67%		-		
Cooper Standard, Inc.	Rubber & Plastic Auto Parts	14,746,664	9	0.64%		-		
TWE-Advance-Newhouse Partnership	Public Utility	13,783,857	10	0.60%		11,502,857	9	0.60%
Cooper-Bussman, Inc.	Fuse Holders	-				17,605,228	5	0.92%
BellSouth Telephone Company	Public Utility	-				15,689,871	7	0.82%
Dixie Trail, LCC	Real Estate	-				11,236,930	10	0.59%
K5 Associates, LLC	Real Estate	-				-		
Piedmont Natural Gas Company	Public Utility	-				12,871,640	8	0.67%
TOTALS		\$ 214,697,677		9.34%	\$	174,230,493		9.11%

Source: Wayne County Tax Administrator/Collector

City of Goldsboro
Property Tax Levies and Collections
Last Ten Fiscal Years
Table 10

	Taxes Levied			Collected within	n the			
	for the		_	Fiscal Year of the	e Levy	Collections	Total Collection	s to Date
Fiscal	Fiscal Year		Total		Percentage of	in Subsequent		Percentage of
Year	(Original Levy)	Adjustments	Adjusted Levy	Amount	Original Levy	Years	Amount	Adjusted Levy
								_
2007	12,429,768	-	12,429,768	11,819,050	95.09%	-	11,819,050	95.09%
2008	12,871,391	(357)	12,871,034	12,268,670	95.32%	315,922	12,584,592	95.43%
2009	13,145,099	-	13,145,099	12,502,285	95.11%	433,521	12,935,806	98.93%
2010	14,043,576	1,997	14,045,573	13,390,703	95.34%	413,655	13,804,358	99.03%
2011	13,668,297	(131,863)	13,536,434	13,443,427	96.45%	425,439	13,868,866	99.05%
2012	15,307,418	(223,957)	15,083,461	14,446,765	94.37%	462,770	14,909,535	99.08%
2013	14,958,097	(328,503)	14,629,594	14,003,582	93.62%	495,880	14,499,462	99.13%
2014	14,270,650	(199,560)	14,071,090	13,728,356	96.20%	482,993	14,211,349	99.27%
2015	13,651,130	(54,376)	13,596,754	13,375,305	97.91%	376,164	13,751,469	99.56%
2016	13,364,789	430,577	13,795,366	13,493,702	97.81%	253,887	13,747,589	99.58%

Sources: Wayne County Tax Collector

## City of Goldsboro Ratios of Outstanding Debt By Type Last Ten Fiscal Years Table 11

		Governmental Activities Business-type Activities			es				
	General			General		Total		Percentage of	Percentage
Fiscal	Obligation	Installment	Capital	Obligation	Installment	Primary	Per	Actual Property	of Personal
Year	Bonds	Loans	Leases	Bonds	Loans	Government	Capita (1)	Values (2)	Income
2007	2,835,050	8,048,443	516,253	20,877,381	17,430,135	49,707,262	1,329	2.60%	1.561%
2008	6,059,336	7,368,584	378,679	18,831,875	15,392,282	48,030,756	1,286	2.43%	1.445%
2009	5,613,477	11,073,528	236,169	16,831,506	13,354,428	47,109,108	1,222	2.33%	1.318%
2010	5,186,392	12,483,544	88,547	23,307,760	18,597,417	59,663,660	1,557	2.76%	1.622%
2011	4,783,535	11,286,892	-	21,372,849	17,094,643	54,537,919	1,497	2.62%	1.458%
2012	4,414,177	11,045,130	559,165	19,162,643	18,820,517	54,001,632	1,510	2.33%	1.414%
2013	4,130,120	9,927,456	937,534	17,633,879	16,941,884	49,570,873	1,392	2.20%	1.241%
2014	3,754,297	11,215,108	735,521	15,445,703	14,927,446	46,078,075	1,298	2.01%	1.094%
2015	5,135,723	21,154,145	529,330	13,628,277	12,922,295	53,369,770	1,506	2.28%	1.266%

11,278,198

48,763,445

1,376

2.08%

1.110%

11,921,993

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

19,790,472

1,128,775

4,644,007

2016

City of Goldsboro
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Table 12

		Percentage		
General		of Actual		
Obligation	Assessed	Taxable Value		Per
Bonds	Value	of Property	Population	Capita
23,712,431	1,912,272,000	1.24%	37,396	634.09
24,891,211	1,980,214,000	1.26%	37,341	666.59
22,444,983	2,022,322,923	1.11%	38,554	582.17
28,494,152	2,160,857,309	1.32%	38,313	743.72
26,156,384	2,082,528,308	1.26%	36,437	717.85
23,576,820	2,320,532,462	1.02%	35,768	659.16
21,763,999	2,250,710,614	0.97%	35,609	611.19
19,200,000	2,328,327,846	0.82%	35,489	541.01
18,764,000	2,340,922,664	0.80%	35,436	529.52
16,566,000	2,346,443,486	0.71%	34,959	473.87
	Obligation Bonds  23,712,431 24,891,211 22,444,983 28,494,152 26,156,384 23,576,820 21,763,999 19,200,000 18,764,000	Obligation Bonds         Assessed Value           23,712,431         1,912,272,000           24,891,211         1,980,214,000           22,444,983         2,022,322,923           28,494,152         2,160,857,309           26,156,384         2,082,528,308           23,576,820         2,320,532,462           21,763,999         2,250,710,614           19,200,000         2,328,327,846           18,764,000         2,340,922,664	General Obligation Bonds         Assessed Value         Taxable Value of Property           23,712,431         1,912,272,000         1.24%           24,891,211         1,980,214,000         1.26%           22,444,983         2,022,322,923         1.11%           28,494,152         2,160,857,309         1.32%           26,156,384         2,082,528,308         1.26%           23,576,820         2,320,532,462         1.02%           21,763,999         2,250,710,614         0.97%           19,200,000         2,328,327,846         0.82%           18,764,000         2,340,922,664         0.80%	General Obligation Bonds         Assessed Value         Taxable Value of Property         Population           23,712,431         1,912,272,000         1.24%         37,396           24,891,211         1,980,214,000         1.26%         37,341           22,444,983         2,022,322,923         1.11%         38,554           28,494,152         2,160,857,309         1.32%         38,313           26,156,384         2,082,528,308         1.26%         36,437           23,576,820         2,320,532,462         1.02%         35,768           21,763,999         2,250,710,614         0.97%         35,609           19,200,000         2,328,327,846         0.82%         35,489           18,764,000         2,340,922,664         0.80%         35,436

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

## City of Goldsboro Legal Debt Margin Last Ten Fiscal Years Table 13

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit, 8% of Assessed Value	\$ 152,981,760	\$ 158,417,120	\$ 161,785,834	\$ 172,868,585	\$ 166,602,264	\$ 185,642,597	\$ 180,056,849	\$ 186,266,228	\$ 187,273,813	\$ 187,715,479
(Statutory Limitation)	ψ 102,301,700	ψ 100,411,120	ψ 101,700,004	Ψ 1/2,000,000	ψ 100,002,204	Ψ 100,042,007	Ψ 100,000,040	Ψ 100,200,220	Ψ 101,210,010	Ψ 61,16,413
, ,										
Total net debt applicable to limit	32,325,777	29,224,280	30,277,602	25,253,483	16,070,427	16,018,472	14,995,110	13,004,926	26,819,198	25,563,254
Legal Debt Margin	\$ 120,655,983	\$ 129,192,840	\$ 131,508,232	\$ 147,615,102	\$ 150,531,837	\$ 169,624,125	\$ 165,061,739	\$ 173,261,302	\$ 160,454,615	\$ 162,152,225
Total net debt applicable to the limi	t									
as a percentage of debt limit	21.13%	18.45%	18.71%	14.60%	9.64%	8.63%	8.33%	6.98%	16.71%	15.76%
				Legal Debt Mar	gin Calculation	for Fiscal Year	2016			
						Assessed Value				2,346,443,486
						Debt Limit (8% of	Assessed Value)			187,715,479
						Debt Applicable t	o Limit:			
						General Obliga	tion Bonds			4,644,007
						Other Debt				20,919,247
						Logal Dobt Mar	ni n			₾ 400.4E0.00E
						Legal Debt Mar	yırı			\$ 162,152,225

Note: NC Statute GS 159-55 limits the city's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water and sewer purposes. The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit, and represents the City's legal borrowing authority.

## City of Goldsboro Direct and Overlapping Governmental Activities Debt Last Ten Fiscal Years Table 14

			Estimated Share of
		Estimated	Direct and
	Debt	Percentage	Overlapping
Governmental Unit	Outstanding	Applicable (1)	Debt
Debt repaid with property taxes			
Wayne County General Obligation Debt	\$ -	0% \$	\$ -
Other Debt			
Wayne County Installment Purchase Loans	53,027,288	29.55%	15,669,564
Wayne County Promissory Notes	1,841,515	29.55%	544,168
Subtotal, overlapping debt			16,213,732
Total direct debt			27,286,244
Total direct and overlapping debt		Ş	\$ 43,499,976

**Sources:** Assessed value data used to estimate applicable percentages provided by the Wayne County Tax Collector/Assessor. Debt outstanding data provided by the county.

**Notes:** Overlapping governments are those that coincide, at lease in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Goldsboro. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable assessed value.

# City of Goldsboro Demographic and Economic Stastics Last Ten Fiscal Years Table 15

		(2)	(2)			
		Personal	Per Capita	(1)	(3)	(4)
Fiscal	(1)	income	Personal	Median	School	Unemployment
Year	Population	(in thousands)	Income	Age	Enrollment	Rate Percentage
2007	37,396	3,182,363	30,501	34.30	19,352	4.75%
2008	37,341	3,322,504	31,699	35.68	19,373	6.00%
2009	38,554	3,573,759	31,673	35.50	19,386	10.3%
2010	38,313	3,676,875	31,673	36.30	19,608	8.70%
2011	36,437	3,738,982	31,673	36.10	20,407	9.10%
2012	35,768	3,818,391	29,893	36.76	19,458	8.60%
2013	35,609	3,992,263	31,245	36.69	19,355	8.00%
2014	35,489	4,210,623	33,620	37.60	19,256	7.30%
2015	35,436	4,212,734	33,815	36.00	19,444	6.40%
2016	34,959	4,378,472	35,181	34.40	19,221	5.60%

#### Sources:

- (1) NC Office of State Planning State Demographer
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Wayne County Board of Education
- (4) Employment Security Commission of North Carolina
- (5) US Census 2010

#### Notes:

Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

## City of Goldsboro Principal Employers Current Year and Nine Years Ago Table 16

		201	6		2007	7
			Percentage	-		Percentage
			of Total MSA			of Total MSA
Employer	Employees	Rank	Employment (2)	Employees	Rank	Employment (2)
Seymour Johnson Air Force Base	6,482	1	11.89% %	6,657	1	12.90 %
Wayne County Board of Education	2,997	2	5.50% %	2,552	2	4.95 %
Wayne Memorial Hospital	1,814	3	3.33% %	1,508	3	2.92 %
Case Farms	1,049	4	1.92% %			
Wayne County	980	5	1.80% %	670	6	1.29 %
Cherry Hospital	978	6	1.79% %	1,031	5	2.00 %
O'Berry Center	817	7	1.50% %	1,071	4	2.08 %
Goldsboro Milling	800	8	1.47% %			
Cooper Standard Automotive	789	9	1.45% %			
Wal-Mart	695	10	1.28% %	535	7	1.03 %
City of Goldsboro			-	461	8	0.89 %
Franklin Baking Company, LLC				346	9	0.67 %
Goerlich Exhaust Systems				276	10	0.53 %
Total	17,401		31.93% %	15,107		29.26 %

#### Sources:

- (1) Wayne County Development Alliance
- (2) NC Employment Security Commission for the Goldsboro Metropolitan Statistical Area.

City of Goldsboro
Full-time Equivalent City Government Employees By Function
Last Ten Fiscal Years
Table 17

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	31	30	31	30	30	32	32	32	33	34
Transportation										
Streets & Highways	28	28	28	27	27	27	24	21	21	24
Garage	12	12	12	12	12	12	11	10	10	10
Economic & Physical Development	19	19	19	19	19	19	18	16	15	14
Public Safety										
Police										
Officers	117	117	116	115	115	115	112	108	110	110
Civilians	10	10	10	10	10	10	10	10	10	11
Fire										
Firefighters & Officers	82	82	82	82	82	82	82	81	81	81
Civilians	1	1	1	1	1	1	1	1	1	1
Other	28	28	32	32	32	33	33	29	30	29
Environmental Protection	56	56	56	56	56	55	53	48	47	39
Cultural & Recreational	37	39	40	39	39	39	37	35	37	35
Maintenance	28	25	25	25	25	25	26	24	24	26
Water	11	11	11	11	11	11	11	11	11	11
Sewer	23	23	24	24	24	24	24	24	24	24
TOTAL	483	481	487	483	483	485	474	450	454	449

Sources: City of Goldsboro's Budget Document

City of Goldsboro
Operating Indicators By Function
Last Ten Fiscal Years
Table 18

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical aı	4,150	3,949	3,657	3,186	3,137	3,406	3,212	2,962	2,833	2,657
Traffic violations	8,460	12,276	12,753	13,037	13,201	9,916	8,636	7,205	7,964	6,367
Fire										
Number of calls answered	3,111	2,348	2,192	2,222	2,210	2,083	2,026	2,040	2,475	2,767
Inspections	471	518	533	806	744	364	944	1,213	1,161	1,005
Building Inspections										
New construction permits	214	152	89	147	117	120	107	96	77	58
Highways and streets										
Street resurfacing (miles)	-	5.37	0.50	-	-	-	3.30	3.18	3.06	3.30
Potholes repaired	404	210	573	929	874	258	540	622	488	835
Sanitation										
Refuse collected (tons/	58.50	54.00	55.80	44.60	46.50	68.10	57.01	50.30	55.00	54.00
Recyclables collected (tons/day)	5.60	5.90	6.20	5.70	3.90	5.49	5.45	5.60	6.03	5.60
Culture and recreation										
Athletic field permits issued	349	2	3	5	8	9	14	10	68	85
Community center admissions	99,300	99,992	104,106	87,608	119,114	136,480	106,513	132,364	128,073	144,414
Water										
New connections	30	69	85	23	27	28	29	17	60	17
Water mains breaks	63	55	30	47	26	26	20	40	29	68
Average daily consumption										
(millions of gallons)	5.6	5.1	4.6	4.7	5.3	5.4	5.4	5.2	4.7	4.8
Number of customers	13,563	13,533	13,388	13,875	13,590	13,793	13,606	13,755	13,556	13,626
Wastewater										
New connections	48	71	104	35	42	53	32	35	37	29
Average daily sewage treatment										
(millions of gallons)	8.4	5.6	7.1	7.8	8.3	7.0	7.0	8.8	9.5	9.6
Number of customers	11,628	11,687	11,597	11,665	11,670	10,755	11,572	10,640	10,611	10,750

Sources: Various city departments.

Note: Indicators are not available for the general government function.

City of Goldsboro
Capital Assets Statistics By Function
Last Ten Fiscal Years
Table 19

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety											
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	59	59	59	59	59	62	65	62	59	59	70
Fire stations	5	5	5	5	5	5	5	5	5	5	5
Sanitation											
Collection trucks	11	11	11	12	12	11	11	11	11	7	8
Highways and streets											
Streets (miles)	156	156	158	169	169	166	169	163	163	163	163
Streetlights	2,836	2,868	2,903	2,943	3,057	3,035	3,036	2,915	2,926	2,805	2,836
Culture and recreation											
Parks acreage	339	339	339	339	339	402	402	403	403	403	403
Parks	13	13	13	13	13	13	13	13	13	13	13
Swimming pools	2	2	2	2	2	2	2	2	2	2	2
Tennis courts	18	18	18	18	18	18	18	18	18	18	18
Community centers	2	2	2	2	2	2	2	2	2	2	2
Water											
Water mains (miles)	240	240	241	287	270	270	270	298	270	270	270
Maximum daily capacity											
(millions of gallons)	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Sewer											
Sanitary sewers (miles)	212	238	239	243	239	239	239	239	241	241	241
Maximum daily treatment capacity											
(millions of gallons)	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2

Sources: Various city departments.

Notes: No capital asset indicators are available for the general government function.

**SINGLE AUDIT SECTION** 

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Goldsboro, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprises the City of Goldsboro's basic financial statements, and have issued our report thereon dated January 3, 2017.

#### Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Goldsboro'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*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

La Grange, North Carolina January 3, 2017

Caux Rigge & Ingram, L.L.C.



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## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

#### Report on Compliance for Each Major Federal Program

We have audited the City of Goldsboro compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Goldsboro's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Goldsboro's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Goldsboro's compliance

#### **Opinion on Each Major Federal Program**

In our opinion, the City of Goldsboro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

#### **Report on Internal Control Over Compliance**

Management of the City of Goldsboro is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

La Grange, North Carolina January 3, 2017

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

#### Report on Compliance for Each Major State Program

We have audited the City of Goldsboro compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on its major State program for the year ended June 30, 2016. The City's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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 the major State program occurred. An audit includes examining, on a test basis, evidence about the City'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 on compliance for each major State program. However, our audit does not provide a legal determination on the City of Goldsboro's compliance.

#### **Opinion on Each Major State Program**

In our opinion, the City of Goldsboro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2016.

#### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

La Grange, North Carolina January 3, 2017

Can Rigge & Ingram, L.L.C.

### City of Goldsboro Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2016

#### Section I. Summary of Auditor's Results

Financial Statements		
Type of auditor's report issued on whether were prepared in accordance with GAAP:	the financial statements a Unmodified	udited
Internal control over financial reporting:		
Material weaknesses identified?	yes	<u>X</u> no
<ul> <li>Significant deficiencies identifie that are not considered to be material weaknesses</li> </ul>	d yes	X_none reported
Noncompliance material to financial statements noted	yes	<u>X</u> no
Federal Awards		
Internal control over major federal programs	S:	
Material weaknesses identified?	yes	<u>X</u> no
<ul> <li>Significant deficiencies identifie that are not considered to be material weaknesses</li> </ul>	d yes	X_none reported
Noncompliance material to federal awards	yes	<u>X</u> no
Type of auditor's report issued on complian	nce for major federal prog	rams: Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes	<u>X</u> no
Identification of major federal programs:		
CFDA Numbers Names of Federal Pr	ogram or Cluster	
20.932 Transportation Investme	ent Generating Economic Re	ecover (TIGER) Grants
Dollar threshold used to distinguish between Type A and Type B Programs		\$750,000
Auditee qualified as low-risk auditee?	Xyes	no

### City of Goldsboro Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2016

## Section I. Summary of Auditor's Results State Awards Internal control over major State programs: Material weaknesses identified X no \_\_\_yes Significant deficiencies identified that are not considered to be material weaknesses X none reported \_yes Noncompliance material to State awards X no \_yes Type of auditor's report issued on compliance for major State programs: Unmodified. Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act X\_no \_\_yes Identification of major State programs: **Program Names** Non-State System Street-Aid Allocation (Powell Bill) **Section II - Financial Statement Findings** None reported **Section III - Federal Award Findings and Questioned Costs** None reported

None reported

Section IV - State Award Findings and Questioned Costs

## City of Goldsboro Corrective Action Plan For the Fiscal Year Ended June 30, 2016

	Section II - Financial Statement Findings	
None reported		
	Section III - Federal Award Findings and Questioned Costs	
None reported		
	Section IV - State Award Findings and Questioned Costs	
None reported		

## City of Goldsboro Summary Schedule of Prior Audit Findings For the Fiscal Year Ended June 30, 2016

None reported

### City of Goldsboro Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2016

Grantor/Pass-through	Federal CFDA	Pass-through Grantor's	Federal (Direct and Pass-through)	State
Grantor/Program Title	Number	Number	Expenditures	Expenditures
Federal Awards:				
Cash Programs:				
U.S. Department Of Housing and Urban				
Development				
Passed through N.C. Department of				
Commerce:				
Community Development Block				_
Grant-Entitlement Grants	14.228	98-R-0004	\$ 238,826	\$ -
Passed-through N.C. State Housing				
Finance Agency:				
HOME Investment				
Partnership	14.239	M-98-MC-3702090	94,286	-
U.S. Department of Transportation  Passed through N.C. Dept. of  Transportation				
Urban Planning	20.205-5		186,334	-
FTA - Capital Program	20.500		3,156,577	-
Department of Justice				
Crime and Drugs Competitive Grants	16.810	2013-DJ-BX-0923	53,975	-
State Awards:				
Cash Assistance:				
N.C. Department of transportation:				
Powell Bill			-	989,825
N.C. Clear Water Management Trust Fund				
Clean Water Grants			-	69,215
N.C. Housing Finance Agency Urgent Repair Program				100,000
Orgent Repair Program			-	100,000
N.C. Department of Natural and				
<u>Cultural Resources</u>				
Recreational Trails Program				170,257
Total assistance			\$ 3,729,998	\$ 1,329,297

# City of Goldsboro Notes to the Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2016

#### Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards, (SEFSA) incudes the federal and state grant activity of the City of Goldsboro under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information of this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the city of Goldsboro, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Goldsboro.

#### Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Goldsboro has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.