



The City of Jacksonville Comprehensive Annual Financial Report

Fiscal Year ended June 30, 2019



Prepared by the City of Jacksonville NC Finance Department
PO Box 128 • Jacksonville NC 28541-0128
City Hall: 815 New Bridge St • Jacksonville NC 28540

City of Jacksonville
North Carolina

**Comprehensive Annual
Financial Report**

For The Fiscal Year Ended June 30, 2019

Prepared by
FINANCE DEPARTMENT

Finance Director
GAYLE MAIDES



**City of Jacksonville, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

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City of Jacksonville



City Manager's Office

PO Box 128 • Jacksonville NC 28541-0128 • 910 938-5220

LETTER OF TRANSMITTAL

October 24, 2019

**Honorable Mayor and Members of the City Council
Jacksonville, North Carolina**

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Jacksonville for the fiscal year ended June 30, 2019. The basic financial statements contained herein have been audited by the independent certified public accounting firm of Cherry Bekaert LLP and their unmodified opinion is included in the financial section. This report has been prepared by the City, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation including all disclosures. We believe the data is accurate in all material respects and is shown in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City is required to undergo an annual single audit in conformity with the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Programs* (Uniform Guidance), which supersedes OMB Circular A-133, and the State Single Audit Implementation Act was not superseded.

This report encompasses all funds of the City and its component unit. The City provides a full range of services: police and fire protection, construction and maintenance of streets, community development, planning and zoning, and parks and recreation. The City owns and operates a water and sewer system and also separately accounts for its solid waste and stormwater/water quality systems as business-type activities; therefore, these latter activities are included in the reporting entity.

PROFILE OF THE GOVERNMENT

The City of Jacksonville, incorporated in 1842, is located along the New River in Onslow County. It currently occupies 56.00 square miles and serves a population of 75,310, making Jacksonville the 14th largest city in North Carolina. Jacksonville is the county seat and is home to Marine Corps Base Camp Lejeune and Marine Corps Air Station New River. The City of Jacksonville is empowered to levy a property tax on both real and personal property located within the city limits.

The City has been governed by the Council-Manager form of government since 1953. Policy-making and legislative authority are vested in a governing council (Council) consisting of a Mayor and six Council members. Two Council members and the Mayor are elected-at-large, and four Council members are elected by district, all for staggered four-year terms. The Mayor and Council make appointments to various advisory boards and committees. The Council appoints the City Manager and City Attorney. The City

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Manager serves as Chief Executive Officer and is responsible for enforcement of laws and ordinances, delivery of services, planning and budgetary management. The Council is required to adopt a budget no later than July 1 each year. The budget is prepared by fund and function (e.g., public safety). The City Manager is authorized by the budget ordinance to transfer appropriations up to \$5,000; however, any revisions that exceed \$5,000 at the functional level of the General Fund, Non-Major Governmental Funds, and Enterprise Funds, the fund level for the Capital Project Funds, or that alter total expenditures of any fund, must be approved by City Council.

LOCAL ECONOMY

The major industries located within the City's boundaries or in close proximity are government (military), retail, hotel/food services, education, and healthcare. The June 2019 unemployment rate was 5.3 percent (not seasonally adjusted - NSA), which was higher than both the statewide rate of 4.2 percent and national rate of 3.7 percent.¹

Since 1941, Camp Lejeune and Marine Corps Air Station New River with the Marine Corps are together the largest employer in the area. The bases are home to the many units including II Marine Expeditionary Force, 2nd Marine Division, 2nd Marine Logistics Group, and Marine Corps Forces Special Operations Command. Nearly 55,000 Marines are assigned to the bases, 3,477 Naval personnel, and about 265 members of other services. The Coast Guard has a training unit aboard Camp Lejeune. About 6,200 civilians are employed aboard the base with an economic impact of \$3.7 billion annually to the area.

The bases form important resources for the United States with forces from these commands regularly in the headlines in world news and deployed to many locations around the world. To help prepare service members for combat and humanitarian missions abroad, Camp Lejeune encompasses 156,000 acres, 12 miles of beach capable of supporting amphibious operations, 27 gun positions, 47 tactical landing zones, 98 live-fire ranges, 6 state-of-the-art training facilities for Military Operations on Urban Terrain, 4 forward operating bases and the Greater Sandy Run Training Area. Military forces from around the world train at Camp Lejeune on a regular basis.

MCAS New River was the first base with the MV-22 Osprey and has trained Marines and other services members on the tilt-rotor aircraft. It is the home to the largest military hangar in the US that houses two MV-22 squadrons. The airbase is home to more than half of all Marine aircraft on the East Coast.

¹ US Department of Commerce, Bureau of Economic Analysis

LONG-TERM FINANCIAL PLANNING

The City's largest ongoing projects deal with infrastructure needs due to the City's current and anticipated growth and/or changes in state regulation:

- **Parkwood Regional Pump Station and Western Trunk Sewer** - This project consists of the construction of a regional pump station on the northwest side of the City and a force main that connects to the Land Treatment Site. It also includes the construction of a gravity sewer from the regional pump station to Western Boulevard. Design of the project was essentially complete as of the close of FY17. All necessary easements and most of the regulatory permits have also been acquired. Construction is expected to last more than 2½ years once initiated. It is currently projected that this project will be conducted in 4 or 5 phases with the first phase beginning in FY22.

MAJOR INITIATIVES

FOR THE YEAR. For FY19, the City had the following major initiatives. As you will note, several of these are updates to projects that began in earlier years.

- **Sturgeon City Environmental Education Center** – Construction on the project began in October 2017 and was completed in May 2019. The Center held an open house on June 26, 2019 for the community.
- **Jacksonville Landing Welcome Center** – In FY18, the bids on the building were received and exceeded the available funds; thus, the project has been tabled and will not be revived without specifically authorized by the City Council. In FY19, an alternate opportunity presented itself. The City is pursuing the purchase of an adjacent service station with plans to renovate this space as a welcome center in FY20.
- **New Bridge Street - Downtown Revitalization** – The design of the project began in FY18 and has progressed throughout FY19. Field investigations and storm water modeling efforts during design resulted in the need to increase the scope of the project to include additional infrastructure replacements. These additions resulted in an increased estimated construction cost and additional design efforts for the project. Currently, construction of Phase 1 is scheduled to begin in the spring of 2020 and be completed by the fall of 2020. Phase 2 will begin following the completion of Phase 1 and is anticipated to be completed by the early summer of 2021.
- **Northeast Creek Park Revitalization Phase 1** – During FY17, conceptual plans were approved by the Mayor and Council for the “playground side” of Northeast Creek Park. During FY19, the handicap accessible, inclusive playground equipment was installed and adheres to ADA standards. This playground was officially opened on August 8, 2019.
- **Hurricane Recovery** – On September 12, 2018, Hurricane Florence caused damage to multiple City owned buildings including the Jack Ameyette Recreation Center, the Riverwalk Marina, the

Train Depot, and the Ellis Boulevard Pump Station. A major focus of the City's construction efforts during FY19 has been placed on the repair of these buildings. These efforts will continue into FY20.

- **Georgetown Sidewalks** – During FY19, funds from the Community Development Block Grant were used to install Phase I of the new sidewalks and ADA accommodations along Georgetown Road in the Georgetown Community.
- **Country Club Villas** – During FY19, the City utilized funds from the Community Development Block Grant to form a partnership with the University of North Carolina, Chapel Hill. Through their Development Finance Initiative, UNC Chapel Hill will provide technical assistance services related to the revitalization of the Country Club Villas, also known as Myrtlewood.
- **NC DOT Utilities Improvements** – NCDOT has identified many road improvement projects for our community. Where the City's infrastructure (water and sewer lines) are impacted with these improvements, they will be required to be relocated and 50 percent of the cost will be borne by the City. These projects will have a potential financial impact on the City.
- **Oyster Highway** – In February 2017, fundraising for this project was complete and construction began in April 2019. This project involves the construction of 1080 individual reefs in six different locations through the middle of the New River. The project is designed to create oyster habitats in order to filter and improve water quality. The anticipated completion date for this project is FY21.

FINANCIAL INFORMATION

The financial statements and notes included in this report present the financial position and operations of governmental activities, and business-type activities of the City. The accompanying Management's Discussion and Analysis provides a narrative overview of the City's financial performance for the fiscal year ended June 30, 2019. During the year, the City continued its sound current and long-range policies for financial management.

Internal Control Structure. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and state awards, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is evaluated periodically by management and the Finance Department staff to achieve these objectives.

As part of the City's single audit, tests are conducted to determine the adequacy of internal control, including that portion related to federal and state award programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 2019, found no instances of material weakness in internal control and no material instances of noncompliance with applicable laws and regulations.

Independent Audit. General Statute 159-34 requires an annual audit by a certified public accountant. The independent certified public accounting firm of Cherry Baekert LLP was selected by the City Council to provide this service. In addition to meeting statutory requirements, the audit also complies with the Single Audit Act and Subpart F of Title 2 U.S. Code Federal Regulations (CFR) Part 200, which supersedes OMB Circular A-133, and the State Single Audit Implementation Act. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report. The auditors' reports on internal controls and compliance with applicable laws and regulations are included in the Compliance Section.

Investment Management. Effective forecasting of cash requirements and aggressive investment of cash balances, including daily investment of bank balances, have allowed the maximum use of all available cash resources. The rate of return on the City's investment underperformed compared to the average yield rates of 2.25 percent for US Treasury bills in 2019. For the year ended June 30, 2019, the City realized investment earnings of \$1,542,511 for an average yield of 1.90 percent.

The City's investment policy, guided by General Statute 159-30, minimizes credit and market risks while maintaining a competitive yield on its portfolio. For additional information on cash and investments, see the notes to the financial statements.

Risk Management. The primary objectives of the Risk Management Program are to:

- Identify potential exposure to losses,
- Evaluate the frequency and severity of losses,
- Reduce or eliminate risks or losses through established procedures and practices, and
- Determine the most efficient use of financial resources to satisfy losses.

For additional information on the City's risk management program, see the notes to the financial statements.

OTHER INFORMATION

Award. 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 Jacksonville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the twenty-eighth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Various department heads and employees assisted and contributed to its preparation, as did our independent auditors, Cherry Baekert LLP. Each of them has our sincere thanks.

In closing, without the resources and support furnished by the Mayor and City Council, preparation of this report would not have been possible.

Sincerely,



Richard L. Woodruff
City Manager



Gayle Maides
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Jacksonville
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

City of Jacksonville Organizational Chart

Citizens of Jacksonville

City Council ⁽¹⁾

Attorney

City Manager

Deputy City Manager

Assistant City Manager

Community Programs
Video/Media Services ⁽²⁾

City Clerk

Elections

Public Services

Streets
Facilities Maintenance
Solid Waste ⁽³⁾
Engineering
City Hall Maintenance ⁽²⁾
Water/Sewer Operations ⁽³⁾
Stormwater/Water Quality ⁽³⁾

Planning & Development Services

Planning and permitting
Building Inspections

Office of Livable Neighborhoods

Community Development
Community Engagement

Finance

Fleet Maintenance ⁽²⁾
Metering ⁽³⁾

Human Resources

Self-Insurance ⁽²⁾

Recreation

Parks

Transportation Services

Information Technology Services (ITS) ⁽²⁾

Legend:

- (1) Elected Officials
- (2) Internal Service Fund
- (3) Enterprise Fund

City of Jacksonville

List of Principal Officials

June 30, 2019

Title	Name
Mayor	Sammy Phillips
Mayor, Pro-tem	Michael Lazzara
Council Member	Jerry Bittner
Council Member	Randy Thomas
Council Member	Robert Warden
Council Member	Dr. Angelia Washington
Council Member	Brian H. Jackson
City Manager	Dr. Richard L. Woodruff
Deputy City Manager	Ronald F. Massey
Assistant City Manager	Glenn Hargett
Attorney	John T. Carter
City Clerk	Carmen K. Miracle
Finance Director	Gayle Maides
Chief Human Resources Officer	Kimberly Williams
Information Technology Services Director	Vacant
Public Safety Director	Mike Yaniero
Public Services Director	Wally Hansen
Director of Recreation Services	Susan Baptist
Director of Park Facilities	Michael Liquori
Transportation Services Director	Anthony Prinz
Director of Planning and Inspections	Ryan King
Director of Community Engagement	Lillie Gray

FINANCIAL SECTION

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and Schedules
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Report of Independent Auditor

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksonville, North Carolina (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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 the 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. The financial statements of Jacksonville Development Authority were not audited in accordance with *Government Auditing Standards*.

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 City'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 City'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and 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 and the Required Supplemental Financial Data as listed in the table of contents 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 Supplemental Financial Data 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 basic financial statements of the City. The introductory section, the financial sections, accompanying financial schedules and statistical section, as well as the schedule of expenditures of federal and state awards as required by 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental financial data 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2019 on our consideration of the City'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 that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cheryl Bekaert LLP

Raleigh, North Carolina
October 24, 2019



City of Jacksonville, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

This section of the City of Jacksonville's (City) annual financial report presents a narrative overview and analysis of the City's financial performance for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

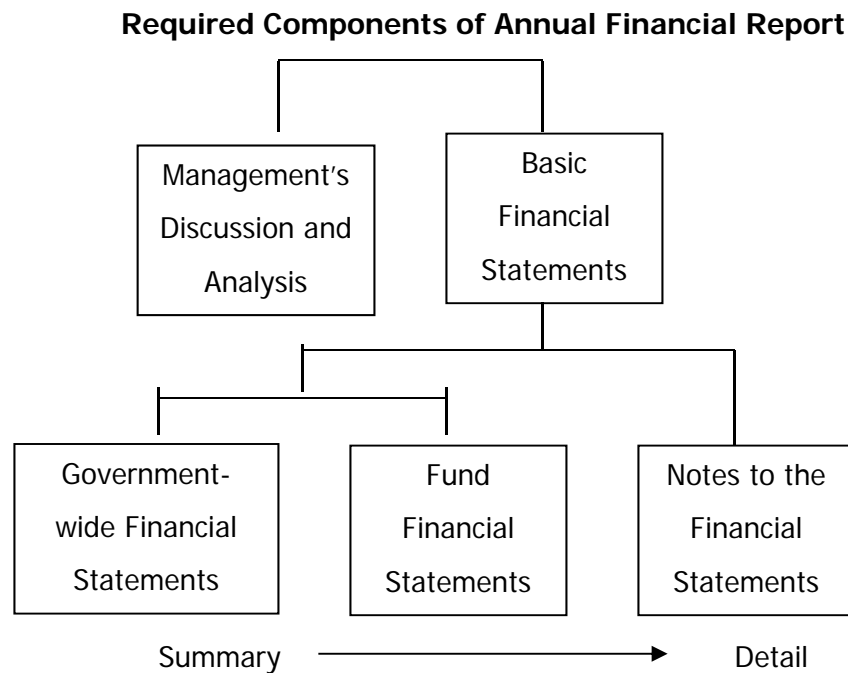
- The overall financial position of the City improved in 2019. Total net position increased by \$6.99 million. Sales tax collections saw an increase in the current year, as did the charges for services and operating grants. Expenses increased due to expenditures for preparation and recovery from Hurricane Florence.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$185.66 million (net position). Of this amount, \$63.88 million (unrestricted net position) can be used to meet the City's ongoing obligations to its citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43.74 million, an increase of \$1.26 million during the year. This increase is due to revenue collections for sales tax being more than anticipated and actual expenses being less than anticipated. Approximately 53.64 percent of this total amount or \$23.46 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25.15 million, or 50.74 percent of the budget for fiscal year 2020, as adopted. This exceeds the City Council's goal of 10 percent. The amount of fund balance used to balance the 2020 budget was increased because of a small decrease in the revenue forecast and nearly flat expenditures.
- The total fund balance amount for Capital Projects decreased by \$1.99 million, due to funds being spent that had been previously set aside for projects.
- The City experienced a major hurricane in September of 2018. The expenditures for response and repair are being recorded in a Major Fund for Emergency Relief. The fund balance in this fund is a deficit of \$1.69 million. The City Expects to be reimbursed by Federal and State Emergency Management Agencies for these expenses in the next fiscal year.

- The City's total long-term debt decreased by \$7.35 million (8.13%) during the current fiscal year. There were no significant new capital projects funded by debt in the current fiscal year allowing payments on outstanding debt to reduce the total debt burden.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the City's financial condition.

The diagram below shows how the required components of this annual report are arranged and relate to one another.



Basic Financial Statements

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on the activities of the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services, i.e. public safety, were financed in the short term as well as what remains for future spending. A budgetary

comparison statement has been provided for the General Fund to demonstrate budgetary compliance.

- Proprietary funds statements offer short and long-term financial information about the activities the City operates like businesses, such as the water and sewer system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data, and are followed by the required supplemental financial data on the Law Enforcement Officers' Special Separation Allowance, Firefighters' and Rescue Squad Workers' Pension Fund, Other Post-Employment Benefits, and the proportionate share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System. In addition to these required elements, a section is included with combining statements that provide details about non-major governmental funds, and internal service funds, each of which are totaled and presented in a single column in the basic financial statements. This section also includes detailed budgetary information required by North Carolina General Statutes. The remainder of this overview section explains the structure and contents of the government-wide and fund financial statements.

Government-wide Financial Statements

The government-wide statements report short and long-term information about the City as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position includes all of the City's assets and liabilities. The Statement of Activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net position and how it has changed. Net position, the difference between assets and deferred outflows and the total of liabilities and deferred inflows, is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net position are one indicator of whether financial health is improving or deteriorating. Other non-financial factors such as changes in the City's property tax base and the condition of the City's roads must be considered to assess the overall health of the City.

The City's government-wide financial statements are divided into three categories:

- Governmental activities - Most of the City's basic services are included here, such as public safety, community planning and development, and streets. Property, sales, and other taxes, and grants and contributions finance most of these activities.
- Business-type activities - The City charges fees to customers to cover the costs of certain services provided. The City's water and sewer system, solid waste system, and stormwater/water quality system are included here.
- Component unit – Although the Jacksonville Tourism Development Authority (Authority) is a legally separate entity, it is important to the City. The City Council of Jacksonville appoints all of the members of the Board for the Authority.

The government-wide financial statements are included as Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's individual funds, not the City as a whole. Funds are accounting groups that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State Statutes. Other funds are established to control and manage resources that are restricted or designated for specific purposes.

The City has two types of funds:

- Governmental funds - Most of the City's basic services are included in governmental funds, which focus on (1) the flow in and out of cash and other financial assets that can readily be converted to cash and (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the City's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements. Governmental funds financial statements are included as Exhibits C, D and E of this report.

The City adopts an annual budget for the General Fund, as required by State Statutes. A budgetary comparison statement is presented for the General Fund using the City's budgetary basis of accounting. This statement reflects the following: (a) the original budget, (b) the final budget as amended, (c) actual revenues/expenditures, and (d) the variance between the final budget and the actual. Because the City's budgetary basis of accounting does not differ from the modified accrual basis used in the funds statements, a reconciliation is not necessary at the end of the statement.

- Proprietary funds - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The City has two types of proprietary funds. Enterprise Funds are the same as the business-type activities (shown in the Government-wide Statements), but provide more detail and additional information, such as cash flows. Internal Service Funds are used to report activities that provide supplies and services for the City's other programs and activities. These internal service activities predominately benefit governmental rather than business-type activities; therefore, they have been included with governmental activities in the government-wide financial statements. Proprietary funds financial statements are included as Exhibits F, G and H of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 59 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide Pension Benefits, the Law Enforcement Officers' Special Separation Allowance, Firefighters' and Rescue Workers' Pension Benefits and Other Post-Employment Benefits. Required supplementary information can be found on Exhibits I-N.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$185.66 million at the close of the most recent fiscal year. A summary of the City's net position at June 30, 2019 and 2018 is presented below:

City of Jacksonville's Net Position (In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 53.20	\$ 52.00	\$ 42.47	\$ 37.62	\$ 95.67	\$ 89.62
Capital assets	90.42	90.63	105.16	111.07	195.58	201.70
Total assets	143.62	142.63	147.63	148.69	291.25	291.32
Deferred outflow s of resources	7.50	5.72	3.22	2.85	10.72	8.57
Total assets and deferred outflow s of resources	151.12	148.35	150.85	151.54	301.97	299.89
Current and other liabilities	4.72	4.10	2.39	2.64	7.11	6.74
Noncurrent liabilities	36.73	37.61	70.96	75.36	107.69	112.97
Total liabilities	41.45	41.71	73.35	78.00	114.80	119.71
Deferred inflow s of resources	1.27	1.24	0.24	0.27	1.51	1.51
Total liabilities and deferred inflow s of resources	42.72	42.95	73.59	78.27	116.31	121.22
Net position						
Net investment in capital assets	73.15	70.39	38.71	39.54	111.86	109.93
Restricted	9.53	16.73	0.39	0.11	9.92	16.84
Unrestricted	25.72	18.28	38.16	33.62	63.88	51.90
Total net position	\$ 108.40	\$ 105.40	\$ 77.26	\$ 73.27	\$ 185.66	\$ 178.67

Government-wide net position increased by \$7.0 million for the fiscal year ended June 30, 2019. The largest portion of net position (60.3%) reflects the City's net investment in capital assets (e.g. land, buildings, 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.

An additional portion of the City's net position (5.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$63.9 million (33.9%) is unrestricted net position and may be used to support operations and provide for payment of long-term debt.

At the end of the 2019 fiscal year, the City was able to report positive balances for the City government as a whole. The governmental activities show an increase in the net investment in capital assets, as well as the unrestricted category. The restricted portion decreased. The business-type activities show an increase in the net position because of an overall gain from operations which increased the unrestricted balance.

Net position of the Governmental Activities increased \$3.00 million to \$108.40 million. You will find \$82.68 million of the net position is either restricted as to the purposes for which they can be used or are invested in capital assets (e.g. land, buildings, machinery, and equipment buildings, roads, etc.), which decreased from \$87.12 million or less than 5.1 percent. Unrestricted net position of \$25.72 million increased \$7.44 million from the previous year. The major changes are due to increased sales tax revenue and decreased departmental operations.

The net position of the Business-Type activities had an increase of \$3.99 million, or 5.4%, to \$77.26 million. The increase in net position is an increase in the charges for services and decreases in Water/Sewer operational spending. The Unrestricted Net Position of \$38.16 million increased in relation to the previous year.

Changes in net position. The table on the following page presents the City's changes in net position for the fiscal years ended June 30, 2019 and 2018.

City of Jacksonville's Changes in Net Position
(In Millions)

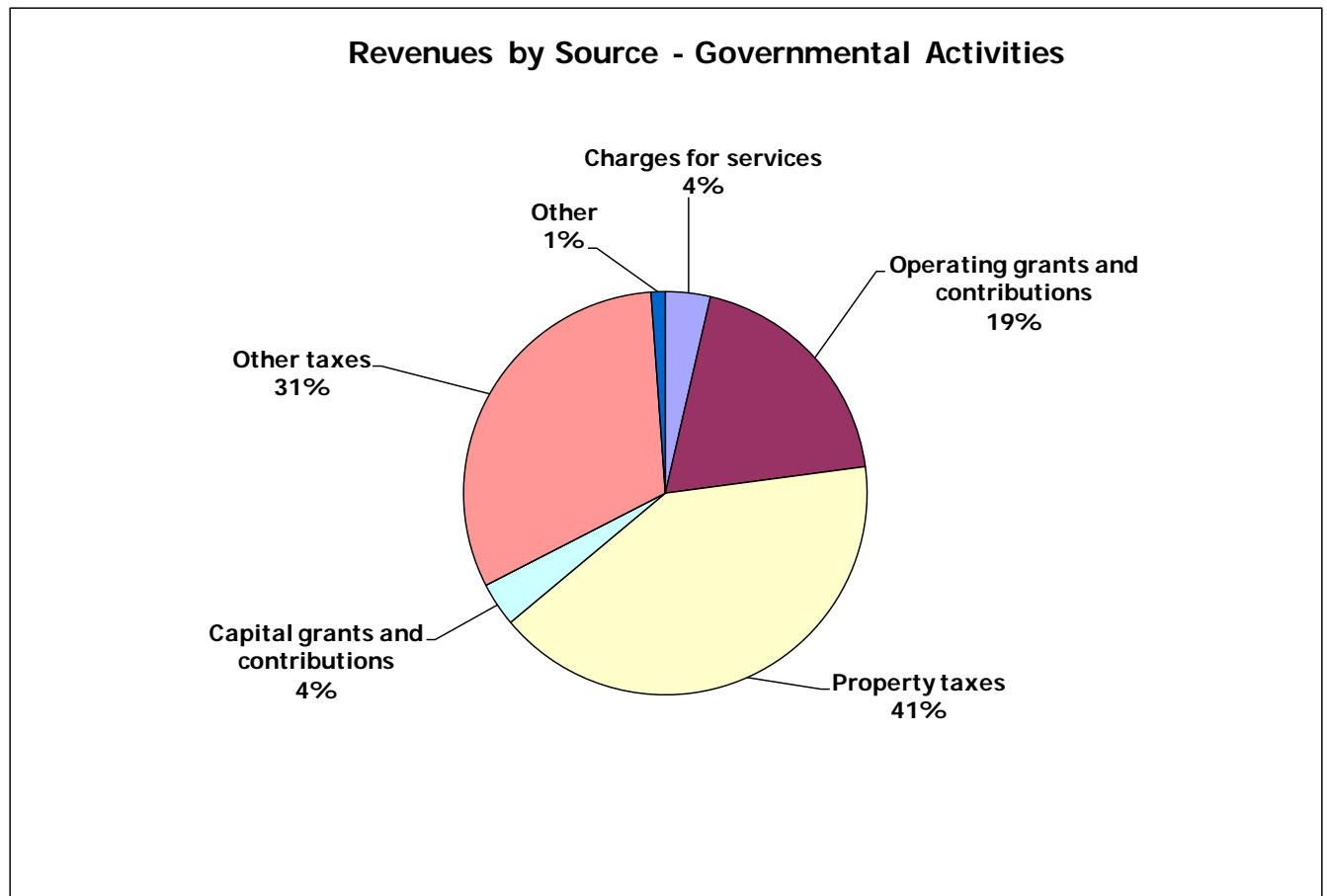
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 2.07	\$ 2.05	\$ 32.32	\$ 30.77	\$ 34.39	\$ 32.82
Operating grants and contributions	11.10	3.77	0.36	0.06	11.46	3.83
Capital grants and contributions	2.03	2.01	-	0.13	2.03	2.14
General revenues:						
Property taxes	23.59	23.78	-	-	23.59	23.78
Other taxes	18.07	16.83	-	-	18.07	16.83
Other	0.65	0.65	1.56	1.48	2.21	2.13
Total revenues	57.51	49.09	34.24	32.44	91.75	81.53
Expenses:						
General government	9.05	4.78	-	-	9.05	4.78
Public works	5.46	6.69	-	-	5.46	6.69
Public safety	30.50	23.17	-	-	30.50	23.17
Economic and physical development	3.20	3.47	-	-	3.20	3.47
Culture and recreation	4.68	5.57	-	-	4.68	5.57
Interest on long-term debt	0.61	(0.33)	-	-	0.61	(0.33)
Water and sewer	-	-	22.77	23.80	22.77	23.80
Solid waste	-	-	5.79	5.62	5.79	5.62
Stormwater/Water Quality	-	-	2.70	2.50	2.70	2.50
Total expenses	53.50	43.35	31.26	31.92	84.76	75.27
Increase (decrease) in net position before transfers	4.01	5.74	2.98	0.52	6.99	6.26
Transfers	(1.01)	(1.35)	1.01	1.35	-	-
Increase (decrease) in net position	3.00	4.39	3.99	1.87	6.99	6.26
Net Position:						
Beginning of year, July 1, as previously reported	105.40	102.41	73.27	71.48	178.67	173.89
Restatement for accounting change	-	(1.40)	-	(0.08)	-	(1.48)
Beginning of year, July 1, as restated	105.40	101.01	73.27	71.40	178.67	172.41
End of year, June 30	\$ 108.40	\$ 105.40	\$ 77.26	\$ 73.27	\$ 185.66	\$ 178.67

Total government-wide revenues of \$91.75 million were primarily derived from charges for services (37.5%), property taxes (25.7%), other taxes (19.7%) and operating grants and contributions (12.5%). Operating Grants increased significantly due to Federal and State Emergency Management reimbursements from Hurricane Florence.

The total expenses of all programs were \$84.75 million. The expenses cover a range of services with the largest being Public Safety (hurricane recovery, fire and police), and Water and Sewer, which account for 36.0 percent, and 26.9 percent of total expenses, respectively. Water and Sewer expenses

decreased by \$1.03 million, and Public Safety increased by \$7.32 million. The Public Safety increase was primarily due to spending related to Hurricane Florence.

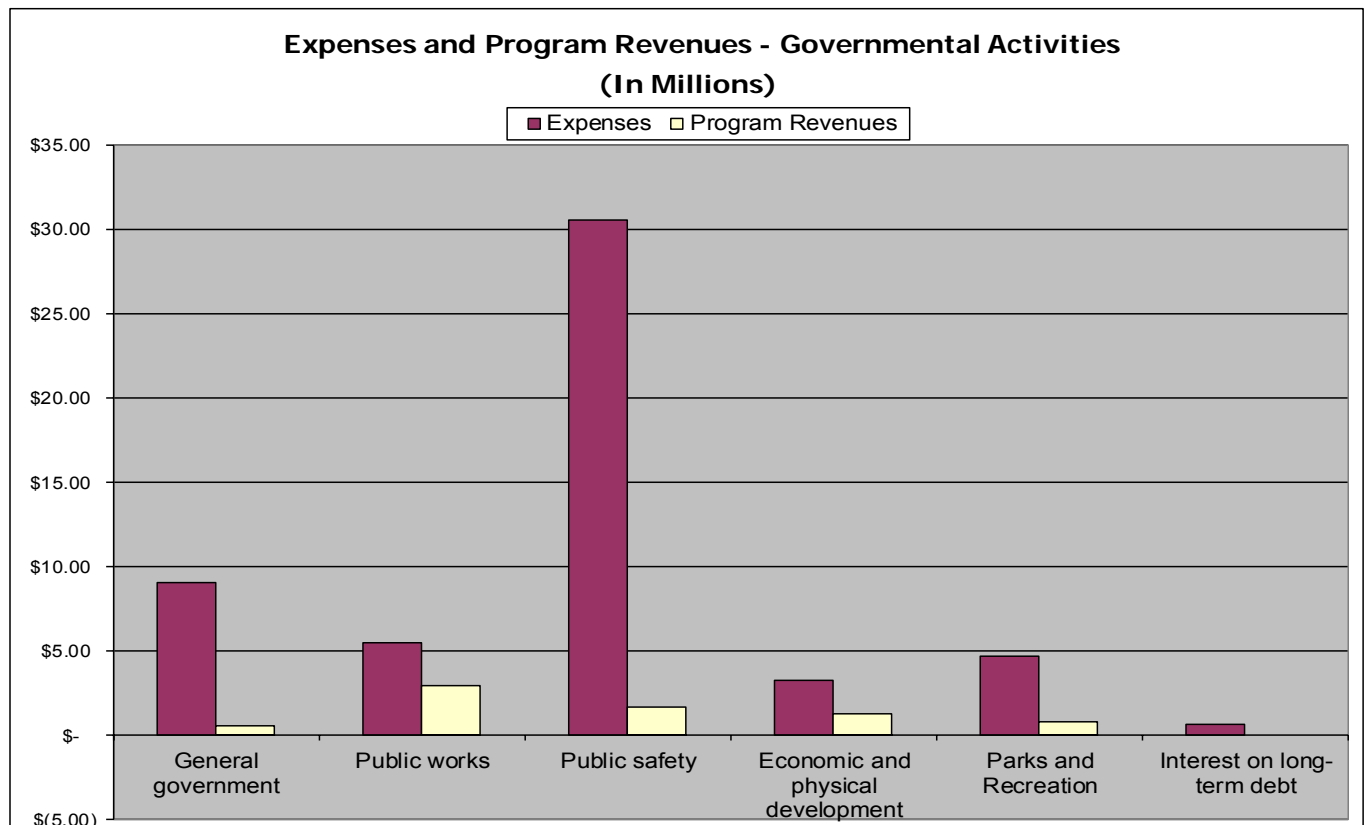
Governmental Activities



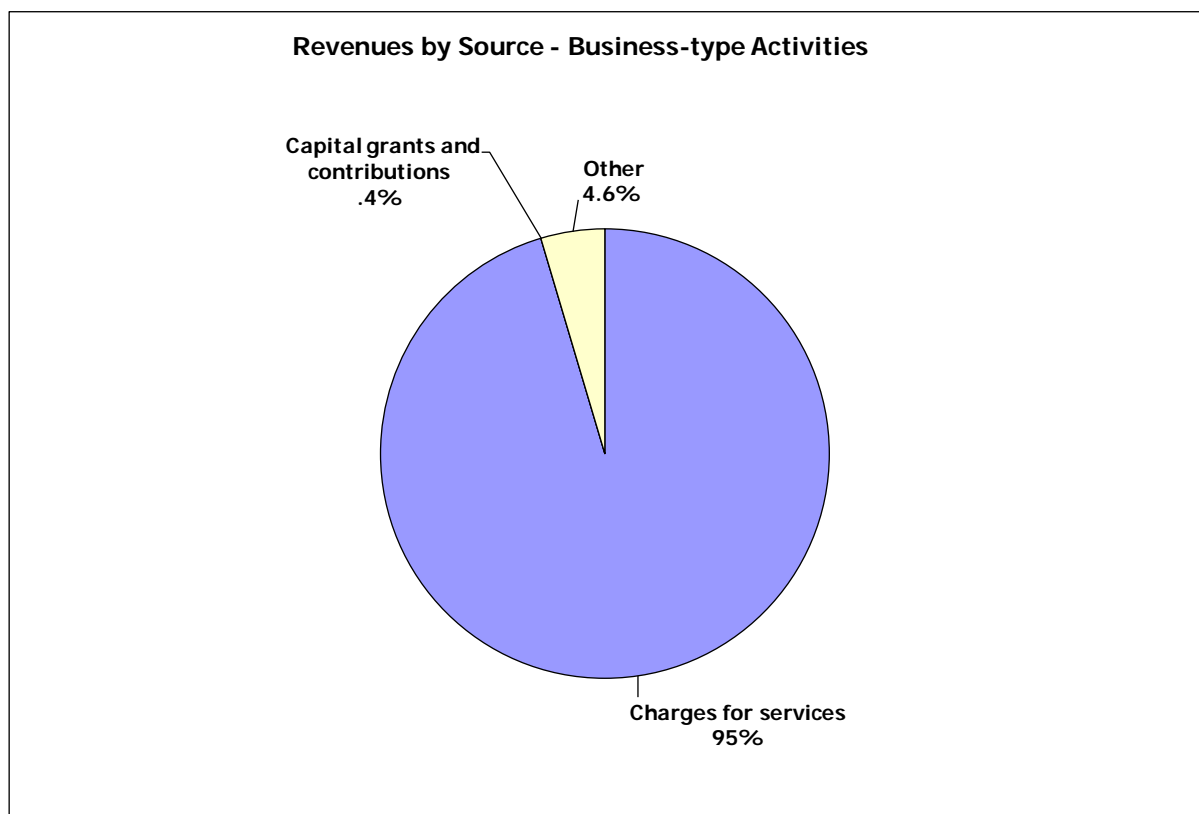
Public Safety accounts for 57.0 percent (\$30.49 million) of the total Governmental Activities expenses of \$53.49 million. Public Safety increased because of the emergency response to Hurricane Florence.

The chart on the following page highlights the net cost (total cost less fees generated by the activities and operating grants and contributions) of the City's governmental programs – the three largest being Public Safety, Parks and Recreation and General Government. The net cost shows the financial support provided by taxes and other general revenue sources not restricted to specific programs.

The total cost of governmental services of \$53.49 million was supported by \$2.07 million in fees, fines and charges from those who directly benefited from the programs. Another \$13.13 million was provided by other governments and organizations for specific programs.

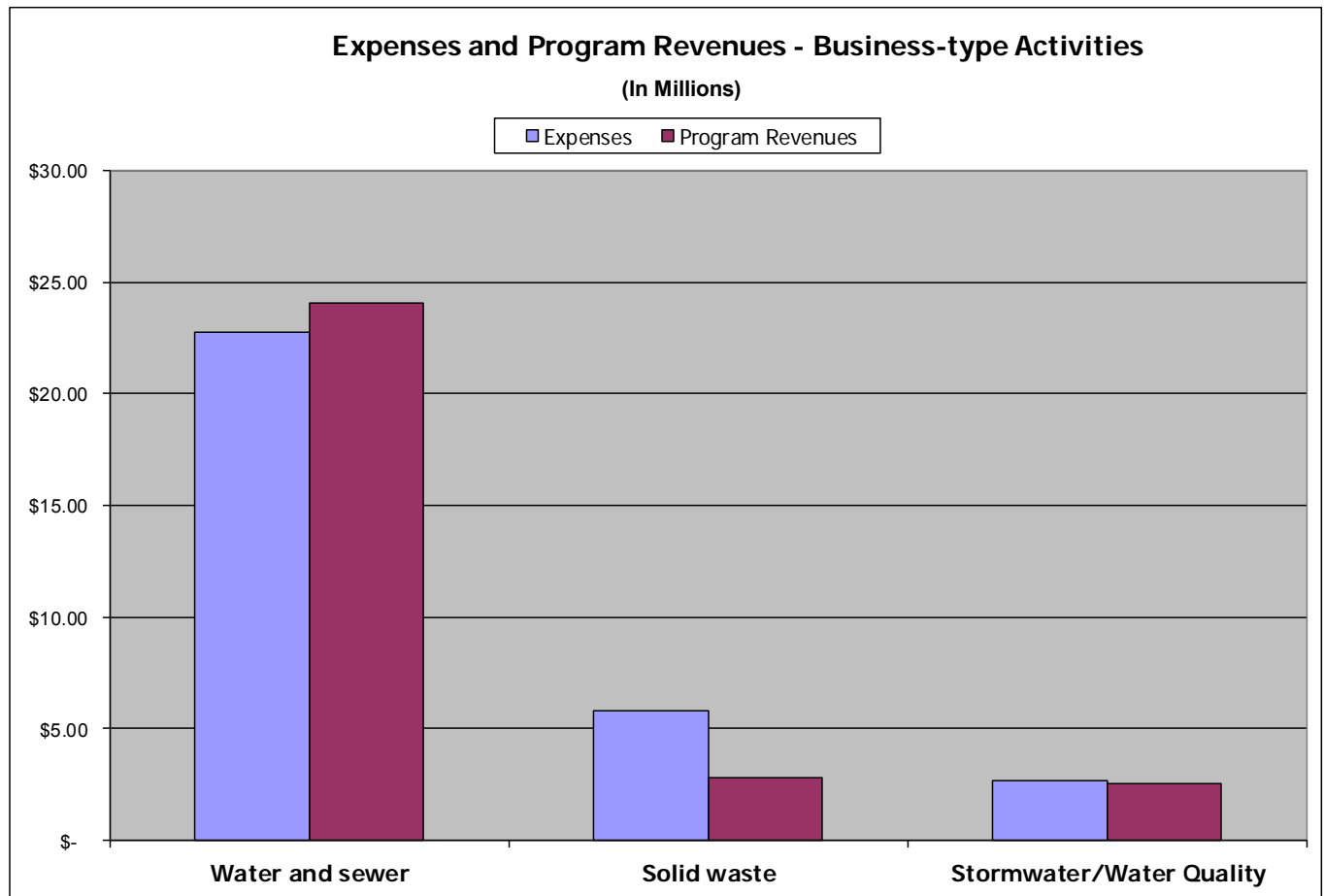


Business-type Activities



Revenues from the business-type activities were \$34.24 million, an increase of 5.6% from the prior year. This was primarily due to an increase of \$1.5 million in Charges for Services.

The chart below highlights the net cost of the City's business-type programs.



Total expenses for Business-type Activities were \$31.26 million, a decrease of \$0.66 million from the prior year. The Water and Sewer Fund experienced an increase in Net Position of \$3.93 million. Operating expenses for the Water and Sewer fund decreased by \$0.94 million to \$20.76 million.

The Solid Waste Fund ended 2019 with a decrease in net position of \$0.10 million. Revenues and expenses increased slightly compared to the prior year.

The Stormwater/Water Quality Fund had an increase in net position of \$0.17 million. Revenue remained steady and expenses increased slightly.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2019, the governmental funds reported a combined fund balance of \$43.74 million, an increase of \$1.26 million, up 2.8 percent from last year. This amount consists of the following:

Governmental Funds Fund Balance

(a) \$2.1 million in non-spendable:	
Inventories	\$ 102,871
Compensating Balance	2,000,000
Prepaid items	8,548
	<u>\$ 2,111,419</u>
(b) \$10.9 million restricted for specific purpose:	
Stabilization by State Statute	\$ 5,297,505
Restricted for Streets	2,187,422
Restricted for Public Safety	1,671,454
Restricted for Community Development	1,751,615
	<u>\$ 10,907,996</u>
(c) \$7.3 million committed by City Council	
LEO Special Separation Allowance	\$ 612,450
Public Safety	\$ 756,980
Community Development	\$ 10,804
Economic Development	\$ 176,394
Capital projects	4,212,715
Assigned for Subsequent year's expenditures	1,488,977
	<u>\$ 7,258,320</u>
(d) \$23.5 million unassigned	<u>\$ 23,457,540</u>

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$25.15 million, while total fund balance reached \$35.74 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to budgeted total fund expenditures for the next fiscal year. Unassigned fund balance represents 50.74 percent of fiscal year 2020 budgeted total General Fund expenditures, while total fund balance represents 72.10 percent of that same amount.

The fund balance in the General Fund increased by \$3.63 million, or 11.2 percent, during the current fiscal year. The key factor in this increase is the increase in sales tax collections and decreased operational spending.

The Major Capital Projects Fund has a total fund balance of \$3.31 million. The net decrease this year comes from the use funds that were set aside in previous years to construct the various projects authorized. The bulk of expenditures were related to the work on the Sturgeon City Environmental Education Center, Jacksonville Marina, and park improvements.

In the Emergency Relief Fund, there is a negative fund balance of \$1.69 million. This represents expenditures that will be reimbursed by Federal and State Emergency Management in the coming year.

The non-major funds have a total fund balance of \$6.37 million, \$3.71 million of which is restricted and \$2.66 million is committed for specific programs and streets-related capital projects.

Proprietary funds. Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position, at the end of the year, amounted to \$35.26 million in the Water and Sewer fund, \$0.21 million in the Solid Waste fund and \$2.7 million in the Stormwater/Water Quality fund. The changes in total net position for the funds were \$3.93 million, (\$0.11) million and \$0.17 million, respectively. Other factors concerning the finances of these funds have previously been addressed in the discussion of the business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services. The changes in the fiscal year 2019 were insignificant in total with the two largest being an amendment to re-appropriate encumbered funds at the end of 2018 to the new fiscal year and to increase revenue projections, particularly for property and sales taxes.

General Fund revenues came in over the amended budget amounts by 1.3% while the City's total expenditures in the General Fund for the year were 9.4% less than the final budget. General Fund revenues and other financing sources exceeded expenses and other financing uses by \$3.63 million. The Appropriated Fund Balance in the final amended budget was \$1.89 million, however, as previously noted, \$3.63 million was added to the fund balance due to the diligence in spending by the departments and increased revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the City had \$195.58 million (net of accumulated depreciation) in capital assets consisting primarily of buildings, improvements other than buildings, and infrastructure. This represents a net decrease of \$6.12 million, or 3.0% less than last year. The summary of capital assets at June 30, 2019 and 2018 is as follows:

City of Jacksonville's Capital Assets (net of depreciation) (in Millions)							
	Governmental Activities		Business-type Activities		Total Primary Government		
	2019	2018	2019	2018	2019	2018	
Land	\$ 12.14	\$ 12.14	\$ 5.26	\$ 5.22	\$ 17.40	\$ 17.36	
Land Rights	3.37	3.37	3.04	3.04	6.41	6.41	
Buildings	33.16	31.93	27.46	30.18	60.62	62.11	
Improvements other than buildings	11.61	10.08	56.79	61.15	68.40	71.23	
Equipment	1.73	1.79	0.47	0.34	2.20	2.13	
Software	0.09	0.20	-	-	0.09	0.20	
Heavy equipment	0.31	0.32	0.27	0.25	0.58	0.57	
Vehicles	3.13	2.68	2.51	2.60	5.64	5.28	
Infrastructure	22.43	24.60	3.14	3.32	25.57	27.92	
Construction in progress	2.45	3.52	6.22	4.97	8.67	8.49	
Total	\$ 90.42	\$ 90.63	\$ 105.16	\$ 111.07	\$ 195.58	\$ 201.70	

This year's major capital asset additions included:

- Water/Sewer system capital improvements \$ 1.50 million
- Street and sidewalk improvements \$ 1.50 million
- Park improvements \$ 0.41 million
- Buildings \$ 3.70 million

At June 30, 2019, authorized and unexpended capital projects totaled \$57.2 million. The City plans to issue debt to finance some of these projects in addition to using resources currently available. The authorized and unexpended capital projects are as follows:

- Governmental \$ 7.9 million
- Water and Sewer \$ 47.8 million
- Stormwater \$ 1.3 million
- Internal Service (ITS) \$ 0.2 million

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-term Debt

At June 30, 2019, the City had \$83.02 million of debt outstanding in installment purchases, bonds, and revolving loans payable to the State of North Carolina. This was a decrease of \$7.35 million, or 8.13 percent less than last year. Details by type of debt are presented below.

City of Jacksonville Outstanding Debt (in Millions)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment purchases	\$ 19.93	\$ 22.37	\$ 4.16	\$ 4.14	\$ 24.09	\$ 26.51
Loans	-	-	36.11	39.24	36.11	39.24
Bonds	-	-	22.82	24.62	22.82	24.62
Total	\$ 19.93	\$ 22.37	\$ 63.09	\$ 68.00	\$ 83.02	\$ 90.37

New debt for 2019 resulted from installment purchases and loans for:

	2019
Vehicles & Equipment:	
General Fund	\$ 1,140,255
Solid Waste	666,762
Water/Sewer	837,822
Stormwater	217,128
Fleet Maintenance	25,132
ITS	160,000
Video Media	26,966
City Hall Maintenance	90,000
	<u>\$ 3,164,065</u>

The City's sound financial condition is evidenced by the rating affirmed for the Revenue Bonds issued in May of 2016. The City also issued a refunding of the Limited Obligation Bonds outstanding in December of 2017 and received an upgrade on this issue to Aa3 from Moody's. This is a primary factor in keeping interest costs low on the City's outstanding debt.

North Carolina General Statutes limit the amount of general obligation debt that the City can issue to 8 percent of the total appraised value of taxable property. The legal debt limit for the City at June 30, 2019 was \$269.08 million. At June 30, 2019 the City's debt applicable to the limit was \$24.16 million, which is 8.2 percent of the City's legal debt limit (see table 12).

More detailed information about the City's long-term obligations is presented in Note 10 of the financial statements. The debt margin is shown in Table 12.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic indicators impact the City's budget outlook:

- The sales and use tax collections in the County increased to \$62.0 million in fiscal year 2019, up from \$54.7 million in 2018. The County levies an additional sales tax that is not shared with the municipalities. When the additional tax is removed from the calculation, the County as a whole still showed an increase of \$6.5 million in sales tax, with the City gaining \$1.3 million.
- The June 2019 unemployment rate for Onslow County was 5.3 percent compared to 4.2 percent for the state and 3.7 percent for the nation. The rate for the County is increased from the prior year.

The City continues a conservative attitude for budgeting in light of these uncertain times. Property taxes remain a fairly stable revenue source for the City, even though there may be a slight decrease in value due to the damages from Hurricane Florence. We expect repairs to be completed and for values to be restored in time.

The City appropriated \$1.89 million of General Fund unassigned fund balance for spending in the 2019 fiscal year amended budget. A strong, concerted effort was made by management to limit expenditures to revenues actually received, and revenues received exceeded expectations. Due to these factors, \$3.63 million was actually added to the fund balance. For FY 2020, \$2.77 million has been assigned from the 2019 General Fund unassigned fund balance to balance revenues and expenditures anticipated for the budget year.

The following are highlights for the 2020 budgets:

- Although the City experienced a decrease in property tax valuation due to damages from Hurricane Florence; however, the city maintained its tax rate at 64.2 cents.
- Water and Sewer rates were increased by 2.25% in this budget.
- The FY2020 budget included a significant redesign of the Fire Department pay structure and significant increases for the fire fighters.
- Also included in the FY2020 budget was a 2.2% increase for all other employees and a lump sum to address inequities in the current pay of other City employees.
- Health Insurance premiums City contribution and the employee contribution increased 15% percent increase in premiums were necessary to restore the Health Insurance Fund balance.
- The budget includes several community improvement projects including several recreation enhancements, sidewalks and street improvements and continuing Water/Sewer infrastructure improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning this report or requests for additional financial information should be directed to the City of Jacksonville's Finance Department, 815 New Bridge Street, P.O. Box 128, Jacksonville, NC 28541-0128.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a summary overview of the financial position of the government as a whole as well as the operating results of all funds. They also serve as a condensed introduction to the more detailed statements and schedules that follow.

City of Jacksonville, North Carolina

Statement of Net Position

June 30, 2019

	Primary Government			Jacksonville Tourism Development Authority
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash, cash equivalents, and investments	\$ 36,717,139	\$ 30,649,774	\$ 67,366,913	\$ 3,552,328
Restricted cash, cash equivalents, and investments	10,668,431	2,399,472	13,067,903	-
Receivables:				
Taxes (net)	323,277	-	323,277	155,807
Accrued interest on taxes (net)	207,342	-	207,342	-
Accounts receivable (net)	8,374,444	4,293,278	12,667,722	-
Notes receivable (net)	1,511,915	-	1,511,915	-
Inventories	211,289	232,472	443,761	-
Prepaid items	84,648	673	85,321	-
Internal balances	(4,892,171)	4,892,171	-	-
Capital assets:				
Land	12,139,030	5,264,232	17,403,262	-
Land Rights	3,370,644	3,041,677	6,412,321	-
Buildings and other structures	58,597,977	114,769,704	173,367,681	-
Improvements other than buildings	20,208,704	132,995,331	153,204,035	-
Equipment	13,169,780	6,177,798	19,347,578	-
Software	1,757,081	104,400	1,861,481	-
Heavy equipment	867,837	1,366,067	2,233,904	-
Vehicles	13,501,618	10,328,973	23,830,591	-
Infrastructure	56,480,842	4,945,525	61,426,367	-
Construction in progress	2,448,082	6,220,885	8,668,967	-
Less accumulated depreciation	(92,125,797)	(180,052,379)	(272,178,176)	-
Total Assets	143,622,112	147,630,053	291,252,165	3,708,135
Deferred Outflows of Resources				
Deferred Charge related to Debt Refinancing	1,180,594	1,615,834	2,796,428	-
Pension deferrals	5,912,408	1,579,243	7,491,651	-
OPEB deferrals	405,782	26,180	431,962	-
Total deferred outflows of resources	7,498,784	3,221,257	10,720,041	-
Liabilities				
Accounts payable and accrued liabilities	4,451,683	1,352,655	5,804,338	927,358
Customer deposits	262,461	1,034,732	1,297,193	-
Noncurrent liabilities:				
Due within one year	4,020,947	6,804,273	10,825,220	-
Due in more than one year	32,709,886	64,157,272	96,867,158	-
Total Liabilities	41,444,977	73,348,932	114,793,909	927,358
Deferred Inflows of Resources				
Prepaid Taxes	81,959	90,154	172,113	-
OPEB Deferrals	514,883	33,217	548,100	-
Pension Deferrals	674,193	115,388	789,581	-
Total deferred inflows of resources	1,271,035	238,759	1,509,794	-
Net Position				
Net Investment in Capital Assets	73,151,872	38,711,933	111,863,805	-
Restricted:				
Stabilization by State Statute	5,297,505	-	5,297,505	155,807
Public Works	2,188,066	386,553	2,574,619	-
Public Safety	286,234	-	286,234	-
Economic Development	1,761,615	-	1,761,615	1,100,434
Unrestricted	25,719,592	38,165,133	63,884,725	1,524,536
Total Net Position	\$ 108,404,884	\$ 77,263,619	\$ 185,668,503	\$ 2,780,777

The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 9,053,212	\$ 654,517	\$ 5,595,973	\$ 150,000
Public works	5,459,374	564,457	(181,913)	1,730,845
Public safety	30,492,318	219,666	1,125,808	-
Economic and physical development	3,198,381	-	4,254,821	-
Cultural and recreational	4,679,759	629,600	310,264	150,000
Interest on long-term debt	608,384	-	-	-
Total governmental activities	53,491,428	2,068,240	11,104,953	2,030,845
Business-type Activities:				
Water and sewer	22,771,649	24,481,121	-	-
Solid waste	5,784,678	4,823,826	54,047	-
Stormwater/Water Quality	2,702,536	3,020,849	303,353	-
Total business-type activities	31,258,863	32,325,796	357,400	-
Total primary government	\$ 84,750,291	\$ 34,394,036	\$ 11,462,353	\$ 2,030,845
Component unit:				
Jacksonville Tourism Development Authority	\$ 766,589	\$ -	\$ -	\$ -
Total component unit	\$ 766,589	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

continued

City of Jacksonville, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

	Net (Expense) Revenue and Changes in Net Position			Jacksonville
	Primary Government			Tourism
Functions/Programs	Governmental	Business-type	Total	Development
Primary Government	Activities	Activities		Authority
Governmental Activities:				
General government	\$ (2,652,722)	\$ -	\$ (2,652,722)	\$ -
Public works	(3,345,985)	-	(3,345,985)	-
Public safety	(29,146,844)	-	(29,146,844)	-
Economic and physical development	1,056,440	-	1,056,440	-
Cultural and recreational	(3,589,895)	-	(3,589,895)	-
Interest on long-term debt	(608,384)	-	(608,384)	-
Total governmental activities	(38,287,390)	-	(38,287,390)	-
Business-type Activities:				
Water and sewer	-	1,709,472	1,709,472	-
Solid waste	-	(906,805)	(906,805)	-
Stormwater/Water Quality	-	621,666	621,666	-
Total business-type activities	-	1,424,333	1,424,333	-
Total primary government	(38,287,390)	1,424,333	(36,863,057)	-
Component unit:				
Jacksonville Tourism Development Authority	-	-	-	(766,589)
Total component unit	-	-	-	(766,589)
General revenues:				
Taxes:				
Property taxes, levied for general purpose	23,589,414	-	23,589,414	-
Other taxes:				
Sales tax	13,344,544	-	13,344,544	-
E-911 surcharge	457,922	-	457,922	-
Utility Franchise tax	3,691,487	-	3,691,487	-
Beer and Wine tax	327,294	-	327,294	-
Gross receipts tax on short term vehicle leases	245,311	-	245,311	-
Occupancy Tax	-	-	-	1,578,699
Unrestricted investment earnings	767,697	683,940	1,451,637	1,397
Miscellaneous	(120,601)	877,461	756,860	-
Total general revenues	42,303,068	1,561,401	43,864,469	1,580,096
Transfers:	(1,008,548)	1,008,548	-	-
Total general revenues and transfers	41,294,520	2,569,949	43,864,469	1,580,096
Change in net position	3,007,130	3,994,282	7,001,412	813,507
Net Position:				
Beginning of year, July 1	105,397,754	73,269,337	178,667,091	1,967,270
End of year, June 30	\$ 108,404,884	\$ 77,263,619	\$ 185,668,503	\$ 2,780,777

The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
Balance Sheet - Governmental Funds
June 30, 2019

	Major			Total Non-Major Funds	Total
	General	Capital Projects	Emergency Relief		
Assets					
Cash and cash equivalents	\$ 27,459,307	\$ 2,672,012	\$ -	\$ 2,039,736	\$ 32,171,055
Restricted cash and cash equivalents	4,170,728	3,729,482	-	2,463,290	10,363,500
Taxes receivable (net)	323,277	-	-	-	323,277
Accounts receivable (net)	5,771,373	169,918	1,834,888	435,918	8,212,097
Interfund receivable	230,722	-	-	546,000	776,722
Inventories	102,871	-	-	-	102,871
Prepaid items	6,073	-	-	2,475	8,548
Notes receivable (net)	-	-	-	1,511,915	1,511,915
Total assets	<u>\$ 38,064,351</u>	<u>\$ 6,571,412</u>	<u>\$ 1,834,888</u>	<u>\$ 6,999,334</u>	<u>\$ 53,469,985</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,703,612	\$ 223,750	\$ 986,183	\$ 536,167	\$ 3,449,712
Interfund payable	-	3,036,451	2,542,240	90,202	5,668,893
Customer deposits	262,461	-	-	-	262,461
Total liabilities	<u>1,966,073</u>	<u>3,260,201</u>	<u>3,528,423</u>	<u>626,369</u>	<u>9,381,066</u>
Deferred inflows of resources	<u>353,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,644</u>
Fund balances:					
Non Spendable:					
Inventories	102,871	-	-	-	102,871
Compensating Balance	2,000,000	-	-	-	2,000,000
Prepaid items	6,073	-	-	2,475	8,548
Restricted:					
Stabilization by State Statute	4,478,336	819,169	-	-	5,297,505
Streets - Powell Bill	506,221	-	-	1,681,201	2,187,422
Public Safety	1,398,631	-	-	272,823	1,671,454
Community Development - Grants	-	-	-	1,751,615	1,751,615
Committed:					
LEO Special Separation Allowance	612,450	-	-	-	612,450
Public Safety	-	-	-	756,980	756,980
Community Development	-	-	-	10,804	10,804
Economic Development	-	-	-	176,394	176,394
Capital Projects	-	2,492,042	-	1,720,673	4,212,715
Assigned:					
Subsequent year's expenditures	1,488,977	-	-	-	1,488,977
Unassigned:	<u>25,151,075</u>	<u>-</u>	<u>(1,693,535)</u>	<u>-</u>	<u>23,457,540</u>
Total fund balances	<u>35,744,634</u>	<u>3,311,211</u>	<u>(1,693,535)</u>	<u>6,372,965</u>	<u>43,735,275</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,064,351</u>	<u>\$ 6,571,412</u>	<u>\$ 1,834,888</u>	<u>\$ 6,999,334</u>	<u>\$ 53,469,985</u>

The accompanying notes are an integral part of the financial statements.

continued

City of Jacksonville, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds	\$ 43,735,275
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	90,415,798
Adjustment for assets attributable to internal service funds	(878,809)
Other long-term assets are not available to pay for current-period expenditures and therefore are:	
Deferred Inflows of Resources	271,684
Accrued interest on Property Taxes - Statement of Net Position	207,342
Pension and OPEB related deferrals includes contributions to the pension and OPEB plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	6,318,190
Internal service funds are used to charge the costs of Technology, Insurance, Janitorial and Fleet Maintenance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	4,783,365
Deferred charges related to debt refinancing are not financial resources and therefore are not reported in the funds	1,180,594
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(24,310,501)
Adjustment for internal service funds installment purchases and compensated absences	594,425
Net pension liability	(10,758,399)
OPEB liability	(1,661,933)
Pension related deferrals	(674,193)
OPEB related deferrals	(514,883)
Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore not reported in the funds	(303,071)
Total net position of governmental activities	<u>\$ 108,404,884</u>

The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General	Major Capital Projects	Emergency Relief	Total Non-Major Funds	Total
Revenues:					
Ad valorem taxes	\$ 23,975,763	\$ -	\$ -	\$ -	\$ 23,975,763
Other taxes and licenses	13,597,548	-	-	-	13,597,548
Unrestricted intergovernmental revenues	4,131,550	-	-	-	4,131,550
Restricted intergovernmental revenues	2,452,872	339,867	5,565,613	4,853,319	13,211,671
Permits and fees	645,147	-	-	-	645,147
Sales and services	970,160	-	-	-	970,160
Investment earnings	721,523	-	-	59,639	781,162
Miscellaneous	526,923	109,397	-	432,084	1,068,404
Total revenues	47,021,486	449,264	5,565,613	5,345,042	58,381,405
Expenditures:					
Current:					
General Government	4,404,852	2,251,644	-	-	6,656,496
Public Works	4,978,998	-	-	-	4,978,998
Public Safety	20,345,267	4,050	7,479,148	1,079,755	28,908,220
Cultural and Recreational	4,656,554	1,070,890	-	-	5,727,444
Economic and Physical Development	316,820	-	-	2,993,303	3,310,123
Capital outlay	1,350,268	-	-	2,569,741	3,920,009
Debt service:					
Principal retirement	3,100,575	-	-	-	3,100,575
Interest and fees	888,161	-	-	-	888,161
Total expenditures	40,041,495	3,326,584	7,479,148	6,642,799	57,490,026
Revenues over (under) expenditures	6,979,991	(2,877,320)	(1,913,535)	(1,297,757)	891,379
Other financing sources (uses):					
Debt issued	1,140,255	-	-	-	1,140,255
Sales of capital assets	220,066	-	-	-	220,066
Transfers in	426,044	1,045,629	220,000	4,290,947	5,982,620
Transfers (out)	(5,132,346)	(155,054)	-	(1,685,179)	(6,972,579)
Total other financing sources (uses)	(3,345,981)	890,575	220,000	2,605,768	370,362
Net change in fund balances	3,634,010	(1,986,745)	(1,693,535)	1,308,011	1,261,741
Fund balances:					
Beginning of year, July 1	32,110,624	5,297,956	-	5,064,954	42,473,534
End of year, June 30	\$ 35,744,634	\$ 3,311,211	\$ (1,693,535)	\$ 6,372,965	\$ 43,735,275

The accompanying notes are an integral part of the financial statements.

continued

City of Jacksonville, North Carolina
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 1,261,741

The changes in net position reported for governmental activities in the statement of activities is different because:

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:

Increase in purchased Capital Assets net of decrease in construction in progress	8,016,071
Adjustment for increases attributable to Internal Service Funds	(490,291)
Depreciation Expense	(8,165,986)
Adjustment for expense attributable to Internal Service Funds	506,223

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position:

(Loss) on the Sale of Capital Assets	(63,733)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

(Decrease) in Beer & Wine Tax	(194)
(Decrease) in Deferred Property Tax Revenue	(339,149)
(Decrease) in Accrued Interest on Taxes	(47,200)
Increase in Investment Interest	6,524
Increase in earned revenues considered deferred resources	(711,799)

The issuance of long-term liabilities (e.g., installment purchases) provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds. Neither transaction has any effect on net position in the government-wide statements. This amount is the net effect of these differences in the treatment of long-term liabilities:

Accrued Interest on Long-Term Debt	13,841
Additions to Long-Term Liabilities	(2,088,567)
Adjustment for additions attributable to Internal Service Funds	356,591
Retirements of Long-Term Liabilities	5,302,164
Adjustment for retirements attributable to Internal Service Funds	(297,888)

Expenses in the Statement of Activities that do not require the use of current financial resources are not reported as expenses in the funds.

Pension Expense	(257,742)
OPEB Expense	(299,503)
Claims and Judgements	(4,383)
Deferred charge related to debt refinancing	(92,491)

Internal service funds are used to charge the costs of technology, janitorial, and fleet maintenance costs to individual funds. The net revenue of certain activities of the internal service funds are reported with the governmental activities

402,901

Changes in net position of governmental activities	<u><u>\$ 3,007,130</u></u>
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The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
General Fund Annually Budgeted Major Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget - Original	Budget - Final	Actual	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 23,725,779	\$ 24,224,779	\$ 23,975,763	\$ (249,016)
Other taxes and licenses	12,122,626	12,811,626	13,597,548	785,922
Unrestricted intergovernmental revenues	4,035,800	4,168,800	4,131,550	(37,250)
Restricted intergovernmental revenues	2,505,651	2,551,090	2,452,872	(98,218)
Permits and fees	619,100	619,100	645,147	26,047
Sales and services	1,145,250	1,031,183	970,160	(61,023)
Investment earnings	335,201	519,201	721,523	202,322
Miscellaneous	240,430	484,090	526,923	42,833
Total revenues	<u>44,729,837</u>	<u>46,409,869</u>	<u>47,021,486</u>	<u>611,617</u>
Expenditures:				
Current:				
General Government	5,760,089	5,784,158	4,494,197	1,289,961
Public Works	5,763,423	5,975,624	5,146,214	829,410
Public Safety	22,394,103	22,723,574	21,244,891	1,478,683
Cultural and Recreational	5,243,411	5,310,924	4,850,637	460,287
Economic and Physical Development	328,087	335,834	316,820	19,014
Debt service:				
Principal retirement	3,174,687	3,174,687	3,100,575	74,112
Interest and fees	905,909	905,909	888,161	17,748
Total expenditures	<u>43,569,709</u>	<u>44,210,710</u>	<u>40,041,495</u>	<u>4,169,215</u>
Revenues over (under) expenditures	<u>1,160,128</u>	<u>2,199,159</u>	<u>6,979,991</u>	<u>4,780,832</u>
Other financing sources (uses):				
Debt issued	1,197,132	1,197,132	1,140,255	(56,877)
Appropriated fund balance	2,127,811	1,886,462	-	(1,886,462)
Sales of general capital assets	80,000	80,000	167,081	87,081
Sales of capital assets - Powell Bill	-	52,985	52,985	-
Transfers in	200,425	426,056	426,044	(12)
Transfers (out)	(4,765,496)	(5,841,794)	(5,132,346)	709,448
Total other financing sources (uses)	<u>(1,160,128)</u>	<u>(2,199,159)</u>	<u>(3,345,981)</u>	<u>(1,146,822)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>3,634,010</u>	<u>\$ 3,634,010</u>
Fund balances:				
Beginning of year, July 1			<u>32,110,624</u>	
End of year, June 30			<u>\$ 35,744,634</u>	

The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
Proprietary Funds
Statement of Net Position
June 30, 2019

	Enterprise Funds				Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Total	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 27,839,762	\$ 62,225	\$ 2,747,787	\$ 30,649,774	\$ 4,546,084
Accounts receivable (net)	3,542,954	414,305	336,019	4,293,278	162,347
Interfund receivables	4,763,191	240,000	-	5,003,191	-
Inventories	232,472	-	-	232,472	108,418
Prepaid items	673	-	-	673	76,100
Total Current Assets	36,379,052	716,530	3,083,806	40,179,388	4,892,949
Noncurrent Assets:					
Restricted cash and cash equivalents	1,507,295	673,013	219,164	2,399,472	304,931
Land and other non-depreciable assets	11,387,602	-	3,139,192	14,526,794	-
Other capital assets, net of depreciation	85,731,559	1,183,208	3,720,652	90,635,419	878,809
Total Noncurrent Assets	98,626,456	1,856,221	7,079,008	107,561,685	1,183,740
Total Assets	135,005,508	2,572,751	10,162,814	147,741,073	6,076,689
Deferred Outflows of Resources					
Deferred Change related to Debt Refinancing	1,615,834	-	-	1,615,834	-
Contributions to pension plan	941,311	387,944	249,988	1,579,243	-
OPEB deferrals	13,090	13,090	-	26,180	-
Total Deferred Outflows of Resources	2,570,235	401,034	249,988	3,221,257	-
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities	1,003,315	213,706	135,634	1,352,655	698,899
Compensated absences payable - current	133,120	61,584	46,759	241,463	-
Interfund payable	-	-	111,020	111,020	-
Installment purchases payable - current	554,563	491,565	595,342	1,641,470	203,861
Loans payable - current	3,112,441	-	23,899	3,136,340	-
Bonds payable - current	1,785,000	-	-	1,785,000	-
Total Current Liabilities	6,588,439	766,855	912,654	8,267,948	902,760
Noncurrent Liabilities:					
Compensated absences payable - noncurrent	71,938	38,837	5,710	116,485	116,779
Customer deposits	1,034,732	-	-	1,034,732	-
Total other postemployment benefits liability	53,611	53,610	-	107,221	-
Net Pension Liability	1,196,408	503,891	318,023	2,018,322	-
Installment purchases payable - noncurrent	6,411,504	975,573	528,284	7,915,361	273,785
Loans payable - noncurrent	32,645,419	-	324,464	32,969,883	-
Bonds payable - noncurrent	21,030,000	-	-	21,030,000	-
Total Noncurrent Liabilities	62,443,612	1,571,911	1,176,481	65,192,004	390,564
Total Liabilities	69,032,051	2,338,766	2,089,135	73,459,952	1,293,324
Deferred Inflows of Resources					
Unearned Revenue	90,154	-	-	90,154	-
OPEB deferrals	16,609	16,608	-	33,217	-
Pension deferrals	91,185	6,110	18,093	115,388	-
Total Deferred Inflows of Resources	197,948	22,718	18,093	238,759	-
Net Position					
Net investment in Capital Assets	32,700,976	403,938	5,607,019	38,711,933	706,094
Restricted Public Works	386,553	-	-	386,553	-
Unrestricted	35,258,215	208,363	2,698,555	38,165,133	4,077,271
Total Net Position	\$ 68,345,744	\$ 612,301	\$ 8,305,574	\$ 77,263,619	\$ 4,783,365

The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2019

	Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Internal Service Funds
Operating revenues:				
Charges for services	\$ 24,481,121	\$ 4,823,826	\$ 3,020,849	\$ 32,325,796
Other operating revenue	-	-	-	82,251
Total operating revenues	<u>24,481,121</u>	<u>4,823,826</u>	<u>3,020,849</u>	<u>32,325,796</u>
Operating expenses:				
Solid Waste Fund	-	5,232,190	-	-
Stormwater/Water Quality	-	-	2,236,169	-
Water/Sewer Operations	7,390,161	-	-	-
Water Supply	2,247,713	-	-	-
Wastewater Treatment	2,616,920	-	-	-
Fleet Maintenance Operations	-	-	-	2,969,329
City Hall Maintenance Operations	-	-	-	198,036
Information Technology Services	-	-	-	2,120,533
Video/Media Services	-	-	-	569,779
Self Insurance	-	-	-	5,437,064
Depreciation	8,503,830	521,800	424,733	506,223
Total operating expenses	<u>20,758,624</u>	<u>5,753,990</u>	<u>2,660,902</u>	<u>11,800,964</u>
Operating income (loss)	<u>3,722,497</u>	<u>(930,164)</u>	<u>359,947</u>	<u>342,498</u>
Nonoperating revenues (expenses):				
Investment earnings	613,773	8,086	62,081	76,011
Gain (loss) on sale of capital assets	35,785	38,100	45,056	10,916
Restricted revenue	-	54,047	303,353	-
Tax rebate - Build America Bond interest	-	-	(304)	-
Miscellaneous revenue	692,286	379	66,159	-
Interest and other charges	(2,013,025)	(30,688)	(41,634)	(7,935)
Total nonoperating revenues (expenses)	<u>(671,181)</u>	<u>69,924</u>	<u>434,711</u>	<u>78,992</u>
Income (loss) before transfers	<u>3,051,316</u>	<u>(860,240)</u>	<u>794,658</u>	<u>421,490</u>
Transfers:				
Transfers in	1,031,220	753,413	-	105,040
Transfers (out)	(150,000)	-	(626,085)	(123,629)
Total transfers	<u>881,220</u>	<u>753,413</u>	<u>(626,085)</u>	<u>(18,589)</u>
Change in Net Position	<u>3,932,536</u>	<u>(106,827)</u>	<u>168,573</u>	<u>402,901</u>
Net Position:				
Beginning of year, July 1	<u>64,413,208</u>	<u>719,128</u>	<u>8,137,001</u>	<u>73,269,337</u>
End of year, June 30	<u>\$ 68,345,744</u>	<u>\$ 612,301</u>	<u>\$ 8,305,574</u>	<u>\$ 77,263,619</u>

The accompanying notes are an integral part of the financial statements.

City of Jacksonville, North Carolina
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2019

	Enterprise Funds				Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 23,679,703	\$ 4,808,538	\$ 2,882,985	\$ 31,371,226	\$ -
Cash receipts from interfund services provided (used)	-	-	-	-	12,143,184
Cash payments for interfund services provided (used)	-	-	-	-	(11,188,197)
Cash paid for goods and services	(6,602,210)	(3,004,167)	(577,915)	(10,184,292)	-
Cash paid to employees	(5,888,212)	(2,192,483)	(1,569,032)	(9,649,727)	-
Customer deposits	(5,928)	-	-	(5,928)	-
Miscellaneous revenue	692,286	379	369,512	1,062,177	-
Net cash provided by (used in) operating activities	11,875,639	(387,733)	1,105,550	12,593,456	954,987
Cash flows from noncapital financing activities:					
Transfers in	1,031,220	753,413	-	1,784,633	-
Transfers (out)	(150,000)	-	(626,085)	(776,085)	(18,589)
Advances from other funds	-	-	111,020	111,020	-
Advances (to) other funds	(4,323,191)	(240,000)	-	(4,563,191)	-
Restricted Intergovernmental	-	54,047	-	54,047	-
Net cash provided by (used in) noncapital related financing activities	(3,441,971)	567,460	(515,065)	(3,389,576)	(18,589)
Cash flows from capital and related financing activities:					
Debt issued	837,822	666,762	217,128	1,721,712	302,098
Principal paid on long-term debt	(5,472,547)	(575,121)	(589,193)	(6,636,861)	(233,298)
Interest paid on long-term debt	(1,950,816)	(31,650)	(41,384)	(2,023,850)	(7,935)
Tax rebate - Build America Bond interest	-	-	(304)	(304)	-
Acquisition and construction of capital assets	(2,686,357)	(284,756)	(569,333)	(3,540,446)	(490,291)
Proceeds from sale of capital assets	35,785	38,100	45,056	118,941	10,916
Net cash (used in) capital and related financing activities	(9,236,113)	(186,665)	(938,030)	(10,360,808)	(418,510)
Cash flows from investing activities:					
Investment earnings	613,773	8,086	62,081	683,940	76,011
Net cash provided by investing activities	613,773	8,086	62,081	683,940	76,011
Net increase (decrease) in cash and cash equivalents	(188,672)	1,148	(285,464)	(472,988)	593,899
Cash and cash equivalents, July 1	29,535,729	734,090	3,252,415	33,522,234	4,257,116
Cash and cash equivalents, June 30	\$ 29,347,057	\$ 735,238	\$ 2,966,951	\$ 33,049,246	\$ 4,851,015

Reconciliation to Exhibit F	Enterprise Funds	Internal Service Funds
Cash and cash equivalents	\$ 30,649,774	\$ 4,546,084
Restricted cash and cash equivalents	2,399,472	304,931
	<u>\$ 33,049,246</u>	<u>\$ 4,851,015</u>

The accompanying notes are an integral part of the financial statements.

continued

City of Jacksonville, North Carolina
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2019

	Enterprise Funds				Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 3,722,497	\$ (930,164)	\$ 359,947	\$ 3,152,280	\$ 342,498
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	8,503,830	521,800	424,733	9,450,363	506,223
Pension (income) expense	-	19,701	12,540	32,241	-
Miscellaneous revenue	692,286	379	369,512	1,062,177	-
Bad debt expense	34,354	4,530	3,639	42,523	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(801,418)	(15,288)	(137,864)	(954,570)	(278)
(Increase) decrease in inventories	45,458	-	-	45,458	(9,200)
(Increase) decrease in prepaid items	(443)	-	-	(443)	-
(Increase) decrease in deferred outflows - pensions	(304,538)	(159,576)	-	(464,114)	-
(Increase) decrease in deferred outflows - OPEB	3,439	3,439	-	6,878	-
(Increase) decrease in net pension liability	369,900	169,896	-	539,796	-
Increase (decrease) in accounts payable and accrued liabilities	(335,983)	10,687	86,164	(239,132)	125,842
Increase (decrease) in accrued compensated absences	(18,546)	3,985	(13,121)	(27,682)	(10,098)
(Increase) decrease in deferred inflows - pensions	(22,469)	(10,320)	-	(32,789)	-
(Increase) decrease in deferred inflows - OPEB	6,222	6,221	-	12,443	-
(Increase) decrease in OPEB liability	(13,022)	(13,023)	-	(26,045)	-
Increase (decrease) in customer deposits	(5,928)	-	-	(5,928)	-
Total adjustments	8,153,142	542,431	745,603	9,441,176	612,489
Net cash provided by (used in) operating activities	<u>\$ 11,875,639</u>	<u>\$ (387,733)</u>	<u>\$ 1,105,550</u>	<u>\$ 12,593,456</u>	<u>\$ 954,987</u>
Noncash investing, capital, and financing activities:					
Amortization of deferral related to refunded debt	150,787	-	-	150,787	-
Amortization of debt premium	77,441	-	-	77,441	-
Total noncash investing, capital, and financing activities	<u>\$ 228,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,228</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.



City of Jacksonville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Jacksonville and its discretely presented component unit have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Jacksonville is a municipal corporation governed by an elected Mayor and a six-member Council. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

Jacksonville Tourism Development Authority

The Jacksonville Tourism Development Authority's (Authority) governing board is appointed by the City Council of the City of Jacksonville. Each month, the City of Jacksonville collects the room occupancy tax on behalf of the Authority and remits the amounts collected to the Authority. The Authority, which has a June 30 year-end, is presented as if it was a governmental fund (discrete presentation). Complete financial statements for the Authority may be obtained from the offices of the Jacksonville Tourism Development Authority at 815 New Bridge Street, Jacksonville, North Carolina 28540.

B. Basis of Presentation

Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the proprietary functions and various other functions of the

government. Governmental activities, which normally are supported by taxes, intergovernmental revenue and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

Separate Fund Financial Statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the Fund Financial Statements. All remaining governmental funds are aggregated and reported as non-major funds.

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

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements and summarized below by fund types: governmental and proprietary.

Governmental Funds are used to account for the City's general governmental activities. The City reports the following major governmental funds:

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

Emergency Relief Fund - The Emergency Relief Fund accounts for the emergency relief efforts of the City. The primary revenue source will come as reimbursements from Federal and State Emergency Management Agencies while the primary expenditures are for debris removal and cleanup within the City.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or fiduciary funds). The City has 29 Capital Projects within the Major Capital Projects Fund: NC24 Culvert Trail, Police/Fire Facility, Freedom Fountain, Richard Ray Park Garden Improvements, New Bridge Streetscape, Sturgeon City Environmental Education Center, Jacksonville Landing Park, Labyrinth Garden, Median Improvement Western, Richard Ray Amphitheater, Northeast Creek Restroom and Shelter, Downtown Rails to Trails Extension, Jacksonville Marina, Northeast Creek Bulkhead and Boardwalk, Montford Point PARTF Grant, Digital Signage Western & North Gateway, Beirut Memorial Grove Sign, Tennis Court Resurfacing Capital Project, Sturgeon City Asbestos, Kerr St. Recreation Center Renovation, Wayfinding Signs with TDA, Barns Street Recreation Center, Gateway Signs, Sturgeon City Boardwalk Rehabilitation, Train Depot Repairs, Jacksonville YMCA, City Hall HVAC System Capital Project, Piney Green Landscape Improvements, and Jack Amyette Recreation Center. Although the Capital Projects Fund does not meet the criteria for a major fund this year, it is being treated as major to maintain consistency with prior years.

Proprietary Funds are used to account for the City's business-like activities. The City reports the following major funds:

Water and Sewer Fund - The Water and Sewer Fund accounts for the water and sewer activities of the City. The Water Capital Projects Fund, the Sewer Capital Projects Fund and the Water/Sewer Capital Reserve Fund are consolidated with the Water and Sewer Fund (the operating fund) for financial reporting purposes.

Solid Waste Fund - The Solid Waste Fund accounts for the solid waste collection activities of the City.

Stormwater/Water Quality Fund - The Stormwater/Water Quality Fund accounts for funds used in the construction of facilities to manage stormwater runoff and maintain stormwater drainage ditches. The Stormwater/Water Quality Capital Project Fund is consolidated with the Stormwater/Water Quality Fund (the operating fund) for financial reporting purposes. Although the Stormwater/Water Quality Fund does not meet the criteria for a major fund, it is being treated as major this year to be consistent with prior years.

Additionally, the government reports the following fund types:

Internal Service Funds - The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis. The City of Jacksonville has five Internal Service Funds: the Fleet Maintenance Fund, the City Hall Maintenance Fund, the Information Technology Services Fund, the Video/Media Services Fund, and the Self Insurance Fund. The Information Technology Services Capital Project Fund is consolidated with the Information Technology Services Fund for financial reporting purposes. The Internal Service Funds are accounted for in the governmental activities in the government-wide financial statements and individual fund data is provided in the Internal Service Funds Section of the report.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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 funds are charges to customers for sales and services. The City also recognizes as operating revenue the tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating

expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except property taxes for which a 60-day criteria is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Compensated absences and principal and interest on long-term debt are recorded as fund liabilities: 1) when due, and 2) for payments made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. General long-term debt issues are reported as other financing sources. Depreciation of capital assets is not recognized as an expenditure.

Ad valorem property tax receivable is not accrued as a 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 all 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.

Those revenues susceptible to accrual are sales taxes collected and held by the State at year-end on behalf of the City, utility sales and services and investment earnings. Sales taxes are considered a shared revenue for the City of Jacksonville because the tax is levied by Onslow County and then remitted to and distributed by the State. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Other intergovernmental revenues are not susceptible to accrual because generally they are not measurable and available until received in cash.

Grant revenues which are unearned at year-end are recorded as deferred inflows of resources. 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 in accordance with grant guidelines which vary by funding source, followed by categorical block grants, and then general revenues.

The City reports deferred inflows on its balance sheet for governmental funds. Deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflow is removed from the combined balance sheet and revenue is recognized.

D. Budgetary Data

The City and the Authority's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund and operating Enterprise Funds. All annual appropriations lapse at fiscal year-end. Grant project ordinances are adopted for the Non-Major Governmental Funds and project ordinances are adopted for the Capital Reserve Fund and Major Capital Project Funds. The City's Internal Service Funds operate under a Council-adopted financial plan and not a budget ordinance. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting method used to record transactions.

Expenditures may not legally exceed appropriations at the functional level for the General Fund, Non-Major Governmental Funds, Enterprise Funds, and at the fund level for the Capital Reserve Fund and Capital Project Funds. A function is a group of related activities aimed at accomplishing a major service, such as public safety. The balances in the Capital Reserve Capital Project Fund will be appropriated and transferred to another Capital Project Fund in accordance with the project ordinance adopted for the reserve fund. The City Manager is authorized by the budget ordinance to transfer appropriations up to \$5,000; however, any revisions that exceed \$5,000 at the functional level of the General Fund, Non-Major Governmental Fund, Enterprise Funds and the fund level for the Capital Project Funds or revisions that alter total expenditures of any fund must be approved by the City Council. During the year, several amendments to the original budget became necessary, the effects of which were not material.

A budget calendar is included in State law that prescribes the last day on which certain steps of the budget procedures are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 Each department head will transmit to the budget officer the departmental budget requests and revenue estimates for the budget year.
- June 1 The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 The budget ordinance shall be adopted by the governing board.

As required by State law, the City's Internal Service Funds operate under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved. The financial plan also was entered into the minutes of the governing board.

E. Deposits and Investments

All deposits of the City and the Authority are made in council-designated official depositories and are secured as required by G.S. 159-31. The City and the Authority may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the City and Authority 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 and the Authority 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 and the Authority's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value, which is the NCCMT's share price. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2019, the Term portfolio has a duration of 0.11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

The City's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices.

F. Cash and Cash Equivalents

The City pools moneys from several funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all funds amounts in the pool are essentially

demand deposits and thus considered cash and cash equivalents. The Authority considers highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

G. Restricted Assets

The unexpended Powell Bill and E-911 revenue are classified as restricted assets in governmental funds because the use is restricted by State law. Also, State and Federal Drug Enforcement assets are recorded as restricted assets since their use is restricted by law.

The unexpended debt proceeds in any fund are classified as restricted assets because their use is completely restricted to the purpose for which the notes were originally issued.

Also included in restricted assets are a zero-interest Certificate of Deposit held, as a compensating balance in lieu of monthly fees, by the City's primary banking institution and sureties held for developers who have not completed infrastructure improvements in subdivisions that are under construction. In addition there are restricted grant funds included.

The detail of these balances is as follows:

Governmental Activities:		
General Fund		
	Powell Bill (Streets)	\$ 506,221
	Unexpended Debt Proceeds	1,398,632
	Compensating Balance	2,000,000
	Customer Deposits	262,461
	Other	3,414
Capital Project Fund		
	Unexpended Debt Proceeds	3,729,482
Non-Major Governmental Funds		
	Powell Bill (Streets)	1,924,317
	E-911	10,785
	Drug Enforcement Assets	238,023
	Economic Development	290,165
Non-Major Internal Service Funds		
	Unexpended Debt Proceeds	304,931
Total Governmental Activities		<u>\$ 10,668,431</u>
Business-Type Activities:		
Water/Sewer Fund		
	Unexpended Debt Proceeds	\$ 1,120,741
	Powell Bill (Streets)	386,553
Solid Waste Fund		
	Unexpended Debt Proceeds	673,013
Stormwater Fund		
	Unexpended Debt Proceeds	219,165
Total Business-type Activities		<u>\$ 2,399,472</u>
Total Restricted		<u>\$ 13,067,903</u>

H. Ad Valorem Taxes Receivable and Deferred Inflows

In accordance with State law [G.S. 105-347 and 159-13(a)], the City levies ad valorem taxes, except for ad valorem taxes on certain vehicles, on July 1, the beginning of the fiscal year. These taxes are due on September 1, the lien date; however, no interest or penalties are assessed until the following January 6. The current year's tax levy is based on the assessed values as of January 1, 2019.

Privilege licenses collected prior to the fiscal year to which they apply are recorded as deferred inflows.

I. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts at their net realizable value. This amount is estimated by analyzing the debtor's ability to pay and the percentage of receivables that were written off in prior years.

J. Inventory

The inventories of the City's General Fund are valued at cost, using the first-in, first-out (FIFO) method, which approximates market. The inventory of the General Fund consists of fuel held for consumption and repair parts. The cost is recorded as an expenditure when the inventory is consumed. The General Fund inventory reported on the Governmental Funds Balance Sheet is offset by a non-spendable fund balance that indicates it does not constitute a resource available for appropriation even though it is a component of net current assets.

The inventory of the Enterprise Funds and Internal Service Funds are valued at the lower of cost, FIFO method, or net realizable value. The inventory consists of materials and supplies held for subsequent use. The cost is recorded as an expense when the inventory is consumed, rather than when purchased.

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

K. Capital Assets

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, traffic signals, and similar items), and intangibles (e.g., software and land rights), are reported in the applicable governmental or business-type activities columns in the Government-wide Financial Statements and in the proprietary fund types in the Fund

Financial Statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (\$100,000 for infrastructure, land rights and easements) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 30, 2015 are recorded at estimated fair market value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value.

General infrastructure assets acquired prior to July 1, 2003, consist of the road networks that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using the deflated replacements method.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized.

Costs associated with construction in progress are recorded in their respective capital asset category upon approval by the City Council, which approximates the completion date.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset. The term depreciation includes amortization of intangible assets. The estimated useful lives of depreciable assets are as follows:

Buildings and Other Structures	20 years
improvements Other Than Buildings	20 years
Equipment	3 to 5 years
Software	3 years
Heavy Equipment	5 years
Vehicles	3 to 5 years
Infrastructure	20 years

L. 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 three items that meet this criterion – charges related to debt refinancing, pension plan and other post-employment benefit deferrals. 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 a revenue until then. The City has several items that met the criterion for this category – prepaid taxes, property taxes receivable, deferrals of pension and other post-employment benefits expense. Details of the City's Deferred Inflows and Deferred Outflows can be found in Note 12.

M. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (short-term interfund loans) or "advances to/from other funds" (long-term interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide Financial Statements as "internal balances."

Advances between funds, as reported in the Governmental Funds Fund Financial Statements, are offset by a restricted fund balance account in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources.

N. Interfund Transfers

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

O. Long-Term Obligations

In the Government-wide Financial Statements and proprietary fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight line method. Bonds payable are reported net of the applicable bond premium or discount. 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, discounts, and 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.

P. Compensated Absences

The vacation policy of the City provides 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 FIFO

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

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

Q. 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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through state statute.

Fund Balances: In the Governmental Fund Financial Statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The Governmental Funds 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.

Prepays and inventories - Portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories or prepaids, which are not spendable resources.

Compensating Balance - Portion of fund balance that is not an available resource as it is contractually required to remain intact as part of an agreement for banking services in lieu of fees.

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 - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all

annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Public Safety - Portion of fund balance that is restricted by revenue source for public safety expenditures including drug enforcement, school patrols and other elements of public safety.

Restricted for Community Development - Portion of fund balance that is restricted by revenue source for community development activities of the City.

Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that 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 LEO pension obligation - Portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Committed for Capital Projects - Portion of fund balance committed by the City Council for the construction of specific assets held in the capital project funds and capital reserve fund.

Assigned Fund Balance - Portion of fund balance that the City intends to use for specific purposes.

Assigned for Subsequent year's expenditures - Portion of fund balance that is appropriated in the next year's budget, 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 resource or appropriation in certain circumstances.

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

The City of Jacksonville 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 funds, State funds, local non-City funds, City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and 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 has not adopted a minimum fund balance policy.

R. Pensions

The City participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position 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 of Jacksonville's employer contributions are recognized when due and the City of Jacksonville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of 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.

Note 2. Stewardship, Compliance, and Accountability

Deficit in Fund Balance or Net Position of Individual Funds:

For the fiscal year ended June 30, 2019, the expenditures made in the Emergency Relief Fund exceeded the revenue collected by \$1,693,535. This over-expenditure occurred because the expenditures for the cleanup due to Hurricane Florence have not been totally reimbursed by Federal and State Emergency Management Agencies, which the City fully expects in the future.

Note 3. Deposits and Investments

Deposits

All 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 are collateralized with securities held by the City's agents in the City's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agents in the City's name. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or 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 policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly collateralized.

At June 30, 2019, the City's deposits had a book balance of \$8,238,647, which includes a \$2,000,000 compensating balance, while the bank balance was \$8,121,328. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$7,871,328 in deposits was covered by collateral held under the Pooling Method (State Treasurer). The carrying amount of deposits for the Tourism and Development Authority was \$3,552,328 and the bank balance was \$3,552,328. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,302,328 was covered by collateral held under the Pooling Method (State Treasurer). At June 30, 2019, the City's petty cash fund totaled \$7,849.

Investments

At June 30, 2019, the City had the following investments:

Investment Type	Valuation Measurement	Fair Value	Less than 6 Months	6-12 Months
	Method			
Commercial Paper	Fair Value Level 2	\$ 8,840,024	-	\$ 8,840,024
NCCMT- Government Portfolio	Amortized Cost	50,902,102	N/A	N/A
NCCMT- Term Portfolio	Fair Value Level 1	5,275,943	N/A	N/A
Other Investments - Loan proceeds held in escrow - NCCMT - Government Portfolio	Fair Value Level 1	7,170,251	N/A	N/A
Total		<u>\$ 72,188,320</u>	<u>\$ -</u>	<u>\$ 8,840,024</u>

All investments are measured using the market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Fair Value Level 1 indicates that debt securities are valued by using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the maturities of investments in Treasuries, Agencies and Instrumentalities not to exceed five years from settlement date. All other investments will have final maturities of no more than three years, except for specific reserves or projects approved by City Council.

Credit Risk. The City's investment policy follows State law (North Carolina General Statute 159-30) for allowable investment types. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. Government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

Concentration of Credit Risk. The City's investment policy limits that, with the exception of US Treasuries and the NC Capital Management Trust, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. This year at June 30, the City's investments are made up of 12.2% Commercial Paper and 87.8% with the North Carolina Capital Management Trust.

Note 4. Receivables

Receivables are presented net of allowance for uncollectibles in the accompanying financial statements. The receivables and applicable allowances for uncollectibles are as follows:

<u>Activities</u>	<u>Gross Receivables</u>	<u>Allowance</u>	<u>Net Receivables</u>
Governmental			
General			
Taxes receivable	\$ 1,038,468	\$ 715,191	\$ 323,277
Accrued interest on taxes	414,684	207,342	207,342
Accounts receivable	7,678,952	1,907,579	5,771,373
Major Funds			
Accounts receivable	2,004,806	-	2,004,806
Non-Major Funds			
Accounts receivable	435,918	-	435,918
Notes receivable	1,511,915	-	1,511,915
Internal Service Fund	162,347	-	162,347
Total Governmental Activities	<u>13,247,090</u>	<u>2,830,112</u>	<u>10,416,978</u>
Business-Type			
Water/Sewer	3,798,423	255,469	3,542,954
Solid Waste	439,743	25,438	414,305
Stormwater	353,970	17,951	336,019
Total Business-Type Activities	<u>4,592,136</u>	<u>298,858</u>	<u>4,293,278</u>
Discretely Presented			
Component Unit	<u>155,807</u>	<u>-</u>	<u>155,807</u>
Total Discrete Units	<u>155,807</u>	<u>-</u>	<u>155,807</u>
	<u>\$ 17,995,033</u>	<u>\$ 3,128,970</u>	<u>\$ 14,866,063</u>

The allowance for doubtful accounts in the General Fund accounts receivable arises from the probable uncollectibility of a claim against a former employee. In May 2007, the City received payment of \$96,559 from the Execution Sale of property that the former employee was discovered to own in Gaston County; however, the probability of recovering any further funds is remote.

Gross notes receivable as of June 30, 2019, of \$1,511,915 consists of low interest or interest free loans to homeowners and others. These loans range from a five-year term to a thirty-year term with various loans being deferred, forgiven or repaid and were originally funded by Federal Grants.

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

Primary Government

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,139,030	\$ -	\$ -	\$ 12,139,030
Land Rights	3,370,644	-	-	3,370,644
Construction in progress	3,522,680	896,009	(1,970,607)	2,448,082
Total capital assets not being depreciated	19,032,354	896,009	(1,970,607)	17,957,756
Capital assets being depreciated:				
Buildings	54,925,307	3,672,670	-	58,597,977
Improvements other than buildings	17,717,805	2,490,899	-	20,208,704
Equipment	12,323,653	907,313	(61,186)	13,169,780
Software	1,755,530	1,551	-	1,757,081
Heavy equipment	772,759	95,078	-	867,837
Vehicles	12,986,214	1,744,750	(1,229,346)	13,501,618
Infrastructure	56,279,813	201,029	-	56,480,842
Total capital assets being depreciated	156,761,081	9,113,290	(1,290,532)	164,583,839
Less accumulated depreciation for:				
Buildings	(22,996,122)	(2,441,903)	-	(25,438,025)
Improvements other than buildings	(7,636,327)	(960,052)	-	(8,596,379)
Equipment	(10,532,661)	(966,705)	61,186	(11,438,180)
Software	(1,557,862)	(111,757)	-	(1,669,619)
Heavy equipment	(455,151)	(104,745)	-	(559,896)
Vehicles	(10,305,213)	(1,298,544)	1,229,346	(10,374,411)
Infrastructure	(31,680,649)	(2,368,638)	-	(34,049,287)
Total accumulated depreciation	(85,163,986)	(8,252,344)	1,290,532	(92,125,797)
Total capital assets being depreciated, net	71,597,095			72,458,042
Governmental activity capital assets, net	\$ 90,629,449			\$ 90,415,798

Reconciliation of Governmental Activities Increases:

Total capital assets not being depreciated	\$ 896,009
Total capital assets being depreciated	9,113,290
	<u>\$ 10,009,299</u>
General Fund	\$ 1,350,269
Non-Major Governmental	1,654,122
Major Capital	6,682,804
Internal Service	283,637
Transfer from Water and Sewer	38,467
	<u>\$ 10,009,299</u>

Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water/Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 5,216,650	\$ -	\$ -	\$ 5,216,650
Land Rights	70,887	-	-	70,887
Construction in progress	4,909,053	1,842,120	(651,108)	6,100,065
Total capital assets not being depreciated	<u>10,196,590</u>	<u>1,842,120</u>	<u>(651,108)</u>	<u>11,387,602</u>
Capital assets being depreciated:				
Buildings	114,724,608	4,113	-	114,728,721
Improvements other than buildings	132,028,786	921,237	-	132,950,023
Equipment	5,517,199	295,743	(46,266)	5,766,676
Software	104,400	-	-	104,400
Heavy Equipment	998,022	88,587	(96,511)	990,098
Vehicles	2,802,423	185,666	(54,358)	2,933,731
Total capital assets being depreciated	<u>256,175,438</u>	<u>1,495,346</u>	<u>(197,135)</u>	<u>257,473,649</u>
Less accumulated depreciation for:				
Buildings	(84,541,624)	(2,729,608)	-	(87,271,232)
Improvements other than buildings	(70,892,876)	(5,282,642)	-	(76,175,518)
Equipment	(5,283,092)	(133,750)	46,266	(5,370,576)
Software	(104,400)	-	-	(104,400)
Heavy Equipment	(803,046)	(57,555)	96,511	(764,090)
Vehicles	(1,810,357)	(300,275)	54,358	(2,056,274)
Total accumulated depreciation	<u>(163,435,395)</u>	<u>(8,503,830)</u>	<u>197,135</u>	<u>(171,742,090)</u>
Total capital assets being depreciated, net	<u>92,740,043</u>			<u>85,731,559</u>
Business-type activities capital assets, net	<u>\$ 102,936,633</u>			<u>\$ 97,119,161</u>
Reconciliation of Business-Type Activities Increases:				
Total capital assets not being depreciated	\$ 1,842,120			
Total capital assets being depreciated	1,495,346			
	<u>\$ 3,337,466</u>			
Water and Sewer Fund	\$ 569,997			
Water Capital Projects	1,001,145			
Sewer Capital Projects	1,766,324			
	<u>\$ 3,337,466</u>			

Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Solid Waste Fund				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Buildings	40,984	-	-	40,984
Improvements other than buildings	-	-	-	-
Equipment	-	-	-	-
Software	-	-	-	-
Heavy Equipment	-	-	-	-
Vehicles	5,509,645	300,603	(13,884)	5,796,364
Total capital assets being depreciated	5,550,629	300,603	(13,884)	5,837,348
Less accumulated depreciation for:				
Buildings	(40,984)	-	-	(40,984)
Improvements other than buildings	-	-	-	-
Equipment	-	-	-	-
Software	-	-	-	-
Heavy Equipment	-	-	-	-
Vehicles	(4,089,393)	(537,647)	13,884	(4,613,156)
Total accumulated depreciation	(4,130,377)	(537,647)	13,884	(4,654,140)
Total capital assets being depreciated, net	1,420,252			1,183,208
Business-type activities capital assets, net	<u>\$ 1,420,252</u>			<u>\$ 1,183,208</u>
Reconciliation of Business-Type Activities Increases:				
Total capital assets not being depreciated	\$ -			
Total capital assets being depreciated	300,603			
	<u>\$ 300,603</u>			
Solid Waste Fund	\$ 284,756			
Transfers from Primary Government	15,847			
	<u>\$ 300,603</u>			

Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Stormwater/Water Quality Fund				
Capital assets not being depreciated:				
Land	\$ -	\$ 47,582	\$ -	\$ 47,582
Land Rights	2,970,790	-	-	2,970,790
Construction in progress	65,326	55,494	-	120,820
Total capital assets not being depreciated	3,036,116	103,076	-	3,139,192
Capital assets being depreciated:				
Buildings	-	-	-	-
Infrastructure	4,903,083	42,442	-	4,945,525
Improvements other than buildings	45,308	-	-	45,308
Equipment	382,212	28,910	-	411,122
Heavy Equipment	375,969	-	-	375,969
Vehicles	1,309,683	394,905	(105,710)	1,598,878
Total capital assets being depreciated	7,016,255	466,257	(105,710)	7,376,802
Less accumulated depreciation for:				
Buildings	-	-	-	-
Infrastructure	(1,586,752)	(217,305)	-	(1,804,057)
Improvements other than buildings	(26,293)	(2,266)	-	(28,559)
Equipment	(276,309)	(63,642)	-	(339,951)
Heavy Equipment	(325,769)	(11,155)	-	(336,924)
Vehicles	(1,122,004)	(130,365)	105,710	(1,146,659)
Total accumulated depreciation	(3,337,127)	(424,733)	105,710	(3,656,150)
Total capital assets being depreciated, net	3,679,128			3,720,652
Business-type activities capital assets, net	<u>\$ 6,715,244</u>			<u>\$ 6,859,844</u>

Reconciliation of Business-Type Activities Increases:

Total capital assets not being depreciated	\$ 103,076
Total capital assets being depreciated	466,257
	<u>\$ 569,333</u>
Stormwater/Water Quality Fund	\$ 471,397
Stormwater Capital Projects	97,936
	<u>\$ 569,333</u>

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

Governmental activities:	
General government	\$ 948,576
Public Works	2,609,329
Public Safety	3,040,686
Cultural and Recreational	1,054,951
Economic Development	52,112
Internal Service Funds	508,223
Total depreciation expense - governmental activities	<u>\$ 8,213,877</u>
Reconciliation of depreciation:	
Depreciation expense	\$ 8,213,877
Transfer of vehicles to General Fund	38,467
Total depreciation - governmental activities	<u>\$ 8,252,344</u>
Business-type activities:	
Water and Sewer Fund	\$ 8,503,830
Solid Waste Fund	521,800
Stormwater/Water Quality Fund	424,733
Total depreciation expense - business-type activities	<u>\$ 9,450,363</u>
Reconciliation of depreciation:	
Depreciation expense	\$ 9,450,363
Transfer of vehicles to Solid Waste Fund	15,847
	<u>\$ 9,466,210</u>

Construction Commitments

As of June 30, 2019, the City has active construction projects. The City's commitments with contractors at June 30, 2019, are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water and Sewer	\$ 1,346,147	\$ 308,869
Human Resources	-	8,350
Street/Storm Water	892,892	88,079
Recreation & Parks	1,082,245	474,482
Transit	144,163	52,762
Capital Projects	3,010,755	138,757
Total	<u>\$ 6,476,202</u>	<u>\$ 1,071,299</u>

Note 6. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description. The City of Jacksonville 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 ex-officio 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 www.osc.nc.gov.

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 of Jacksonville 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 of Jacksonville's contractually required contribution rate for the year ended June 30, 2019 was 8.50% of compensation for law enforcement officers and 7.82% 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 of Jacksonville were \$2,043,530 for the year ended June 30, 2019.

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, 2019, the City reported a liability of \$9,254,032 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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 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, 2018, the City's proportion was 0.39008%, which was a decrease of 0.01456% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$2,399,781. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,427,677	\$ 47,906
Changes of assumptions	2,455,663	-
Net difference between projected and actual earnings on pension plan investments	1,270,303	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	409,014
City contributions subsequent to the measurement date	2,043,530	-
	<u>\$ 7,197,173</u>	<u>\$ 456,920</u>

\$2,043,530 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2020	\$ 2,279,247
2021	1,503,652
2022	205,277
2023	708,547
2024	-
Thereafter	-
	<u>\$ 4,696,723</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2017 valuation were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary and is part of the 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 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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 liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 22,228,986	\$ 9,254,032	\$ (1,588,043)

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

Plan Description.

The City of Jacksonville 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	18
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>118</u>
Total	<u><u>136</u></u>

Summary of Significant Accounting Policies:

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits 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 73:

- 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, non-employer contributing entities, the plan administrator, and plan members.

Actuarial Assumptions.

The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rates are based on the weekly average of the Bond buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

Mortality rates are based on the RP-2014 Mortality tables projected to the valuation date using MP-2015

Contributions.

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The administration costs of the Separation Allowance are financed through the General Fund appropriations. The city paid \$291,982 as benefits came due for the reporting period.

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

At June 30, 2019 the City reported a total pension liability of \$3,522,688. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension expense of \$237,687.

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 18,343	\$ 181,239
Changes in Assumptions	137,226	151,422
City benefit payments made subsequent to the measurement date of December 31, 2018	138,909	-
Total	<u>\$ 294,478</u>	<u>\$ 332,661</u>

\$138,909 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended June 30:

2020	\$ (42,866)
2021	(42,866)
2022	(42,866)
2023	(32,207)
2024	(16,287)
Thereafter	-
	<u>\$ (177,092)</u>

Sensitivity of the City's total pension liability to changes in the discount rate.

The following presents, the City's total pension liability calculated using the discount rate of 3.64 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$3,804,452	\$3,522,688	\$3,266,151

**Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance**

	2019
Beginning balance - December 31, 2017	\$ 3,611,693
Service Cost	170,526
Interest on total pension liability	110,027
Differences between expected and actual experience in the measurement of total pension liability	22,110
Changes of assumptions or other inputs	(131,997)
Benefit payments	(259,671)
Other charges	-
Ending balance of the total pension liability - December 31, 2018	<u>\$ 3,522,688</u>

The plan currently uses mortality tables that vary by age, 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions.

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 2,399,781	\$ 237,687	\$ 2,637,468
Pension Liability	9,254,032	3,522,688	12,776,720
Proportionate share of the net pension liability	0.39008%	N/A	
Deferred of Outflows of Resources			
Differences between expected and actual experience	1,427,677	18,343	1,446,020
Changes of assumptions	2,455,663	137,226	2,592,889
Net difference between projected and actual earnings on plan investments	1,270,303	-	1,270,303
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-
Benefit payments and administrative costs paid subsequent to the measurement date	2,043,530	138,909	2,182,439
Total	<u>\$ 7,197,173</u>	<u>\$ 294,478</u>	<u>\$ 7,491,651</u>
Deferred of Inflows of Resources			
Differences between expected and actual experience	\$ 47,906	\$ 181,239	\$ 229,145
Changes in assumptions	-	151,422	151,422
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	409,014	-	409,014
Total	<u>\$ 456,920</u>	<u>\$ 332,661</u>	<u>\$ 789,581</u>

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, by calling (919) 981-5454, or on the Internet at www.osc.nc.gov.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent (5%) 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, 2019, were \$446,714, which consisted of \$317,211 from the City and \$129,503 from the law enforcement officers.

D. Firefighters' and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Jacksonville, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who 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 Firefighters' 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 Firefighters' and Rescue Squad Workers' Pension Fund. 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 www.osc.nc.gov.

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, 2018, the State contributed \$17,952,000 to the plan. The City of Jacksonville's proportionate share of the State's contribution is \$23,026.

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, 2019, 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 the City and supported by the State was \$62,645. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 and at June 30, 2017 was 0%.

For the year ended June 30, 2019, the City recognized pension expense of \$17,815 and revenue of \$17,815 for support provided by the State. At June 30, 2019, 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, 2017 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	7.00 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 7.00%. 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. Supplemental Retirement Income Plan for Non-Law Enforcement Employees

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan with services provided by Prudential, administered by the Department of State Treasurer. The Plan provides retirement benefits to all full-time and qualified part-time non-law enforcement employees of the City. The City Council has the authority to establish and amend the plan's provisions.

Funding Policy. The adopted plan requires the City to contribute each pay period an amount equal to two percent (2%) of each non-law enforcement employee's salary. The City Council has the authority to establish or amend contribution requirements. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. All covered employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$670,915, which consisted of \$382,595 from the City and \$288,320 from the employees.

F. Other Postemployment Benefits

Healthcare Benefits

Plan Description

Provided by a City Council Action, during a regular meeting on July 27, 1999, the City's Employee Health Benefit Plan (the Plan), was amended to allow eligible City retirees to stay on the City's health insurance plan, with the retiree paying the full actuarially determined

premium cost. The Plan is a single-employer defined benefit plan. The Plan provides postemployment healthcare benefits to retirees of the City who qualify for retirement from the North Carolina Local Governmental Employees' Retirement System (NCLGERS) and have at least 10 years of continuous service with the City immediately preceding retirement. Additionally, employees who have worked with the City for 20 years (regardless of age) are eligible to continue coverage. Health care and prescription drug coverage insurance are offered within the City's health care plan until the retiree reaches age 65. Retirees may also elect dependent coverage, paying the full premium cost. Retirees who qualify for coverage receive the same benefits as active employees. During a meeting on May 25, 2010, the City Council placed a freeze on the retiree health insurance benefits for all employees hired as of July 1, 2010. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership in the plan included the following at June 30, 2018, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive members entitled to but not yet receiving benefits	-
Active employees	274
Total	<u>297</u>

Total OPEB Liability

The City's total OPEB liability of \$1,769,155 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law enforcement officers	3.50% - 7.35%
Municipal bond index rate	
Prior measurement	3.56 percent
Measurement date	3.89 percent
Health care cost trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

Changes in the Total OPEB Liability

Schedule of Changes in Total OPEB Liability Other Post Employment Benefits

Beginning balance - June 30, 2017	\$	2,198,905
Service Cost		87,677
Interest on total pension liability		72,109
Differences between expected and actual experience in the measurement of total pension liability		(288,926)
Changes of assumptions or other inputs		49,211
Benefit payments		(349,821)
Other charges		-
Ending balance of the total pension liability - June 30, 2018	\$	<u>1,769,155</u>

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer. Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$1,936,828	\$1,769,155	\$1,618,064

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$1,581,108	\$1,769,155	\$1,990,241

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of

Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$106,799. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 273,269
Changes in Assumptions	42,151	83,352
City benefit payments made subsequent to the measurement date of June 30, 2018	389,811	-
Retiree contributions made subsequent to the measurement date of June 30, 2018	-	191,479
Total	<u>\$ 431,962</u>	<u>\$ 548,100</u>

\$389,811 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2020. \$191,479 of the amount reported as deferred inflows of resources result from contributions from retirees made subsequent to the measurement date will be recognized as a reduction in OPEB expense in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ended June 30:	Deferred Inflows
2020	\$ 52,987
2021	52,987
2022	52,987
2023	52,987
2024	52,987
Thereafter	49,535
	<u>\$ 314,470</u>

Note 7. Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multi-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but no less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants.

The City also provides additional death benefit through a Group Term Life Insurance program, which is provided on a non-contributory basis to all members of the retirement system after 90 days of employment. The benefit pays the designated beneficiary an amount equal to one and a half times the employee's annual salary, but the benefit may not exceed \$100,000. Under the IRS regulations, the value of employer-paid Group Term Life Insurance coverage in excess of \$50,000 is considered taxable to the employee as a fringe benefit.

Note 8. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a participant in (e.g., transfers risk to) two insurance pools administered by the North Carolina League of Municipalities. One pool (IRFFNC) provides coverage for property damage and general liability (including auto and law enforcement officers). Major policies and their limits of coverage include: public officials (\$5 million) and law enforcement liability (\$5 million), vehicle liability (\$5 million), public employee scheduled and blanket bonds (\$600,000), general liability (\$2 million), municipal equipment (\$3.04 million), computer equipment (\$7.84 million), portable equipment (\$884,428) and property (\$154.4 million). The other pool (NCRIMA) provides workers' compensation coverage up to statutory limits. These pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, police professionals liability and public officials liability in excess of \$1,000,000; property in excess of \$500,000 and

\$1,000,000 up to statutory limits for workers' compensations for the 7/1/2018-7/1/2019 policy period.

The City has established a risk management program to account for and finance its uninsured risks of loss for health insurance. Under this program, the risk management program provides coverage up to a maximum of \$100,000 for each individual claim. The City purchases commercial insurance for individual claims in excess of \$100,000 and aggregate claims in excess of the greater of (a) the minimum annual aggregate deductible or (b) 90% of the first monthly aggregate deductible amount multiplied by twelve (12). Settled claims have not exceeded this commercial coverage in any of the last three fiscal years.

The City participates in the program and makes payments to the risk management program based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. Amounts withheld from employees and the City's general funds are available to pay claims, claim reserves and administrative costs for the program.

The claims liability of \$426,217 reported in the Self Insurance Fund at June 30, 2019, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

Changes in the reported liability since July 1, 2009 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2009-2010	486,435	4,087,736	3,825,332	748,839
2010-2011	748,839	2,552,373	2,988,879	312,333
2011-2012	312,333	3,350,959	3,331,339	331,953
2012-2013	331,953	3,314,858	3,329,464	317,347
2013-2014	317,347	2,863,383	2,985,381	195,349
2014-2015	195,349	3,653,639	3,549,927	299,061
2015-2016	299,061	3,733,564	3,705,532	327,093
2016-2017	327,093	3,188,164	3,286,761	228,496
2017-2018	228,496	3,836,897	3,758,560	306,833
2018-2019	306,833	4,118,522	3,999,138	426,217

The City carries commercial insurance for all other risks of loss. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

The City carries flood insurance through the National Flood Insurance Plan (NFIP). Because some areas of the City are 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, which includes the property adjacent to Old Fire Station 2 – Barn Street, the City is eligible for and has purchased coverage totaling \$554,020 through the NFIP.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Director and Tax Collector are bonded for \$250,000 and \$50,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000 per occurrence.

The City carries CyberRisk liability insurance through Travelers Casualty and Surety Company of America. The policy's limit of liability coverage is \$2,000,000.

Note 9. Claims and Judgments

At June 30, 2019, the City was a party to various lawsuits. In the opinion of the City's management and City Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial statements. In the event of an unfavorable outcome, the City could be liable up to its general liability insurance deductible.

Additionally, in August of 2016, the North Carolina Supreme Court overturned a lower court decision in the matter of *Quality Built Homes, Inc. vs. Town of Carthage* that had upheld the authority of the Town of Carthage to charge and collect impact fees. The Supreme Court reversed the lower court, holding that the imposition of the impact fees was invalid as it exceeded the powers delegated to the Town of Carthage under the public enterprise statute, the source of authority cited by the Town of Carthage. The Supreme Court remanded the case to the North Carolina Court of Appeals to determine, among other things, whether the Town of Carthage is required to refund the impact fees collected. The Court of Appeals ruled that there was a 10-year statute of limitations on the refund of these type impact fees. The Supreme Court then agreed once again to review this second Court of Appeals decision and the Supreme Court adopted the three year statute of limitations as set forth in House Bill 436 referenced below.

The City of Jacksonville charges certain user fees, facility fees, connections fees and development fees. In the judgment of the City's legal staff, the decision in the Quality Built Homes case will not have an effect on the City's ability to continue to levy and collect these fees, as the City does not charge the sort of fees invalidated by the court decision described above.

On June 29, 2017, the North Carolina General Assembly enacted House Bill 436 ("HB 436") relating to the authority of local government units to fix, charge and assess "system development fees" (as defined in HB 436). The Governor signed the bill on July 20, 2017, and HB 436 became Session Law 2017-138 with an effective date of October 1, 2017. HB 436 generally authorizes local government units to fix and charge system development fees solely for the purpose of paying the cost of system improvements and services imposed with respect to new development or to recoup the cost of existing facilities which serve new development. HB 436 requires the use of specific methodologies for calculating the amount of system development fees that can be charged to pay or recover such costs and requires that local government units follow certain procedural processes set forth in HB 436 for implementing such fees (including publication of a written analysis, solicitation of public comments and holding of a public hearing thereon). HB 436 provides that any system development fees currently being lawfully charged by a local government unit and in effect on October 1, 2017 must be conformed to the requirements of HB 436 no later than July 1, 2018. The City engaged a firm, Stantec, Inc., who brought our system development fees in compliance with HB 436 System Development Fees which was adopted by Council and became effective July 1, 2018. HB 436 also set forth a three-year statute of limitations on the recovery of any improperly assessed impact/facility fees (which said statute of limitations was adopted by Supreme Court as aforesaid). One year has passed under this statute of limitations and no suits have been filed against the City to attempt to recover any "user fees, facility fees, connections fees or development fees" to date.

It should be noted that Section 159-93 of the General Statutes of North Carolina, as amended, generally prohibits the State from limiting or altering the rights vested in any municipality at the time of issuance of revenue bonds to establish, maintain, revise, charge and collect rates, fees, rentals, tolls and other charges where such revenues are required to pay when due the principal of and interest on such bonds or impair, in any way, the rights and remedies of bondholders.

Note 10. Long-Term Obligations

In the Government-wide Financial Statements, and proprietary fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

As of June 30, 2019, the City had a legal debt margin of \$269,077,463.

A. Installment Purchases

The City finances various property acquisitions under direct placement installment purchase agreements. Under these agreements, the assets acquired collateralize the debt. The

financing contracts require principal payments with interest rates ranging from 1.28% to 2.65%.

The direct placement installment purchase contracts payable at June 30, 2019 are comprised of the following individual contracts:

Serviced by the General Fund:

	Principal Balance June 30, 2019
\$28,550,221 limited obligation bonds, Series 2012 - for construction of Public Safety Building, Fire Station #2, Sturgeon City Environmental Education Center, and to refund \$1,740,221 of outstanding 2007 installment agreement; principal payments due annually on April 1 in installments ranging from \$1,330,000 to \$1,544,231 through April 1, 2032; semiannual interest payments due April 1 and October 1 at rates from 2.50% - 5.00%	\$ 4,605,794
\$797,528 installment agreement - for vehicles and equipment with PNC Bank dated December 5, 2014; remaining balance payable in 4 monthly payments of \$13,570 not including interest at 1.29%	54,281
\$162,500 installment agreement - for vehicles and equipment with First Bank dated December 14, 2015; remaining balance payable in 16 monthly payments of \$2,754 not including interest at 1.38%	44,068
\$590,000 installment agreement - for vehicles and equipment with Bank of America dated December 9, 2016; remaining balance payable in 5 monthly payments of \$16,720 including interest at 1.38%	83,313
\$1,233,978 installment agreement - for vehicles and equipment with Bank of America dated December 9, 2016; remaining balance payable in 28 monthly payments of \$21,311 including interest at 1.57%	596,714

Serviced by the General Fund (continued):

\$12,420,000 limited obligation bonds, Series 2017 - to advance refund a portion of the 2012 LOB at interest rates from 1.28% to 2.59% for	12,420,000
\$610,000 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 17 monthly payments of \$16,944 not including interest at 1.71%	288,055
\$519,811 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 40 monthly payments of \$8,810 not including interest at 1.911%	352,414
\$578,717 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 31 monthly payments of \$16,075 not including interest at 2.65%	498,340
\$561,538 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$9,518 not including interest at 2.65%	513,950
Total	<u><u>\$ 19,456,929</u></u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$5,324,579 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,572,481	\$ 823,410	\$ 3,395,891
2021	2,307,944	744,607	3,052,551
2022	1,951,652	654,027	2,605,679
2023	1,364,453	586,793	1,951,246
2024	1,262,105	523,192	1,785,297
2025-2029	6,250,000	1,693,750	7,943,750
2030-2034	3,748,294	298,800	4,047,094
Total	<u><u>\$ 19,456,929</u></u>	<u><u>\$ 5,324,579</u></u>	<u><u>\$ 24,781,508</u></u>

Serviced by the Water and Sewer Fund:

	<u>Principal Balance June 30, 2019</u>
\$5,554,779 limited obligation bonds, Series 2012 - to refund \$950,000 of outstanding 1996 State Bond Fund Loan; \$2,840,000 of outstanding 1996 State Revolving Fund Loan; \$665,000 of outstanding 1997 Sanitary Sewer Revolving Loan; \$700,000 of outstanding 1997 Sanitary Sewer Revolving Loan; and \$399,779 of outstanding 2007 installment agreement, principal payments due annually on April 1 in installments ranging from \$43,901 to \$1,275,494 through April 1, 2022; semiannual interest payments due April 1 and October 1 at rates from 2.50% - 5.00%	\$ 142,500
\$177,470 installment agreement - for vehicles and equipment with PNC Bank dated December 5, 2014; remaining balance payable in 4 monthly payments of \$3,008 not including interest at 1.29%	12,032
\$103,500 installment agreement - for vehicles and equipment with First Bank dated December 14, 2015; remaining balance payable in 16 monthly payments of \$1,754 not including interest at 1.38%	28,068
\$655,278 installment agreement - for vehicles and equipment with Bank of america dated December 9, 2016; remaining balance payable in 28 monthly payments of \$11,533 including interest at 1.57%	316,872
\$447,999 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 40 monthly payments of \$7,593 not including interest at 1.91%	303,728
\$837,822 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$14,200 not including interest at 2.65%	766,819
Total	<u>\$ 1,570,019</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$74,110 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 476,388	\$ 32,657	\$ 509,045
2021	452,749	23,184	475,933
2022	354,904	12,787	367,691
2023	200,775	4,824	205,599
2024	85,203	658	85,861
Total	<u>\$ 1,570,019</u>	<u>\$ 74,110</u>	<u>\$ 1,644,129</u>

Serviced by the Solid Waste Fund:

	<u>Principal Balance June 30, 2019</u>
\$249,082 installment agreement - for vehicles and equipment with PNC Bank dated December 5, 2014; remaining balance payable in 4 monthly payments of \$4,132 including interest at 1.29%	\$ 16,527
\$320,000 installment agreement - for vehicles and equipment with First Bank dated December 14, 2015; remaining balance payable in 16 monthly payments of \$5,424 not including interest at 1.38%	86,779
\$231,330 installment agreement - for vehicle with First Bank dated March 14, 2016; remaining balance payable in 19 monthly payments of \$3,921 not including interest at 2.25%	74,496
\$392,732 installment agreement - for vehicles and equipment with BOA Bank dated December 9, 2016; remaining balance payable in 28 monthly payments of \$6,912 including interest at 1.57%	189,913
\$721,518 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 40 monthly payments of \$12,229 not including interest at 1.91%	489,165
\$666,762 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$11,301 not including interest at 2.65%	610,258
Total	<u>\$ 1,467,138</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$58,934 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 491,565	\$ 27,009	\$ 518,574
2021	413,317	17,586	430,903
2022	309,920	9,879	319,799
2023	184,529	3,937	188,466
2024	67,807	523	68,330
Total	<u>\$ 1,467,138</u>	<u>\$ 58,934</u>	<u>\$ 1,526,072</u>

Serviced by the Fleet Maintenance Fund:

	<u>Principal Balance</u> <u>June 30, 2019</u>
\$103,370 installment agreement - for vehicles and equipment with PNC Bank dated December 5, 2014; remaining balance payable in 4 monthly payments of \$1,789 not including interest at 1.29%	\$ 7,156
\$72,000 installment agreement - for vehicles and equipment with BOA Bank dated December 9, 2016; remaining balance payable in 28 monthly payments of \$1,267 including interest at 1.57%	34,817
\$46,000 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 40 monthly payments of \$780 not including interest at 1.911%	31,187
\$25,132 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$426 not including interest at 2.65%	23,001
Total	<u>\$ 96,161</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$3,096 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 36,389	\$ 1,521	\$ 37,910
2021	29,467	954	30,421
2022	19,520	449	19,969
2023	8,230	153	8,383
2024	2,555	19	2,574
Total	<u>\$ 96,161</u>	<u>\$ 3,096</u>	<u>\$ 99,257</u>

Serviced by the City Hall Maintenance Fund:

	<u>Principal Balance June 30, 2019</u>
\$90,000 installment agreement - for building equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$1,525 including interest at 2.65%	\$ 82,373
Total	<u>\$ 82,373</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$5,001 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 18,305	\$ 1,960	\$ 20,265
2021	18,305	1,475	19,780
2022	18,305	990	19,295
2023	18,305	505	18,810
2024	9,153	71	9,224
Total	<u>\$ 82,373</u>	<u>\$ 5,001</u>	<u>\$ 87,374</u>

Serviced by the Information Technology Services Fund:

	<u>Principal Balance June 30, 2019</u>
\$47,846 installment agreement - for vehicles and equipment with BOA Bank dated December 9, 2016; remaining balance payable in 28 monthly payments of \$842 including interest at 1.57%	\$ 22,593
\$160,000 installment agreement - for vehicles and equipment with BOA Bank dated December 9, 2016; remaining balance payable in 5 monthly payments of \$4,534 including interest at 1.38%	23,137
\$160,000 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 17 monthly payments of \$4,444 not including interest at 1.71%	75,556
\$160,000 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 31 monthly payments of \$4,444 not including interest at 2.65%	137,780
Total	<u>\$ 259,066</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$6,354 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 139,072	\$ 4,247	\$ 143,319
2021	85,523	1,822	87,345
2022	34,471	285	34,756
2023	-	-	-
2024	-	-	-
Total	<u>\$ 259,066</u>	<u>\$ 6,354</u>	<u>\$ 265,420</u>

Serviced by the Video/Media Fund:

	<u>Principal Balance June 30, 2019</u>
\$22,666 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 40 monthly payments of \$384 not including interest at 1.71%	\$ 15,367
\$22,966 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$457 not including interest at 2.65%	24,681
Total	<u>\$ 40,048</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$1,999 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 10,095	\$ 841	\$ 10,936
2021	10,095	607	10,702
2022	10,095	373	10,468
2023	7,021	157	7,178
2024	2,742	21	2,763
Total	<u>\$ 40,048</u>	<u>\$ 1,999</u>	<u>\$ 42,047</u>

Serviced by the Stormwater Fund:

	Principal Balance June 30, 2019
\$4,100,000 installment agreement/Build America Bond - for stormwater improvements with PNC Bank dated December 16, 2010; remaining balance payable in 3 semi-annual payments of \$243,304 including interest at 3.38%. The City receives a subsidy of 35% of interest cost from the Federal Government reducing the effective interest rate to 2.20%.	\$ 705,921
\$32,550 installment agreement - for vehicles and equipment with PNC Bank dated December 5, 2014; remaining balance payable in 4 monthly payments of \$552 not including interest at 1.29%	2,207
\$93,000 installment agreement - for vehicles and equipment with First Bank dated December 14, 2015; remaining balance payable in 16 monthly payments of \$1,576 not including interest at 1.38%	25,220
\$98,886 installment agreement - for vehicles and equipment with BOA Bank dated December 9, 2016; remaining balance payable in 28 monthly payments of \$1,740 including interest at 1.57%	47,818
\$221,006 installment agreement - for vehicles and equipment with US Bancorp dated December 6, 2017; remaining balance payable in 40 monthly payments of \$3,593 not including interest at 1.911%	143,732
\$217,128 installment agreement - for vehicles and equipment with Bank of America dated February 1, 2019; remaining balance payable in 54 monthly payments of \$3,680 not including interest at 2.65%	198,727
Total	<u>\$ 1,123,625</u>

The future minimum payments of the installment purchases payable as of June 30, 2019, including \$41,922 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 595,342	\$ 27,892	\$ 623,234
2021	353,447	9,451	362,898
2022	94,221	3,132	97,353
2023	58,535	1,276	59,811
2024	22,080	171	22,251
Total	<u>\$ 1,123,625</u>	<u>\$ 41,922</u>	<u>\$ 1,165,547</u>

B. Loans Payable

The City's direct placement loan payable services by the Water and Sewer Fund and the Stormwater Fund were issued to finance the construction of facilities utilized in the operations of water and sewer system and stormwater system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund and Stormwater Fund. All loans payable are collateralized by the full faith, credit, and taxing powers of the City. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal and interest requirements are appropriated when due.

Water and Sewer Fund

	<u>Principal Balance June 30, 2019</u>
\$27,955,716 State Revolving Loan dated June 3, 2008 due in 12 annual installments of \$1,397,786 each; interest at 2.10%	\$ 16,307,502
\$10,535,297 State Revolving Loan dated June 3, 2008 due in 12 annual installments of \$601,977 each and one payment of \$79,370; interest at 2.01%	7,975,360
\$17,500,000 State Revolving Loan dated March 26, 2009 due in 12 annual installments of \$875,000 each; interest at 2.10%	10,500,000
\$1,500,000 State Revolving Loan dated July 7, 2009 due in 13 annual installments of \$75,000 each; interest at 0.0%	975,000
Total	<u><u>\$ 35,757,862</u></u>

The future minimum payments of the loans payable as of June 30, 2019, including \$4,599,201 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,112,443	\$ 723,262	\$ 3,835,705
2021	3,112,440	659,954	3,772,394
2022	3,112,440	596,646	3,709,086
2023	3,112,440	533,339	3,645,779
2024	3,112,440	470,031	3,582,471
2025-2029	15,562,205	1,400,540	16,962,745
2030-2034	4,633,454	215,429	4,848,883
2035-2039	-	-	-
Total	<u><u>\$ 35,757,862</u></u>	<u><u>\$ 4,599,201</u></u>	<u><u>\$ 40,357,063</u></u>

Stormwater Fund

	<u>Principal Balance June 30, 2019</u>
\$477,988 State Revolving Loan dated October 6, 2015 due in 14 annual installments of \$23,899 each and one payment of \$13,780; interest at 0.0%	\$ 348,364
Total	<u>\$ 348,364</u>

The future minimum payments of the loans payable as of June 30, 2019, including \$0 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 23,900	\$ -	\$ 23,900
2021	23,899	-	23,899
2022	23,899	-	23,899
2023	23,899	-	23,899
2024	23,899	-	23,899
2025-2029	119,499	-	119,499
2030-2034	109,369	-	109,369
2035-2039	-	-	-
Total	<u>\$ 348,364</u>	<u>\$ -</u>	<u>\$ 348,364</u>

C. Revenue Bonds Payable

Water and Sewer Fund

	<u>Principal Balance June 30, 2019</u>
\$24,145,000 direct placement Water and Sewer Revenue Bond Payable dated May 18, 2016 due in 11 annual installments with semi-annual interest payments at various interest rates	\$ 22,815,000
Total	<u><u>\$ 22,815,000</u></u>

The future minimum payments of the loans payable as of June 30, 2019, including \$7,720,922 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,785,000	\$ 1,068,887	\$ 2,853,887
2021	1,855,000	997,487	2,852,487
2022	1,920,000	927,287	2,847,287
2023	1,995,000	855,487	2,850,487
2024	2,070,000	775,687	2,845,687
2025-2029	11,905,000	2,798,937	14,703,937
2030-2034	1,285,000	297,150	1,582,150
Total	<u><u>\$ 22,815,000</u></u>	<u><u>\$ 7,720,922</u></u>	<u><u>\$ 30,535,922</u></u>

The City is in compliance with the rate covenants contained in the General Trust Indenture, Section 6, dated September 1, 2009 and adopted by the City Council on September 8, 2009 authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2009. Section 6.6 of the General Indenture requires that the coverage ratios be no less than 120% of the debt service on the revenue bonds and 100% of the debt service on all other debt. The debt service coverage requirements for the year ended June 30, 2019, are as follows:

City of Jacksonville-Rate Covenant Test Section 6.6

For the Fiscal Year Ending June 30th

	2019
Net Revenues	\$ 13,568,171
20% of Surplus Account	7,051,180
Net Revenues <u>Plus</u> 20% of Surplus Account	\$ 20,619,351
Debt Service on Bonds	2,947,782
120% of Debt Service on Bonds	3,537,338
Debt Service on Subordinate and Other Indebtedness	4,466,147

Debt Service Coverage on Bonds Excluding 20% of Surplus Account

4.60

Debt Service Coverage on Bonds Including 20% of Surplus Account

6.99

Debt Service Coverage on 120% Debt Service on Bonds, Plus 100% Debt Service on Subordinated, and Other Indebtedness Including 20% of Surplus Account

2.58

Debt Service Coverage on 100% Debt Service on Bonds, Plus 100% Debt Service on Subordinated, and Other Indebtedness Excluding 20% of Surplus Account

1.83

D. Changes in General Long-Term Liabilities - Governmental Activities

Long-term liability activity for Governmental Activities for the year ended June 30, 2019, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Direct Placement Installment purchases	\$ 22,367,252	\$ 1,442,353	\$ 3,875,028	\$ 19,934,577	\$ 2,776,341
Unamortized premiums - I/P	3,120,175	-	358,427	2,761,748	379,583
Other postemployment benefits	2,065,639	-	403,705	1,661,934	-
Net pension liability (LERS)	4,811,394	2,424,316	-	7,235,710	-
Net pension liability (LEO)	3,611,693	302,663	391,668	3,522,688	-
*Compensated absences	1,632,966	646,214	665,004	1,614,176	865,023
Total	\$ 37,609,119	\$ 4,815,546	\$ 5,693,832	\$ 36,730,833	\$ 4,020,947

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
By purpose					
General government	\$ 3,259,210	\$ 59,411	\$ 450,744	\$ 2,867,877	\$ 431,693
Fire equipment	2,739,351	168,516	525,764	2,382,103	378,245
Police equipment	16,792,695	578,717	2,052,173	15,319,239	1,782,112
Recreation	1,255,710	198,028	405,506	1,048,232	351,742
Streets	1,031,614	135,583	565,970	601,227	8,271
Fleet Maintenance	125,892	25,132	54,863	96,161	36,389
City Hall Maintenance	-	90,000	7,627	82,373	18,305
Information Technology Services	262,979	160,000	163,913	259,066	139,072
Video/Media Services	19,977	26,966	6,895	40,048	10,095
Other postemployment benefits	2,065,638	-	403,705	1,661,933	-
Net pension liability (LERS)	4,811,394	2,424,316	-	7,235,710	-
Net pension liability (LEO)	3,611,693	302,663	391,668	3,522,688	-
*Compensated absences	1,632,966	646,214	665,004	1,614,176	865,023
Total	\$ 37,609,119	\$ 4,815,546	\$ 5,693,832	\$ 36,730,833	\$ 4,020,947

*The General Fund is used to liquidate the liability for compensated absences, other postemployment benefits, and net pension obligation for governmental activities.

E. Changes in General Long-Term Liabilities - Business-Type Activities

Long-term liability activity for Business-Type Activities for the year ended June 30, 2019, is as

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Direct Placement Loans	\$ 39,242,566	\$ -	\$ 3,136,340	\$ 36,106,226	\$ 3,136,341
Direct Placement Revenue Bonds	24,618,176	-	1,803,176	22,815,000	1,785,000
Direct Placement Installment purchases	4,138,119	1,721,712	1,699,049	4,160,782	1,563,296
Unamortized premiums	5,473,486	-	77,440	5,396,046	78,174
Other postemployment benefits	133,266	-	26,045	107,221	-
Net pension liability (LGERS)	1,370,384	647,938	-	2,018,322	-
*Compensated absences	385,630	165,834	193,516	357,948	241,462
Total	\$ 75,361,627	\$ 2,535,484	\$ 6,935,566	\$ 70,961,545	\$ 6,804,273

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
By purpose					
Water Supply	\$ 33,177,605	\$ 419,024	\$ 2,573,056	\$ 31,023,573	\$ 2,768,312
Metering	16,896	35,836	12,029	40,703	10,812
Utilities Maintenance	540,854	92,712	175,649	457,917	162,400
Sewer	36,517,442	290,250	2,790,958	34,016,734	2,510,481
Solid Waste/Sanitation	1,375,496	666,762	575,120	1,467,138	491,565
Stormwater/Water Quality	1,844,054	217,128	589,193	1,471,989	619,241
Other postemployment benefits	133,266	-	26,045	107,221	-
Net pension liability (LGERS)	1,370,384	647,938	-	2,018,322	-
*Compensated absences	385,630	165,834	193,516	357,948	241,462
Total	\$ 75,361,627	\$ 2,535,484	\$ 6,935,566	\$ 70,961,545	\$ 6,804,273

* The Water/Sewer, Solid Waste, and Stormwater/Water Quality Funds are used to liquidate the liability for compensated absences for business-type activities. The Water/Sewer and Solid Waste Funds are used to liquidate the liability for other postemployment benefits and net pension obligations for business-type activities.

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$24,145,000 in water and sewer system direct placement revenue bonds issued in May 2016 to provide for an advance funding and a current refunding of revenue bonds of the Water and Sewer Fund. The bonds are payable solely from water and sewer customer net revenues and are payable through 2034. In the event of a default, the City agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreement. The total principal and interest remaining to be paid on the bonds is \$30,535,922. Principal and interest paid for the current year and total customer net revenues were \$2,947,782 and \$13,568,171, respectively.

Note 11. Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2019, consist of the following:

Receivable Fund	Payable Fund	Amount	Reconciliation to	
			Exhibit A	
			Governmental	Business-Type
Major Governmental	Non-Major Governmental	\$ 90,202	\$ -	\$ -
Major Governmental	Stormwater	111,020	111,020	(111,020)
Water/Sewer Capital Projects	Major Governmental	4,763,191	(4,763,191)	4,763,191
Solid Waste Fund	Major Governmental	240,000	(240,000)	240,000
		<u>\$ 5,204,413</u>	<u>(4,892,171)</u>	<u>4,892,171</u>
			<u>\$ (4,892,171)</u>	<u>\$ 4,892,171</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The majority of these include FEMA expenditures advanced and not yet reimbursed, and other grant expenditures not reimbursed.

Note 12. Deferred Outflows and Inflows of Resources

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

	Governmental Activities	Business-type Activities
Harmony Grant	\$ 2,204	\$ -
Special Olympics	494	-
Recreation fees not yet earned	3,371	-
Recreation - Sponsorships	13,000	-
National Night Out	7,335	-
Fire Department Materials	29	-
Police Department Donation	8,878	-
Tree fund donations not yet earned, included in restricted assets	1,046	-
Beirut Memorial donations not yet earned, included in restricted assets	2,369	-
Prepaid taxes not yet earned	41,988	-
Privilege licenses for next year	1,245	-
Taxes receivable	138,842	-
Beer and wine tax receivable	81,824	-
Investment interest receivable	51,019	-
FTA Grant receivable	-	-
Deferred Inflow (Exhibit C)	353,644	-
Taxes receivable	\$ (138,842)	\$ -
Beer and wine tax receivable	(81,824)	-
Investment interest receivable	(51,019)	-
Pension Deferrals	674,193	115,388
OPEB Deferrals	514,883	33,217
Scientific Study Deposit	-	24,000
Special assessments receivable	-	66,154
Deferred Inflow (Exhibit A)	<u>\$ 1,271,035</u>	<u>\$ 238,759</u>

Deferred outflows of resources at year-end is comprised of the following:

	Governmental Activities	Business-type Activities
Deferred Charge related to Debt Refinancing	\$ 1,180,594	\$ 1,615,834
Pension Deferrals	5,912,408	1,579,243
OPEB Deferrals	405,782	26,180
Deferred Outflow (Exhibit A)	<u>\$ 7,498,784</u>	<u>\$ 3,221,257</u>

Note 13. Intergovernmental Assistance Programs

The City of Jacksonville is an entitlement City for Community Development Block Grant funds. The City is required to administer the program and provide staff necessary to ensure compliance with Grant stipulations.

Note 14. Interfund Transfers

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers, and are reported as other financing sources (uses) in the Governmental funds and non-operating revenues (expenses) in the Proprietary funds. Transfers within fund types have been eliminated.

Interfund transfers for the year ended June 30, 2019 are as follows:

Transfers in:								
Transfers out:	Major General	Non-Major Government	Major Capital Projects	Non-Major Internal Service Fund	Major Solid Waste	Major Water and Sewer	Major Emergency Fund	Total
Major General Fund	\$ -	\$ 4,135,893	\$ 118,000	\$ 5,040	\$ 753,413	\$ -	\$ 120,000	\$ 5,132,346
Non-Major Government	350,959	-	804,000	50,000	-	480,220	-	1,685,179
Major Capital Projects	-	155,054	-	-	-	-	-	155,054
Major Stormwater	75,085	-	-	-	-	551,000	-	626,085
Internal Service Fund	-	-	123,629	-	-	-	-	123,629
Major Water and Sewer	-	-	-	50,000	-	-	100,000	150,000
Total transfers out	\$ 426,044	\$ 4,290,947	\$ 1,045,629	\$ 105,040	\$ 753,413	\$ 1,031,220	\$ 220,000	\$ 7,872,293

Transfers consist primarily of the following:

\$ 716,499	From General Fund to Non-Major Government funds to match grants
120,000	From General Fund to Major Emergency for hurricane expenditures
1,651,174	From General Fund to Non-Major Government to fund Council Initiatives
1,768,220	From General Fund to Non-Major Government (Powell Bill projects)
118,000	From General Fund to Major Capital Projects to fund new projects
5,040	From General Fund to Non-Major Internal Service Fund for capital project
753,413	From General Fund to Major Solid Waste to fund operations
125,340	From Non-Major Government to General Fund for debt retirement
225,619	From Non-Major to close projects and return funds to General Fund
804,000	From Non-Major Government to Major Capital Projects to fund capital projects
50,000	From Non-Major Government to Non-Major Internal Service Fund for capital project
47,306	From Non-Major Government to Major Water Sewer for debt retirement
432,914	From Non-Major Government to Major Water Sewer to fund capital projects
155,054	From Major Capital Projects to close projects and return funds to Non-Major Government
75,085	From Major Stormwater fund to repay General Fund for start up costs
551,000	From Major Stormwater to Major Water Sewer to fund capital projects
123,629	From Internal Service Fund to Major Capital Projects to fund capital projects
100,000	From Major Water Sewer to Major Emergency for hurricane expenditures
50,000	From Major Water Sewer to Non-Major Internal Service Fund for capital project

Note 15. Encumbrances

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances in the Governmental fund types at June 30, 2019 are as follows:

General Fund	\$	586,607
Capital Projects		649,251
Non Major Funds		391,277

Note 16. Jointly Governed Organizations

The City, in conjunction with Marine Corps Base Camp Lejeune, Onslow County, and the other five municipalities within the county, established the Onslow Water and Sewer Authority (ONWASA). The ONWASA mission is to provide sewer availability to Onslow County residents. The ONWASA's board is comprised of two members from the City, two members from the County and one member from each of the four other municipalities. The City has elected to be a wholesale member of ONWASA providing and obtaining services from ONWASA. The City has partnered with ONWASA to install three interconnections between the individual water systems. These connections will allow either system to supply water to the other in case of emergency. As of June 30, 2019, two of the three connections have been installed.

The City, in conjunction with Onslow County, established the Jacksonville-Onslow Sports Commission with the IRS designation for the good of government. The purpose of the Commission is to foster sports as an economic development activity. In fiscal year 2011, funding of the 501(c)3 nonprofit was assumed by the Jacksonville Tourism Development Authority (JTDA). The City and Onslow have appointment power for Directors of the nonprofit.

The City, in conjunction with Onslow County and Y.O.U. Inc., dba Committee of 100, established an Economic Development Program. The purpose of this organization is to guide the growth in all of Onslow County by encouraging the expansion of local industry and the development of new jobs. The City and County each fund a portion of the cost for this organization. The City's funding for fiscal year 2019 was \$30,000.

The City established the Wilson Bay Initiative in fiscal year 1998 to restore habitat in the New River. The program was overwhelmingly successful. It led to the creation of the Sturgeon City Project in fiscal year 2000 and the creation of a nonprofit with the IRS designation for the good of government. In fiscal year 2007 the Board of Directors and the nonprofit became free-standing as the Mayor and Council had served as the governing board for Sturgeon City of Jacksonville, Inc. previously. The Mayor and Council tasked the nonprofit to provide stormwater education for the City. In fiscal year 2011, funding support

for the nonprofit was transferred from the general fund to the Jacksonville Tourism Development Authority (JTDA) with the exception of providing some administrative support from the City general fund. In May 2013, the City committed to long-term debt in order to build a \$4 million facility, the Sturgeon City Environmental Education Center. The JTDA will be contributing \$150,000 annually towards the long-term debt, while Sturgeon City of Jacksonville, Inc. will be contributing \$75,000 annually. The new Sturgeon City Environmental Education Center became operational June 26, 2019.

The City, in conjunction with local hospitals, Onslow, Craven, and Carteret Counties, and Trillium Health Resources established the Dix Crisis Intervention Center. The purpose of the Dix Center is to help adults with mental health or substance use disorders. In fiscal year 2017, a senate bill was passed that allocated up to \$2 million for renovating the facility owned by Onslow County to include the in-patient treatment center. The City has committed to \$100,000 per year for fiscal year 2018-2019, and 2019-2020 to fund the operations of the center as well as assigning one City Council member as a representative to serve on the Advisory Committee.

Note 17. Summary Disclosure of Significant 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. Federal and state financial assistance audits could result in the refund of grant money to the grantor agencies. Management believes that any required refunds from audit of other federal and state financial assistance will be immaterial. No provision has been made in the accompanying financial statements for the possible refund of grant money.

Note 18. Pronouncements Issued Recently

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on this guidance. This Statement is effective for fiscal years beginning after June 15, 2018.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The

requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This statements also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The objectives of this statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Note 19. Pronouncements Issued, Not Yet Effective

The City has not yet evaluated the effect of implementation of the following GASB pronouncements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This Statement is effective for fiscal years beginning after December 15, 2019.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.



REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

Law Enforcement Officers' Special Separation Allowance:

Schedule of Changes in Total Pension Liability

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Other Postemployment Benefits:

Schedule of Changes in Total OPEB Liability and Related Ratios

Local Governmental Employees' Retirement System:

Schedule of Proportionate Share of Net Pension Liability
(Asset) for Local Governmental Employees' Retirement
System

Schedule of Contributions to Local Governmental Employees'
Retirement System

Firefighters' and Rescue Squad Workers' Pension:

Schedule of Proportionate Share of Net Pension Liability
(Asset) for Firefighters' and Rescue Squad Workers' Pension



City of Jacksonville, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Changes in Total Pension Liability
June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 3,611,693	\$ 3,632,948	\$ 3,639,879
Service Cost	170,526	149,404	169,404
Interest on the total pension liability	110,027	135,602	125,990
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	22,110	(273,237)	(80,840)
Changes of assumptions or other inputs	(131,997)	206,884	-
Benefit payments	(259,671)	(239,908)	(221,485)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 3,522,688</u>	<u>\$ 3,611,693</u>	<u>\$ 3,632,948</u>

The amounts presented for each fiscal year were determined as of the prior year ended December 31. This schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of Jacksonville, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Total Pension Liability as a Percentage of Covered Payroll
June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 3,522,688	\$ 3,611,693	\$ 3,632,948
Covered payroll	5,900,075	6,021,359	6,381,438
Total pension liability as a percentage of covered payroll	59.71%	59.98%	56.93%

Notes to the schedules:

The City of Jacksonville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

This schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2019

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 2,198,905	\$ 2,260,765
Service Cost	87,677	94,216
Interest on the total pension liability	72,109	66,904
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(288,926)	(34,586)
Changes of assumptions or other inputs	49,211	(111,750)
Benefit payments	(349,821)	(76,644)
Other changes	-	-
Ending balance of the total OPEB liability	<u>\$ 1,769,155</u>	<u>\$ 2,198,905</u>
Covered payroll	14,275,365	16,300,446
Total OPEB liability as a percentage of covered payroll	12.39%	13.49%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal year 2019	3.89%
Fiscal year 2018	3.56%
Fiscal year 2017	3.01%

This schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of Jacksonville, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Six Fiscal Years *

Local Governmental Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Jacksonville's proportion of the net pension liability (asset) (%)	0.39008%	0.40464%	0.44140%	0.42460%	0.47368%	0.45270%
Jacksonville's proportion of the net pension liability (asset) (\$)	\$ 9,254,032	\$ 6,181,779	\$ 9,367,988	\$ 1,905,579	\$ (2,793,509)	\$ 5,456,773
Jacksonville's covered payroll	\$ 23,997,739	\$ 24,676,644	\$ 23,278,571	\$ 23,311,212	\$ 22,838,030	\$ 23,055,683
Jacksonville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.56%	25.05%	40.24%	8.17%	-11.87%	23.07%
Plan fiduciary net position as a percentage of the total pension liability **	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. This schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

** This will be the same percentage for all participant employers in the LGERS plan.

**City of Jacksonville, North Carolina
Schedule of Contributions
Required Supplementary Information
Last Six Fiscal Years***

Local Governmental Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,043,530	\$ 1,917,549	\$ 1,880,851	\$ 1,631,358	\$ 1,703,047	\$ 1,668,987
Contributions in relation to the contractually required contribution	2,043,530	1,917,549	1,880,851	1,631,358	1,703,047	1,668,987
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Jacksonville's covered payroll	\$ 24,710,837	\$23,997,739	\$24,676,644	\$23,278,571	\$23,311,212	\$ 22,838,030
Contributions as a percentage of covered payroll	8.27%	7.99%	7.62%	7.01%	7.31%	7.31%

* This schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of Jacksonville, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Five Fiscal Years *

Firefighters' and Rescue Squad Workers' Pension

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Jacksonville's proportion of the net pension liability (%)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
Jacksonville's proportion of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City of Jacksonville	\$ 62,645	\$ 69,719	\$ 60,285	\$ 59,782	\$ 42,834
Jacksonville's covered payroll	\$ 3,977,202	\$ 3,892,896	\$ 3,880,889	\$ 3,775,152	\$ 3,811,912
Jacksonville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.58%	1.79%	1.55%	1.58%	1.12%
Plan fiduciary net position as a percentage of the total pension liability **	89.69%	89.35%	84.94%	91.40%	93.42%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. This schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

MAJOR FUNDS

- General Fund
- Emergency Relief Fund
- Capital Projects Fund
- Water and Sewer Fund
- Solid Waste Fund
- Stormwater Fund



GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required to be accounted for in other funds.

City of Jacksonville, North Carolina
General Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 27,459,307	\$ 22,892,016
Restricted cash and cash equivalents	4,170,728	4,693,880
Taxes receivable (net)	323,277	658,782
Accounts receivable (net)	5,771,373	5,372,453
Interfund receivables	230,722	1,185,000
Inventories	102,871	121,968
Prepaid items	6,073	11,557
Total Assets	<u>\$ 38,064,351</u>	<u>\$ 34,935,656</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,703,612	\$ 1,642,227
Interfund payable	-	115,000
Total Current Liabilities	<u>1,703,612</u>	<u>1,757,227</u>
Noncurrent Liabilities:		
Customer deposits	262,461	315,653
Total Noncurrent Liabilities	<u>262,461</u>	<u>315,653</u>
Total Liabilities	<u>1,966,073</u>	<u>2,072,880</u>
Total Deferred Inflows of Resources	<u>353,644</u>	<u>752,152</u>
Fund Balances:		
Non Spendable:		
Inventories	102,871	121,968
Compensating balance	2,000,000	2,000,000
Prepaid items	6,073	11,557
Restricted:		
Stabilization by State Statute	4,478,336	7,235,872
Streets	506,221	1,085,527
Public Safety	1,398,631	1,289,994
Committed:		
LEO Special Separation Allowance	612,450	499,143
Assigned:		
Subsequent year's expenditures	1,488,977	2,127,811
Unassigned	25,151,075	17,738,752
Total Fund Balances	<u>35,744,634</u>	<u>32,110,624</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,064,351</u>	<u>\$ 34,935,656</u>

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Current year (net of discounts)	\$ 23,688,379	\$ 23,477,025	\$ (211,354)	\$ 23,340,854
Prior years	425,000	362,531	(62,469)	533,702
Penalties and interest	111,400	136,207	24,807	157,864
Total	24,224,779	23,975,763	(249,016)	24,032,420
Other taxes and licenses:				
Privilege licenses	6,600	7,693	1,093	6,320
Local option sales tax	4,439,996	4,789,130	349,134	4,187,350
One-half cent sales tax (2003)	3,004,182	3,119,892	115,710	3,067,328
One-half cent sales tax (1983)	2,816,575	2,944,943	128,368	2,806,547
One-half cent sales tax (1986)	2,312,273	2,490,579	178,306	2,188,356
Gross receipt on short term vehicle tax	232,000	245,311	13,311	190,858
Total	12,811,626	13,597,548	785,922	12,446,759
Unrestricted intergovernmental revenues:				
Utility franchise tax	3,742,000	3,691,487	(50,513)	3,656,690
Beer and wine tax	335,000	327,294	(7,706)	328,068
Payment in lieu of taxes (PILOT)	5,000	1,805	(3,195)	2,114
State Owned Buildings Fire Protection	1,800	2,251	451	2,105
ABC revenue	85,000	108,713	23,713	74,762
Total	4,168,800	4,131,550	(37,250)	4,063,739
Restricted intergovernmental revenues:				
Federal – 104F transportation grant	236,000	236,000	-	188,502
Federal – FTA Section 5303 grant	28,000	28,000	-	27,999
Federal – DEA Task Force	9,000	15,192	6,192	24,967
Federal – NCDOT Pass Thru	115,367	91,090	(24,277)	63,641
State – CAMA permits	90	95	5	-
State – Street-aid Allocation	1,730,845	1,730,845	-	1,756,435
State – 5305 State grant funds	3,500	3,499	(1)	3,499
State – Arts Council	1,000	1,000	-	1,000
State – Traffic	188,230	148,620	(39,610)	103,836
Local – Juvenile Transportation	350	218	(132)	484
Local – Coastal Carolina Community College	9,700	17,759	8,059	-
Local – Mutual Aide	2,194	2,194	-	41,891
Local – TDA Contribution for Sturgeon City	160,954	150,000	(10,954)	150,000
Local – NARTEST-Court Ordered Payment	2,700	2,700	-	2,517
Local – Metropolitan Planning Organization	23,000	23,750	750	18,000
Local – Signal Preemption Maintenance	40,160	1,910	(38,250)	6,160
Total	2,551,090	2,452,872	(98,218)	2,388,931

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Permits and fees:				
Taxi permits	\$ 9,500	\$ 6,762	\$ (2,738)	\$ 7,456
Development review fees	30,000	26,260	(3,740)	33,810
Planning fees	30,000	19,000	(11,000)	30,000
Inspection fees	492,000	547,444	55,444	545,288
Erosion control fees	2,500	4,300	1,800	3,550
Fire protection permit	21,000	19,435	(1,565)	25,555
Nuisance abatement fees	34,000	21,946	(12,054)	25,673
Police Department	100	-	(100)	100
Total	619,100	645,147	26,047	671,432
Sales and services:				
Utility patching service	11,500	5,377	(6,123)	21,419
Recreation fees	636,500	590,796	(45,704)	690,701
Recreation concession	43,133	38,583	(4,550)	48,507
Photocopy and map sales	250	182	(68)	310
Credit reports	10,800	10,787	(13)	11,403
Powell Bill equipment use allowance	7,000	5,366	(1,634)	16,159
Property leases	75,000	75,000	-	75,150
Annexation/street closing petition	1,000	-	(1,000)	1,000
Funeral escorts	5,000	5,400	400	5,550
Wrecker rotation member	7,000	6,750	(250)	6,750
Traffic Signal	20,000	21,359	1,359	-
Passport Services	199,000	210,560	11,560	163,692
Fiber Repair	15,000	-	(15,000)	-
Total	1,031,183	970,160	(61,023)	1,040,641
Investment earnings:				
Investment earnings	499,736	701,534	201,798	393,418
Investment earnings - Powell Bill	19,465	19,989	524	15,629
Total	519,201	721,523	202,322	409,047
Miscellaneous:				
Police court fees	42,500	34,249	(8,251)	43,277
Program income - Powell Bill	17,350	-	(17,350)	-
Miscellaneous	397,580	464,349	66,769	317,740
Contributions	13,660	13,661	1	39,923
Refund	13,000	14,664	1,664	14,347
Total	484,090	526,923	42,833	415,287
Total revenues	46,409,869	47,021,486	611,617	45,468,256

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative)
			Actual
Expenditures:			
General government			
Mayor and Council			
Salaries and employee benefits		\$ 74,538	\$ 74,301
Operating expenses		122,774	113,450
Other departmental expenses		242,195	257,878
Overhead allocation from General Fund		(165,788)	(158,941)
Total		273,719	286,688
City Manager			
Salaries and employee benefits		451,145	444,598
Operating expenses		34,611	41,881
Contracted services		-	5,152
Other departmental expenses		103,709	115,679
Overhead allocation from General Fund		(287,355)	(314,260)
Total		302,110	293,050
Passport Operations			
Operating expenses		11,801	10,391
Other departmental expenses		-	752
Total		11,801	11,143
Human Resources			
Salaries and employee benefits		507,648	492,865
Operating expenses		168,865	161,933
Contracted services		14,061	17,452
Other departmental expenses		81,625	88,569
Capital outlay		-	5,923
Overhead allocation from General Fund		(192,189)	(181,354)
Total		580,010	585,388
City Clerk			
Salaries and employee benefits		154,681	151,287
Operating expenses		14,149	18,197
Other departmental expenses		24,305	26,117
Overhead allocation from General Fund		(49,360)	(48,119)
Total		143,775	147,482
Elections			
Contracted services		-	38,471
Total		-	38,471
Finance			
Salaries and employee benefits		1,468,080	1,404,292
Operating expenses		274,127	295,188
Contracted services		637,410	625,769
Other departmental expenses		199,764	202,596
Capital outlay		700	51,660
Overhead allocation from General Fund		(1,108,433)	(1,139,575)
Total		1,471,648	1,439,930

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative)
			Actual
Community Programs			
Salaries and employee benefits		\$ 132,032	\$ 129,389
Operating expenses		7,498	7,927
Contracted services		24,787	26,143
Other departmental expenses		33,310	35,454
Overhead allocation from General Fund		(51,556)	(50,273)
Total		146,071	148,640
Legal			
Salaries and employee benefits		195,084	191,488
Operating expenses		15,554	15,976
Contracted services		1,958	5,422
Other departmental expenses		7,963	8,142
Overhead allocation from General Fund		(137,288)	(168,346)
Total		83,271	52,682
Planning			
Salaries and employee benefits		410,951	513,299
Operating expenses		41,797	51,757
Contracted services		24,500	12,200
Other departmental expenses		76,051	84,109
Capital outlay		850	-
Total		554,149	661,365
Transportation			
Salaries and employee benefits		273,147	229,265
Operating expenses		20,996	16,327
Contracted services		35,161	42,520
Other departmental expenses		57,022	48,508
Capital outlay		68,600	29,250
Total		454,926	365,870
Non-departmental			
Operating expenses		96,100	76,463
Utilities, maintenance and repairs		4,871	5,092
Contracted services		16,180	6,915
Other departmental expenses		-	1,739
Reserve for insurance deductible		141,180	267,886
Miscellaneous payments		190,096	105,743
Capital outlay		19,195	9,207
Bad debts		5,095	(1,432)
Total		472,717	471,613
Total general government	5,784,158	4,494,197	1,289,961

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative)
Public works			
Inspections			
Salaries and employee benefits		\$ 384,186	\$ 397,982
Operating expenses		59,346	60,479
Other departmental expenses		41,514	42,990
Total		485,046	501,451
Code Enforcement			
Salaries and employee benefits		219,264	204,807
Operating expenses		18,915	19,194
Contracted services		7,716	17,573
Other departmental expenses		23,906	24,575
Total		269,801	266,149
Administration			
Salaries and employee benefits		112,852	44,728
Operating expenses		15,274	16,051
Other departmental expenses		10,000	10,378
Total		138,126	71,157
Engineering			
Salaries and employee benefits		103,783	161,226
Operating expenses		11,909	12,313
Contracted services		1,600	7,900
Other departmental expenses		28,762	24,484
Total		146,054	205,923
Maintenance			
Salaries and employee benefits		700,302	697,287
Operating expenses		82,169	95,426
Utilities		16,489	15,810
Maintenance and repairs		230,909	94,872
Contracted services		23,875	7,450
Other departmental expenses		55,370	41,737
Capital outlay		53,525	25,319
Overhead allocation from General Fund		(191,069)	(185,374)
Total		971,570	792,527

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative)
			Actual
Streets - Powell Bill			
Salaries and employee benefits		\$ 202,180	\$ 317,132
Operating expenses		321,625	360,439
Maintenance and repairs		2,487	2,494
Contracted services		68,888	8,890
Other departmental expenses		-	1,850
Total		595,180	690,805
Streets - Non-Powell Bill			
Salaries and employee benefits		671,121	644,649
Operating expenses		143,333	116,342
Utilities		587,855	587,197
Maintenance and repairs		1,362	2,241
Contracted services		200	360
Other departmental expenses		72,719	57,037
Mosquito control		42,466	16,916
Capital outlay		113,691	265,322
Overhead allocation from General Fund		(54,640)	(57,898)
Total		1,578,107	1,632,166
Streets - Traffic Signal Control			
Salaries and employee benefits		375,623	268,728
Operating expenses		134,296	71,757
Utilities		2,117	1,739
Maintenance and repairs		111	469
Street lighting		373,014	371,403
Contracted services		44,635	29,764
Other departmental expenses		32,534	23,803
Capital outlay		-	27,850
Total		962,330	795,513
Total public works	5,975,624	5,146,214	829,410
Public safety			
Police			
Salaries and employee benefits		9,983,018	9,419,355
Employer contribution to separation allowance trust fund		291,982	273,108
Operating expenses		1,570,961	1,497,316
Utilities		115,503	121,442
Maintenance and repairs		31,814	23,482
Contracted services		78,272	33,004
Other departmental expenses		1,493,638	1,630,259
Capital outlay		733,508	675,261
Total		14,298,696	13,673,227

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Fire				
Salaries and employee benefits		\$ 5,588,984		\$ 5,461,154
Operating expenses		564,787		477,135
Utilities		121,299		126,670
Maintenance and repairs		29,105		42,897
Contracted services		41,978		42,199
Other departmental expenses		433,926		394,167
Capital outlay		166,116		757,114
Total		6,946,195		7,301,336
Total public safety	22,723,574	21,244,891	1,478,683	20,974,563
Cultural and recreational				
Recreation				
Salaries and employee benefits		2,620,169		2,556,199
Operating expenses		761,474		709,206
Utilities		337,884		315,549
Maintenance and repairs		38,624		37,029
Contracted services		581,270		677,039
Other departmental expenses		317,133		307,539
Capital outlay		194,083		168,108
Total cultural and recreational	5,310,924	4,850,637	460,287	4,770,669
Economic and physical development				
Livable Neighborhoods				
Salaries and employee benefits		89,291		70,446
Operating expenses		8,372		6,107
Contracted services		7,895		10,152
Other departmental expenses		66,257		76,186
Total		171,815		162,891
Community Engagement				
Salaries and employee benefits		120,000		2,135
Operating expenses		4,014		-
Other departmental expenses		20,991		-
Total		145,005		2,135
Total economic and physical development	335,834	316,820	19,014	165,026
Debt service				
Principal retirements	3,174,687	3,100,575	74,112	3,875,499
Interest and fees	905,909	888,161	17,748	820,224
Debt issuance costs	-	-	-	215,773
Total debt service	4,080,596	3,988,736	91,860	4,911,496
Total expenditures	44,210,710	40,041,495	4,150,201	40,279,767
Revenues over (under) expenditures	2,199,159	6,979,991	4,780,832	5,188,489

continued

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Debt issued	\$ 1,197,132	\$ 1,140,255	\$ (56,877)	\$ 3,534,016
Refunding Debt	-	-	-	12,505,000
Appropriated fund balance	1,886,462	-	(1,886,462)	-
Sales of general capital assets	80,000	167,081	87,081	58,487
Sales of capital assets - Powell Bill	52,985	52,985	-	-
Payment to refunded bond escrow agent	-	-	-	(14,691,485)
Transfers in -				
From Major Capital Project Fund	-	-	-	55,034
From Major Enterprise Fund	75,085	75,085	-	75,085
From Non-Major Governmental Fund	350,971	350,959	(12)	566,036
Transfers (out) -				
To Major Capital Project Fund	(118,000)	(118,000)	-	(100,000)
To Major Enterprise Fund	(1,462,860)	(753,413)	709,447	(792,192)
To Non-Major Governmental Fund	(4,255,894)	(4,255,893)	1	(3,245,454)
To Non-Major Enterprise Fund	-	-	-	(171,060)
To Internal Service Fund	(5,040)	(5,040)	-	(8,000)
Total other financing (uses)	(2,199,159)	(3,345,981)	(1,146,822)	(2,214,533)
Net change in fund balance	<u>\$ -</u>	<u>3,634,010</u>	<u>\$ 3,634,010</u>	<u>2,973,956</u>
Fund balance:				
Beginning of year, July 1		32,110,624		29,136,668
End of year, June 30		<u>\$ 35,744,634</u>		<u>\$ 32,110,624</u>

EMERGENCY RELIEF FUND

The Emergency Relief Fund is used to account for the emergency relief efforts in the City of Jacksonville.

City of Jacksonville, North Carolina
Major Emergency Relief Fund
Balance Sheet
June 30, 2019

	2019
Assets	
Accounts receivable (net)	\$ 1,834,888
Total Assets	<u>\$ 1,834,888</u>
Liabilities, Deferred Inflows of Resources and Fund Balances	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 986,183
Interfund payable	<u>2,542,240</u>
Total Liabilities	<u>3,528,423</u>
Total Deferred Inflows of Resources	<u>-</u>
Fund Balances:	
Unrestricted	<u>(1,693,535)</u>
Total Fund Balances	<u>(1,693,535)</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,834,888</u></u>

City of Jacksonville, North Carolina
Major Emergency Relief Fund
Schedule of Revenues and Expenditures-
Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues:					
FEMA	\$ 6,750,000	\$ -	\$ 4,174,210	\$ 4,174,210	\$ (2,575,790)
FEMA State Match	2,250,000	-	1,391,403	1,391,403	(858,597)
Total Restricted Intergovernmental Revenues	9,000,000	-	5,565,613	5,565,613	(3,434,387)
Total revenues	9,000,000	-	5,565,613	5,565,613	(3,434,387)
Expenditures:					
Public Safety		-	7,479,148	7,479,148	
Total expenditures	9,220,000	-	7,479,148	7,479,148	(1,740,852)
Revenues (under) expenditures	(220,000)	-	(1,913,535)	(1,913,535)	(1,693,535)
Other financing sources (uses):					
Transfers in					
From General Fund	120,000	-	120,000	120,000	-
From Major Enterprise Fund	100,000	-	100,000	100,000	-
Total other financing sources	220,000	-	220,000	220,000	-
Net Change In Fund Balance	\$ -	\$ -	\$ (1,693,535)	\$ (1,693,535)	\$ (1,693,535)

City of Jacksonville, North Carolina
Major Emergency Relief Fund
Combining Balance Sheet
June 30, 2019

	Hurricane Florence	Shoreline Drive	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ (20,000)	\$ 20,000	\$ -
Accounts receivable	1,834,888	-	1,834,888
Total Current Assets	1,814,888	20,000	1,834,888
Total Assets	<u>\$ 1,814,888</u>	<u>\$ 20,000</u>	<u>\$ 1,834,888</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 986,183	\$ -	\$ 986,183
Interfund payable	2,542,240	-	2,542,240
Total Liabilities	3,528,423	-	3,528,423
Total Deferred Inflows of Resources	-	-	-
Fund Balances:			
Unrestricted	(1,713,535)	20,000	(1,693,535)
Total Fund Balance	(1,713,535)	20,000	(1,693,535)
Total Liabilities and Fund Balances	<u>\$ 1,814,888</u>	<u>\$ 20,000</u>	<u>\$ 1,834,888</u>

City of Jacksonville, North Carolina
Major Emergency Relief Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2019

	Hurricane Florence	Shoreline Dr	Total
Revenues:			
FEMA	\$ 4,174,210	\$ -	\$ 4,174,210
FEMA State Match	1,391,403	-	1,391,403
Total revenues	5,565,613	-	5,565,613
Expenditures:			
Public Safety	7,479,148	-	7,479,148
Total expenditures	7,479,148	-	7,479,148
Revenues over (under) expenditures	(1,913,535)	-	(1,913,535)
Other financing sources (uses):			
Transfers in	200,000	20,000	220,000
Total other financing sources (uses)	200,000	20,000	220,000
Net change in fund balance	(1,713,535)	20,000	(1,693,535)
Fund balances:			
Beginning of year, July 1	-	-	-
End of year, June 30	\$ (1,713,535)	\$ 20,000	\$ (1,693,535)

City of Jacksonville, North Carolina
Hurricane Florence Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
FEMA	\$ 6,750,000	\$ -	\$ 4,174,210	\$ 4,174,210	\$ (2,575,790)
FEMA State Match	2,250,000	-	1,391,403	1,391,403	(858,597)
Total revenues	9,000,000	-	5,565,613	5,565,613	(3,434,387)
Expenditures:					
Public Safety		-	7,479,148	7,479,148	
Total expenditures	9,200,000	-	7,479,148	7,479,148	1,720,852
Revenues (under) expenditures	(200,000)	-	(1,913,535)	(1,913,535)	(1,713,535)
Other financing sources:					
Transfers in -					
From General Fund	100,000	-	100,000	100,000	-
From Capital Reserve Fund	100,000	-	100,000	100,000	-
Total other financing sources	200,000	-	200,000	200,000	-
Net change in fund balance	\$ -	\$ -	(1,713,535)	\$ (1,713,535)	\$ (1,713,535)
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ (1,713,535)		

City of Jacksonville, North Carolina
Shoreline Drive Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources:					
Transfers in -					
From General Fund	20,000	-	20,000	20,000	-
Total other financing sources	20,000	-	20,000	20,000	-
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ -</u>	20,000	<u>\$ 20,000</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 20,000</u>		



MAJOR CAPITAL PROJECTS FUND

The Major Capital Projects Fund is segregated into individual projects which account for funds to be used for the acquisition or construction of major capital facilities.

INDIVIDUAL PROJECT DESCRIPTIONS:

NC24 Culvert Trail Capital Project – accounts for funds used in the construction of the NC24 Culvert Trail.

Police/Fire Facility Capital Project – accounts for funds used in the construction of the new Police/Fire Facility.

Freedom Fountain Capital Project – accounts for funds used in the design and initial construction of the Freedom Fountain.

Richard Ray Park Garden Improvements Capital Project – accounts for funds used for improvements to the garden area of Richard Ray All-American Park.

New Bridge Streetscape Capital Project – accounts for funds used for streetscape improvements to New Bridge St. and Johnson Blvd.

Sturgeon City Environmental Education Center Capital Project – accounts for funds used for construction of the Sturgeon City Environmental Education Center.

Jacksonville Landing Park Capital Project – accounts for funds used to construct a Welcome Center and Park.

Labyrinth Garden Capital Project – accounts for funds used for the construction of a Labyrinth Garden at Sturgeon City.

Median Improvement Western Capital Project – accounts for funds used for median improvements on Western Blvd.

Richard Ray Amphitheater Capital Project – accounts for funds used for the construction of an amphitheater at Richard Ray Park.

Northeast Creek Restroom and Shelter Capital Project – accounts for funds used for the construction of a restroom and shelter at Northeast Creek Park.

Downtown Rails to Trails Extension Capital Project – accounts for funds used to extend the Downtown Rails to Trails path.

MAJOR CAPITAL PROJECTS FUND

(Continued)

Jacksonville Marina Capital Project – accounts for funds used to renovate the Jacksonville Marina.

Northeast Creek Bulkhead and Boardwalk Capital Project – accounts for funds used for the bulkhead and boardwalk at Northeast Creek Park.

Montford Point PARTF Grant Capital Project – accounts for funds used for Phase II of the Montford Point Memorial.

Digital Signage Western & North Gateway Capital Project – accounts for funds used for an LED digital sign at the corner of Western Blvd. and Gateway Dr.

Beirut Memorial Grove Sign Capital Project – accounts for funds used for signage at the Beirut Memorial Grove.

Tennis Court Resurfacing Capital Project – accounts for funds used for resurfacing tennis courts.

Sturgeon City Asbestos Capital Project – accounts for funds used for the removal of asbestos within the Sturgeon City Administration Building.

Kerr St. Recreation Center Renovation Capital Project – accounts for funds used for the renovation of Kerr Street Recreation Center.

Wayfinding Signs with TDA Capital Project – accounts for funds used for directional signage.

Barns St Recreation Center Capital Project – accounts for funds used for renovations for use as a recreation center.

Gateway Signs Capital Project – accounts for funds used for an LED digital sign on Gateway Dr.

Sturgeon City Boardwalk Rehabilitation Capital Project – accounts for funds for repairing the boardwalk.

Piney Green Landscaping Improvements Capital Project – accounts for funds used for landscaping improvements to Piney Green Road.

Jack Amyette Recreation Center Repairs Capital Project – accounts for funds used for repairs and renovations of the Jack Amyette Recreation Center.

MAJOR CAPITAL PROJECTS FUND

(Continued)

Train Depot Repairs Capital Project – accounts for funds used for repairs and renovations of the train depot.

Jacksonville YMCA Capital Project – accounts for funds used to repurpose City building for use by the YMCA.

City Hall HVAC System Capital Project – accounts for funds used to upgrade the HVAC system in City Hall.

City of Jacksonville, North Carolina
Major Capital Projects Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and investments	\$ 2,672,012	\$ 2,829,170
Restricted cash and investments	3,729,482	3,729,482
Accounts receivable (net)	169,918	412,800
Total Assets	<u>\$ 6,571,412</u>	<u>\$ 6,971,452</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 223,750	\$ 892,278
Interfund payable	3,036,451	780,000
Total Liabilities	<u>3,260,201</u>	<u>1,672,278</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>1,218</u>
Fund Balances:		
Restricted:		
Stabilization by State Statute	819,169	82,800
Comitted:		
Capital Projects	2,492,042	6,331,704
Unrestricted	<u>-</u>	<u>(1,116,548)</u>
Total Fund Balances	<u>3,311,211</u>	<u>5,297,956</u>
Total Liabilities and Fund Balances	<u>\$ 6,571,412</u>	<u>\$ 6,971,452</u>

City of Jacksonville, North Carolina
Major Capital Projects Fund
Schedule of Revenues and Expenditures-
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues:					
NC Transp Enhancement Grant	\$ 1,756,000	\$ 1,736,000	\$ -	\$ 1,736,000	\$ (20,000)
NCDOT Reimbursement	617,833	-	150,000	150,000	(467,833)
NCDEQ Reimbursement	20,000	-	-	-	(20,000)
FEMA	135,750	-	-	-	(135,750)
FEMA State Match	45,250	-	-	-	(45,250)
Part F Grant	680,000	475,051	189,867	664,918	(15,082)
104F Transportation	120,899	120,898	-	120,898	(1)
Duke Energy Grant	100,000	100,000	-	100,000	-
NCDENR	68,020	68,020	-	68,020	-
Contributions - Onslow County	450,000	450,000	-	450,000	-
Contributions - JTDA	500,000	-	-	-	(500,000)
Total Restricted Intergovernmental Revenues	4,493,752	2,949,969	339,867	3,289,836	(1,203,916)
Miscellaneous Revenues	5,700	5,700	-	5,700	-
Contributions	1,051,296	925,903	109,397	1,035,300	(15,996)
Total revenues	5,550,748	3,881,572	449,264	4,330,836	(1,219,912)
Expenditures:					
General Government	6,791,523	2,576,793	2,251,644	4,828,437	(1,963,086)
Public Safety	30,191,128	29,227,860	4,050	29,231,910	(959,218)
Cultural and Recreation	8,587,069	5,956,905	1,070,890	7,027,795	(1,559,274)
Non Capitalized Expenditures	455,000	405,000	-	405,000	(50,000)
Total expenditures	46,024,720	38,166,558	3,326,584	41,493,142	(4,531,578)
Revenues (under) expenditures	(40,473,972)	(34,284,986)	(2,877,320)	(37,162,306)	3,311,666
Other financing sources (uses):					
Debt issued	26,301,455	26,301,000	-	26,301,000	(455)
Premium on debt issued	2,070,000	2,070,000	-	2,070,000	-
Transfers in					
From Capital Reserve Fund	4,363,536	3,559,536	804,000	4,363,536	-
From General Fund	9,752,047	9,634,047	118,000	9,752,047	-
From Internal Service Fund	123,629	-	123,629	123,629	-
Transfers (out)					
To Capital Reserve Fund	(282,054)	(127,000)	(155,054)	(282,054)	-
To General Fund	(1,854,641)	(1,854,641)	-	(1,854,641)	-
Total other financing sources	40,473,972	39,582,942	890,575	40,473,517	(455)
Net Change In Fund Balance	\$ -	\$ 5,297,956	\$ (1,986,745)	\$ 3,311,211	\$ 3,311,211

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Police/Fire Facility	Freedom Fountain	Richard Ray Park Garden Improvements	Sturgeon City Education Center
Assets				
Current Assets:				
Cash and cash equivalents	\$ 962,813	\$ 37,076	\$ 7,835	\$ -
Restricted cash and cash equivalents	-	-	-	3,729,482
Accounts receivable	-	-	-	150,000
Total Current Assets	962,813	37,076	7,835	3,879,482
Total Assets	<u>\$ 962,813</u>	<u>\$ 37,076</u>	<u>\$ 7,835</u>	<u>\$ 3,879,482</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,050	\$ 70	\$ -	\$ 138,126
Interfund payable	-	-	-	3,006,951
Total Liabilities	4,050	70	-	3,145,077
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted				
Stabilization by State Statute	-	-	7,835	252,275
Committed:				
Capital Projects	958,763	37,006	-	482,130
Total Fund Balance	958,763	37,006	7,835	734,405
Total Liabilities and Fund Balances	<u>\$ 962,813</u>	<u>\$ 37,076</u>	<u>\$ 7,835</u>	<u>\$ 3,879,482</u>

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Jacksonville Landing Park	Median Improvement Western	Richard Ray Amphitheater	Northeast Creek Restroom and Shelter
Assets				
Current Assets:				
Cash and cash equivalents	\$ 345,784	\$ 50,000	\$ 13,249	\$ 260,084
Restricted cash and cash equivalents	-	-	-	-
Accounts receivable	-	-	-	-
Total Current Assets	345,784	50,000	13,249	260,084
Total Assets	<u>\$ 345,784</u>	<u>\$ 50,000</u>	<u>\$ 13,249</u>	<u>\$ 260,084</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-
Total Liabilities	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted				
Stabilization by State Statute	-	49,956	-	264,040
Committed:				
Capital Projects	345,784	44	13,249	(3,956)
Total Fund Balance	345,784	50,000	13,249	260,084
Total Liabilities and Fund Balances	<u>\$ 345,784</u>	<u>\$ 50,000</u>	<u>\$ 13,249</u>	<u>\$ 260,084</u>

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Downtown Rails to Trails Extension	Jacksonville Marina	Northeast Creek Bulkhead and Boardwalk	Beruit Memorial Grove Sign
Assets				
Current Assets:				
Cash and cash equivalents	\$ 17,000	\$ 436,444	\$ 36,421	\$ -
Restricted cash and cash equivalents	-	-	-	-
Accounts receivable	-	19,918	-	-
Total Current Assets	17,000	456,362	36,421	-
Total Assets	\$ 17,000	\$ 456,362	\$ 36,421	\$ -
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 51,830	\$ -	\$ -
Interfund payable	-	-	-	13,800
Total Liabilities	-	51,830	-	13,800
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted				
Stabilization by State Statute	-	227,113	-	-
Committed:				
Capital Projects	17,000	177,419	36,421	(13,800)
Total Fund Balance	17,000	404,532	36,421	(13,800)
Total Liabilities and Fund Balances	\$ 17,000	\$ 456,362	\$ 36,421	\$ -

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Sturgeon City Asbestos	Kerr St Rec Center Renovation	Wayfinding Signs with TDA	Barns Street Rec Center
Assets				
Current Assets:				
Cash and cash equivalents	\$ 50,000	\$ 50,000	\$ -	\$ 177,000
Restricted cash and cash equivalents	-	-	-	-
Accounts receivable	-	-	-	-
Total Current Assets	50,000	50,000	-	177,000
Total Assets	\$ 50,000	\$ 50,000	\$ -	\$ 177,000
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	8,200	-
Total Liabilities	-	-	8,200	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted				
Stabilization by State Statute	-	-	250	-
Committed:				
Capital Projects	50,000	50,000	(8,450)	177,000
Total Fund Balance	50,000	50,000	(8,200)	177,000
Total Liabilities and Fund Balances	\$ 50,000	\$ 50,000	\$ -	\$ 177,000

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Gateway Signs	Sturgeon City Boardwalk Rehab	Train Depot Repairs	Jacksonville YMCA
Assets				
Current Assets:				
Cash and cash equivalents	\$ 97,880	\$ 15,000	\$ -	\$ 36,797
Restricted cash and cash equivalents	-	-	-	-
Accounts receivable	-	-	-	-
Total Current Assets	97,880	15,000	-	36,797
Total Assets	<u>\$ 97,880</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 36,797</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,180	\$ -	\$ -	\$ 26,494
Interfund payable	-	-	7,500	-
Total Liabilities	3,180	-	7,500	26,494
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted				
Stabilization by State Statute	5,300	-	12,400	-
Committed:				
Capital Projects	89,400	15,000	(19,900)	10,303
Total Fund Balance	94,700	15,000	(7,500)	10,303
Total Liabilities and Fund Balances	<u>\$ 97,880</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 36,797</u>

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

		Totals	
	City Hall HVAC System	June 30, 2019	June 30, 2018
Assets			
Current Assets:			
Cash and cash equivalents	\$ 78,629	\$ 2,672,012	\$ 2,829,170
Restricted cash and cash equivalents	-	3,729,482	3,729,482
Accounts receivable	-	169,918	412,800
Total Current Assets	<u>78,629</u>	<u>6,571,412</u>	<u>6,971,452</u>
Total Assets	<u>\$ 78,629</u>	<u>\$ 6,571,412</u>	<u>\$ 6,971,452</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 223,750	\$ 892,278
Interfund payable	-	3,036,451	780,000
Total Liabilities	<u>-</u>	<u>3,260,201</u>	<u>1,672,278</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,218</u>
Fund Balances:			
Restricted			
Stabilization by State Statute	-	819,169	82,800
Committed:			
Capital Projects	<u>78,629</u>	<u>2,492,042</u>	<u>5,215,156</u>
Total Fund Balance	<u>78,629</u>	<u>3,311,211</u>	<u>5,297,956</u>
Total Liabilities and Fund Balances	<u>\$ 78,629</u>	<u>\$ 6,571,412</u>	<u>\$ 6,971,452</u>

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2019
 With Comparative Totals for the Fiscal Year Ended June 30, 2018

	NC24 Culvert Trail	Police/Fire Facility	Freedom Fountain	Richard Ray Park Garden Improvements
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	1,392	-
Total revenues	-	-	1,392	-
Expenditures:				
Capital Outlay:				
General Government	-	-	327	-
Public Safety	-	4,050	-	-
Cultural and Recreation	20,831	-	-	-
Total expenditures	20,831	4,050	327	-
Revenues over (under) expenditures	(20,831)	(4,050)	1,065	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	(94,645)	-	-	-
Total other financing sources (uses)	(94,645)	-	-	-
Net change in fund balance	(115,476)	(4,050)	1,065	-
Fund balances:				
Beginning of year, July 1	115,476	962,813	35,941	7,835
End of year, June 30	\$ -	\$ 958,763	\$ 37,006	\$ 7,835

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Sturgeon City Education Center	Jacksonville Landing Park	Labyrinth Garden	Median Improvement Western
Revenues:				
Restricted intergovernmental revenues	\$ 150,000	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Total revenues	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
General Government	2,073,529	-	-	-
Public Safety	-	-	-	-
Cultural and Recreation	-	-	33	-
Total expenditures	<u>2,073,529</u>	<u>-</u>	<u>33</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,923,529)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	45,000	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,878,529)	-	(33)	-
Fund balances:				
Beginning of year, July 1	<u>2,612,934</u>	<u>345,784</u>	<u>33</u>	<u>50,000</u>
End of year, June 30	<u>\$ 734,405</u>	<u>\$ 345,784</u>	<u>\$ -</u>	<u>\$ 50,000</u>

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Richard Ray Amphitheater	Northeast Creek Restroom and Shelter	Downtown Rails to Trails	Jacksonville Marina	Northeast Creek Bulkhead and Boardwalk
Revenues:					
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 189,867	\$ -
Contributions	-	108,005	-	-	-
Total revenues	-	108,005	-	189,867	-
Expenditures:					
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Cultural and Recreation	19,294	253,826	8,000	763,606	-
Total expenditures	19,294	253,826	8,000	763,606	-
Revenues over (under) expenditures	(19,294)	(145,821)	(8,000)	(573,739)	-
Other financing sources (uses):					
Transfers in	-	390,000	-	200,000	-
Transfers (out)	-	-	-	-	(47,000)
Total other financing sources (uses)	-	390,000	-	200,000	(47,000)
Net change in fund balance	(19,294)	244,179	(8,000)	(373,739)	(47,000)
Fund balances:					
Beginning of year, July 1	32,543	15,905	25,000	778,271	83,421
End of year, June 30	\$ 13,249	\$ 260,084	\$ 17,000	\$ 404,532	\$ 36,421

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Montford Point PARTF Grant	Beirut Memorial Grove Sign	Tennis Court Resurfacing	Sturgeon City Asbestos
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Capital Outlay:				
General Government	50,000	13,800	68,591	-
Public Safety	-	-	-	-
Cultural and Recreation	-	-	-	-
Total expenditures	50,000	13,800	68,591	-
Revenues over (under) expenditures	(50,000)	(13,800)	(68,591)	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	(13,409)	-
Total other financing sources (uses)	-	-	(13,409)	-
Net change in fund balance	(50,000)	(13,800)	(82,000)	-
Fund balances:				
Beginning of year, July 1	50,000	-	82,000	50,000
End of year, June 30	\$ -	\$ (13,800)	\$ -	\$ 50,000

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Kerr St Rec Center Renovation	Wayfindings Signs with TDA	Barns St Rec Center	Gateway Signs
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Capital Outlay:				
General Government	-	8,200	-	-
Public Safety	-	-	-	-
Cultural and Recreation	-	-	-	5,300
Total expenditures	-	8,200	-	5,300
Revenues over (under) expenditures	-	(8,200)	-	(5,300)
Other financing sources (uses):				
Transfers in	-	-	177,000	100,000
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	177,000	100,000
Net change in fund balance	-	(8,200)	177,000	94,700
Fund balances:				
Beginning of year, July 1	50,000	-	-	-
End of year, June 30	<u>\$ 50,000</u>	<u>\$ (8,200)</u>	<u>\$ 177,000</u>	<u>\$ 94,700</u>

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Sturgeon City Boardwalk Rehab	Train Depot Repair	Jacksonville YMCA
Revenues:			
Restricted intergovernmental revenues	\$ -	\$ -	\$ -
Contributions	-	-	-
Total revenues	-	-	-
Expenditures:			
Capital Outlay:			
General Government	-	7,500	29,697
Public Safety	-	-	-
Cultural and Recreation	-	-	-
Total expenditures	-	7,500	29,697
Revenues over (under) expenditures	-	(7,500)	(29,697)
Other financing sources (uses):			
Transfers in	15,000	-	40,000
Transfers (out)	-	-	-
Total other financing sources (uses)	15,000	-	40,000
Net change in fund balance	15,000	(7,500)	10,303
Fund balances:			
Beginning of year, July 1	-	-	-
End of year, June 30	\$ 15,000	\$ (7,500)	\$ 10,303

continued

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

		Totals	
	City Hall HVAC System	June 30, 2019	June 30, 2018
Revenues:			
Restricted intergovernmental revenues	\$ -	\$ 339,867	\$ 702,478
Contributions	-	109,397	126,811
Total revenues	-	449,264	829,289
Expenditures:			
Capital Outlay:			
General Government	-	2,251,644	1,536,405
Public Safety	-	4,050	1,131
Cultural and Recreation	-	1,070,890	1,551,088
Total expenditures	-	3,326,584	3,088,624
Revenues over (under) expenditures	-	(2,877,320)	(2,259,335)
Other financing sources (uses):			
Transfers in	78,629	1,045,629	1,536,513
Transfers (out)	-	(155,054)	(123,335)
Total other financing sources (uses)	78,629	890,575	1,413,178
Net change in fund balance	78,629	(1,986,745)	(846,157)
Fund balances:			
Beginning of year, July 1	-	5,297,956	6,144,113
End of year, June 30	\$ 78,629	\$ 3,311,211	\$ 5,297,956

City of Jacksonville, North Carolina
NC24 Culvert Trail Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive
					(Negative)
Revenues:					
104F Transportation	\$ 120,899	\$ 120,898	\$ -	\$ 120,898	\$ (1)
NCDOT Enhancement Grant	1,736,000	1,736,000	-	1,736,000	-
Total revenues	1,856,899	1,856,898	-	1,856,898	(1)
Expenditures:					
Capital outlay:					
Other improvements		2,393,686	20,831	2,414,518	
Total expenditures	2,414,519	2,393,686	20,831	2,414,518	(1)
Revenues (under) expenditures	(557,620)	(536,788)	(20,831)	(557,621)	-
Other financing sources:					
Transfers in -					
From General Fund	132,726	132,726	-	132,726	-
From Capital Reserve Fund	519,538	519,538	-	519,538	-
Transfers (out) -					
To Capital Reserve Fund	(94,644)	-	(94,645)	(94,645)	(1)
Total other financing sources	557,620	652,264	(94,645)	557,619	(1)
Net change in fund balance	\$ -	\$ 115,476	(115,476)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			115,476		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Police/Fire Facility Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
NCDENR	\$ 68,020	\$ 68,020	\$ -	\$ 68,020	\$ -
Total revenues	68,020	68,020	-	68,020	-
Expenditures:					
Capital outlay:					
Other improvements		29,227,860	4,050	29,231,910	
Total expenditures	30,191,128	29,227,860	4,050	29,231,910	959,218
Revenues (under) expenditures	(30,123,108)	(29,159,840)	(4,050)	(29,163,890)	959,218
Other financing sources (uses):					
Debt issued	21,469,455	21,469,000	-	21,469,000	(455)
Premium on debt issued	1,755,000	1,755,000	-	1,755,000	-
Transfers in -					
From General Fund	8,698,260	8,698,260	-	8,698,260	-
Transfers (out) -					
To General Fund	(1,799,607)	(1,799,607)	-	(1,799,607)	-
Total other financing sources (uses)	30,123,108	30,122,653	-	30,122,653	(455)
Net change in fund balance	\$ -	\$ 962,813	(4,050)	\$ 958,763	\$ 958,763
Fund Balance:					
Beginning of year, July 1			962,813		
End of year, June 30			\$ 958,763		

City of Jacksonville, North Carolina
Freedom Fountain Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Contributions	\$ 651,289	\$ 650,896	\$ 1,392	\$ 652,288	\$ 999
Total revenues	651,289	650,896	1,392	652,288	999
Expenditures:					
Capital outlay:					
Other improvements		1,027,879	327	1,028,206	
Total expenditures	1,064,213	1,027,879	327	1,028,206	36,007
Revenues over (under) expenditures	(412,924)	(376,983)	1,065	(375,918)	(35,008)
Other financing sources:					
Transfers in -					
From General Fund	412,924	412,924	-	412,924	-
Total other financing sources	412,924	412,924	-	412,924	-
Net change in fund balance	\$ -	\$ 35,941	1,065	\$ 37,006	\$ 37,006
Fund Balance:					
Beginning of year, July 1			35,941		
End of year, June 30			\$ 37,006		

City of Jacksonville, North Carolina
Richard Ray Park Garden Improvements Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Contributions	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -
Total revenues	20,000	20,000	-	20,000	-
Expenditures:					
Capital outlay:					
Other improvements		12,427	-	12,427	
Total expenditures	20,262	12,427	-	12,427	7,835
Revenues over (under) expenditures	(262)	7,573	-	7,573	7,835
Other financing sources:					
Transfers in -					
From General Fund	262	262	-	262	-
Total other financing sources	262	262	-	262	-
Net change in fund balance	\$ -	\$ 7,835	-	\$ 7,835	\$ 7,835
Fund Balance:					
Beginning of year, July 1			7,835		
End of year, June 30			\$ 7,835		

City of Jacksonville, North Carolina
New Bridge Streetscape Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		21,842	-	21,842	
Total expenditures	21,841	21,842	-	21,842	(1)
Revenues (under) expenditures	(21,841)	(21,842)	-	(21,842)	(1)
Other financing sources (uses):					
Transfers in -					
From General Fund	76,875	76,875	-	76,875	-
From Capital Reserve Fund	127,000	127,000	-	127,000	-
Transfers (out) -					
To General Fund	(55,034)	(55,034)	-	(55,034)	-
To Capital Reserve Fund	(127,000)	(126,999)	-	(126,999)	1
Total other financing sources	21,841	21,842	-	21,842	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Sturgeon City Environmental Education Center Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCDOT Reimbursement	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ -
Sturgeon City Contribution	115,007	115,007	-	115,007	-
Total revenues	<u>265,007</u>	<u>115,007</u>	<u>150,000</u>	<u>265,007</u>	<u>-</u>
Expenditures:					
Capital outlay:					
Other improvements		1,502,073	2,073,529	3,575,602	
Total expenditures	<u>4,310,007</u>	<u>1,502,073</u>	<u>2,073,529</u>	<u>3,575,602</u>	<u>734,405</u>
Revenues (under) expenditures	<u>(4,045,000)</u>	<u>(1,387,066)</u>	<u>(1,923,529)</u>	<u>(3,310,595)</u>	<u>734,405</u>
Other financing sources:					
Debt Issued	3,685,000	3,685,000	-	3,685,000	-
Premium on debt issued	315,000	315,000	-	315,000	-
Transfers in -					
From Internal Service Fund	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total other financing sources	<u>4,045,000</u>	<u>4,000,000</u>	<u>45,000</u>	<u>4,045,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,612,934</u>	<u>(1,878,529)</u>	<u>\$ 734,405</u>	<u>\$ 734,405</u>
Fund Balance:					
Beginning of year, July 1			<u>2,612,934</u>		
End of year, June 30			<u>\$ 734,405</u>		

City of Jacksonville, North Carolina
Jacksonville Landing Park Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Contributions - Onslow County	\$ 450,000	\$ 450,000	\$ -	\$ 450,000	\$ -
Miscellaneous Revenue	5,700	5,700	-	5,700	-
Total revenues	455,700	455,700	-	455,700	-
Expenditures:					
Capital outlay:					
Other improvements		1,764,916	-	1,764,916	
Total expenditures	2,110,700	1,764,916	-	1,764,916	345,784
Revenues over (under) expenditures	(1,655,000)	(1,309,216)	-	(1,309,216)	345,784
Other financing sources:					
Debt Issued	1,147,000	1,147,000	-	1,147,000	-
Transfers in -					
From General Fund	188,000	188,000	-	188,000	-
From Capital Reserve Fund	320,000	320,000	-	320,000	-
Total other financing sources	1,655,000	1,655,000	-	1,655,000	-
Net change in fund balance	\$ -	\$ 345,784	-	\$ 345,784	\$ 345,784
Fund Balance:					
Beginning of year, July 1			345,784		
End of year, June 30			\$ 345,784		

City of Jacksonville, North Carolina
Labyrinth Garden Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Total revenues	15,000	15,000	-	15,000	-
Expenditures:					
Capital outlay:					
Other improvements		14,967	33	15,000	
Total expenditures	15,000	14,967	33	15,000	-
Revenues over (under) expenditures	-	33	(33)	-	-
Net change in fund balance	\$ -	\$ 33	(33)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			33		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Median Improvement Western Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
NCDOT Enhancement grant	\$ 20,000	\$ -	\$ -	\$ -	\$ (20,000)
Total revenues	20,000	-	-	-	\$ (20,000)
Expenditures:					
Capital outlay:					
Other improvements		25,000	-	25,000	
Total expenditures	95,000	25,000	-	25,000	70,000
Revenues over (under) expenditures	(75,000)	(25,000)	-	(25,000)	50,000
Other financing sources (uses):					
Transfers in -					
From Capital Reserve	75,000	75,000	-	75,000	-
Total other financing sources	75,000	75,000	-	75,000	-
Net change in fund balance	\$ -	\$ 50,000	-	\$ 50,000	\$ 50,000
Fund Balance:					
Beginning of year, July 1			50,000		
End of year, June 30			\$ 50,000		

City of Jacksonville, North Carolina
Richard Ray Amphitheater Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		328,783	19,294	348,077	
Total expenditures	361,326	328,783	19,294	348,077	13,249
Revenues over (under) expenditures	(361,326)	(328,783)	(19,294)	(348,077)	13,249
Other financing sources (uses):					
Transfers in -					
From Capital Reserve	361,326	361,326	-	361,326	-
Total other financing sources	361,326	361,326	-	361,326	-
Net change in fund balance	\$ -	\$ 32,543	(19,294)	\$ 13,249	\$ 13,249
Fund Balance:					
Beginning of year, July 1			32,543		
End of year, June 30			\$ 13,249		

City of Jacksonville, North Carolina
Northeast Creek Restroom and Shelter Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Vendor Grant	\$ 125,000	\$ -	\$ 108,005	\$ 108,005	\$ 16,995
Total revenues	125,000	-	108,005	108,005	16,995
Expenditures:					
Capital outlay:					
Other improvements		875,095	253,826	1,128,921	
Total expenditures	1,406,000	875,095	253,826	1,128,921	277,079
Revenues over (under) expenditures	(1,281,000)	(875,095)	(145,821)	(1,020,916)	260,084
Other financing sources (uses):					
Transfers in -					
From General Fund	18,000	-	18,000	18,000	-
From Capital Reserve	1,263,000	891,000	372,000	1,263,000	-
Total other financing sources	1,281,000	891,000	390,000	1,281,000	-
Net change in fund balance	\$ -	\$ 15,905	244,179	\$ 260,084	\$ 260,084
Fund Balance:					
Beginning of year, July 1			15,905		
End of year, June 30			\$ 260,084		

City of Jacksonville, North Carolina
Downtown Rails to Trails Extension Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	8,000	8,000	
Total expenditures	25,000	-	8,000	8,000	17,000
Revenues over (under) expenditures	(25,000)	-	(8,000)	(8,000)	17,000
Other financing sources (uses):					
Transfers in -					
From General Fund	25,000	25,000	-	25,000	-
Total other financing sources	25,000	25,000	-	25,000	-
Net change in fund balance	\$ -	\$ 25,000	(8,000)	\$ 17,000	\$ 17,000
Fund Balance:					
Beginning of year, July 1			25,000		
End of year, June 30			\$ 17,000		

City of Jacksonville, North Carolina
Jacksonville Marina Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Part F Grant	\$ 350,000	\$ 145,051	\$ 189,867	\$ 334,918	\$ 15,082
NCDEQ Grant	20,000	-	-	-	20,000
Duke Energy Grant	100,000	100,000	-	100,000	-
Total revenues	<u>470,000</u>	<u>245,051</u>	<u>189,867</u>	<u>434,918</u>	<u>35,082</u>
Expenditures:					
Capital outlay:					
Other improvements		318,452	763,606	1,082,058	
Total expenditures	<u>1,521,672</u>	<u>318,452</u>	<u>763,606</u>	<u>1,082,058</u>	<u>439,614</u>
Revenues over (under) expenditures	<u>(1,051,672)</u>	<u>(73,401)</u>	<u>(573,739)</u>	<u>(647,140)</u>	<u>404,532</u>
Other financing sources (uses):					
Transfers in -					
From Capital Reserve	1,051,672	851,672	200,000	1,051,672	-
Total other financing sources	<u>1,051,672</u>	<u>851,672</u>	<u>200,000</u>	<u>1,051,672</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 778,271</u>	<u>(373,739)</u>	<u>\$ 404,532</u>	<u>\$ 404,532</u>
Fund Balance:					
Beginning of year, July 1			778,271		
End of year, June 30			<u>\$ 404,532</u>		

City of Jacksonville, North Carolina
Northeast Creek Bulkhead and Boardwalk Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		248,579	-	248,579	
Total expenditures	285,000	248,579	-	248,579	36,421
Revenues over (under) expenditures	(285,000)	(248,579)	-	(248,579)	36,421
Other financing sources (uses):					
Transfers in -					
From Capital Reserve	332,000	332,000	-	332,000	-
Transfers (out) -					
To Capital Reserve	(47,000)	-	(47,000)	(47,000)	-
Total other financing sources	285,000	332,000	(47,000)	285,000	-
Net change in fund balance	\$ -	\$ 83,421	(47,000)	\$ 36,421	\$ 36,421
Fund Balance:					
Beginning of year, July 1			83,421		
End of year, June 30			\$ 36,421		

City of Jacksonville, North Carolina
Montford Point PARTF Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
PART F Grant	\$ 330,000	\$ 330,000	\$ -	\$ 330,000	\$ -
Contributions	125,000	125,000	-	125,000	-
Total revenues	455,000	455,000	-	455,000	-
Expenditures:					
Capital outlay:					
Other improvements		405,000	-	405,000	
Refund to Grantor		-	50,000	50,000	
Total expenditures	455,000	405,000	50,000	455,000	-
Revenues over (under) expenditures	-	50,000	(50,000)	-	-
Net change in fund balance	\$ -	\$ 50,000	(50,000)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			50,000		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Digital Signage Western & North Gateway Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
JTDA Funding	\$ 350,000	\$ -	\$ -	\$ -	\$ (350,000)
Total revenues	350,000	-	-	-	(350,000)
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	350,000	-	-	-	350,000
Revenues over (under) expenditures	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Beirut Memorial Grove Sign Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual		Variance
	Authorization	Prior Years	Current Year	Positive (Negative)
Revenues:				
JTDA Funding	\$ 100,000	\$ -	\$ -	\$ (100,000)
Total revenues	100,000	-	-	(100,000)
Expenditures:				
Capital outlay:				
Other improvements		-	13,800	13,800
Total expenditures	100,000	-	13,800	86,200
Revenues over (under) expenditures	-	-	(13,800)	(13,800)
Net change in fund balance	\$ -	\$ -	(13,800)	\$ (13,800)
Fund Balance:				
Beginning of year, July 1			-	
End of year, June 30			\$ (13,800)	

City of Jacksonville, North Carolina
Tennis Court Resurfacing Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	68,591	68,591	
Total expenditures	68,590	-	68,591	68,591	(1)
Revenues over (under) expenditures	(68,590)	-	(68,591)	(68,591)	(1)
Other financing sources (uses):					
Transfers in -					
From Capital Reserve	82,000	82,000	-	82,000	-
Transfers (out) -					
To Capital Reserve	(13,410)	-	(13,409)	(13,409)	1
Total other financing sources	68,590	82,000	(13,409)	68,591	1
Net change in fund balance	\$ -	\$ 82,000	(82,000)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			82,000		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Sturgeon City Asbestos Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive
					(Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	50,000	-	-	-	50,000
Revenues over (under) expenditures	(50,000)	-	-	-	50,000
Other financing sources:					
Transfers in -					
From General Fund	50,000	50,000	-	50,000	-
Total other financing sources (uses)	50,000	50,000	-	50,000	-
Net change in fund balance	\$ -	\$ 50,000	-	\$ 50,000	\$ 50,000
Fund Balance:					
Beginning of year, July 1			50,000		
End of year, June 30			\$ 50,000		

City of Jacksonville, North Carolina
Kerr St Recreation Center Renovation Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	50,000	-	-	-	50,000
Revenues over (under) expenditures	(50,000)	-	-	-	50,000
Other financing sources:					
Transfers in -					
From General Fund	50,000	50,000	-	50,000	-
Total other financing sources (uses)	50,000	50,000	-	50,000	-
Net change in fund balance	\$ -	\$ 50,000	-	\$ 50,000	\$ 50,000
Fund Balance:					
Beginning of year, July 1			50,000		
End of year, June 30			\$ 50,000		

City of Jacksonville, North Carolina
Wayfinding Signs with TDA Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
JTDA Funding	\$ 50,000	\$ -	\$ -	\$ -	\$ (50,000)
Total revenues	50,000	-	-	-	(50,000)
Expenditures:					
Capital outlay:					
Other improvements		-	8,200	8,200	
Total expenditures	50,000	-	8,200	8,200	41,800
Revenues over (under) expenditures	-	-	(8,200)	(8,200)	(8,200)
Net change in fund balance	\$ -	\$ -	(8,200)	\$ (8,200)	\$ (8,200)
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ (8,200)		

City of Jacksonville, North Carolina
Barns Street Recreational Center Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	177,000	-	-	-	177,000
Revenues over (under) expenditures	(177,000)	-	-	-	177,000
Other financing sources:					
Transfers in -					
From Capital Reserve Fund	177,000	-	177,000	177,000	-
Total other financing sources (uses)	177,000	-	177,000	177,000	-
Net change in fund balance	\$ -	\$ -	177,000	\$ 177,000	\$ 177,000
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 177,000		

City of Jacksonville, North Carolina
Gateway Signs Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	5,300	-	
Total expenditures	100,000	-	5,300	5,300	94,700
Revenues over (under) expenditures	(100,000)	-	(5,300)	(5,300)	94,700
Other financing sources:					
Transfers in -					
From General Fund	100,000	-	100,000	100,000	-
Total other financing sources (uses)	100,000	-	100,000	100,000	-
Net change in fund balance	\$ -	\$ -	94,700	\$ 94,700	\$ 94,700
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 94,700		

City of Jacksonville, North Carolina
Sturgeon City Boardwalk Rehabilitation Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	15,000	-	-	-	15,000
Revenues over (under) expenditures	(15,000)	-	-	-	15,000
Other financing sources:					
Transfers in -					
From Capital Reserve Fund	15,000	-	15,000	15,000	-
Net change in fund balance	\$ -	\$ -	15,000	\$ 15,000	\$ 15,000
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 15,000		

City of Jacksonville, North Carolina
Piney Green Landscaping Improvements Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
NCDOT Pass Thru	\$ 467,833	\$ -	\$ -	\$ -	467,833
Total revenues	<u>467,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,833</u>
Expenditures:					
Capital outlay:					
Total expenditures	<u>467,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,833</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

City of Jacksonville, North Carolina
Jack Amyette Recreation Center Repairs Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
FEMA	\$ 87,750	\$ -	\$ -	\$ -	\$ 87,750
NC State Match	29,250	-	-	-	29,250
Total revenues	117,000	-	-	-	117,000
Expenditures:					
Capital outlay:					
Total expenditures	117,000	-	-	-	117,000
Revenues over (under) expenditures	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Train Depot Repairs Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
FEMA	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000
NC State Match	16,000	-	-	-	16,000
Total revenues	64,000	-	-	-	64,000
Expenditures:					
Capital outlay:					
Other improvements		-	7,500	7,500	
Total expenditures	64,000	-	7,500	7,500	56,500
Revenues over (under) expenditures	-	-	(7,500)	(7,500)	(7,500)
Net change in fund balance	\$ -	\$ -	(7,500)	\$ (7,500)	\$ (7,500)
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ (7,500)</u>		

City of Jacksonville, North Carolina
Jacksonville YMCA Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	29,697	29,697	
Total expenditures	40,000	-	29,697	29,697	10,303
Revenues over (under) expenditures	(40,000)	-	(29,697)	(29,697)	10,303
Other financing sources:					
Transfers in -					
From Capital Reserve	40,000	-	40,000	40,000	-
Total other financing sources (uses)	40,000	-	40,000	40,000	-
Net change in fund balance	\$ -	\$ -	10,303	\$ 10,303	\$ 10,303
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 10,303		

City of Jacksonville, North Carolina
City Hall HVAC System Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Total expenditures	78,629	-	-	-	78,629
Revenues over (under) expenditures	(78,629)	-	-	-	78,629
Other financing sources:					
Transfers in -					
From Internal Service Fund	78,629	-	78,629	78,629	-
Total other financing sources (uses)	78,629	-	78,629	78,629	-
Net change in fund balance	\$ -	\$ -	78,629	\$ 78,629	\$ 78,629
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 78,629		



WATER AND SEWER FUND

The Water and Sewer Fund is used to account for water and sewer operations in the City of Jacksonville that are financed through user charges.

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 27,839,762	\$ 28,552,562
Accounts receivable (net)	3,542,954	2,775,890
Interfund receivables	4,763,191	440,000
Inventories	232,472	277,930
Prepaid items	673	230
Total Current Assets	<u>36,379,052</u>	<u>32,046,612</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,507,295	983,167
Capital assets (net)	97,119,161	102,936,632
Total Noncurrent Assets	<u>98,626,456</u>	<u>103,919,799</u>
Total Assets	<u>135,005,508</u>	<u>135,966,411</u>
Deferred Outflows of Resources		
Deferred Charge related to Debt Refinancing	1,615,834	1,766,621
Contributions to pension plan in current fiscal year	941,311	636,773
Payments for OPEB in current fiscal year	13,090	16,529
Total Deferred Outflows of Resources	<u>2,570,235</u>	<u>2,419,923</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	1,003,315	1,348,732
Compensated absences payable-current	133,120	148,306
Installment purchases payable-current	554,563	574,002
Loans payable-current	3,112,441	3,112,441
Bonds payable-current	1,785,000	1,803,176
Total Current Liabilities	<u>6,588,439</u>	<u>6,986,657</u>
Noncurrent Liabilities:		
Compensated absences payable-noncurrent	71,938	75,298
Customer deposits	1,034,732	1,040,660
Total other postemployment benefits liability	53,611	66,633
Net pension liability	1,196,408	826,509
Installment purchases payable-noncurrent	6,411,504	6,190,315
Loans payable-noncurrent	32,645,419	35,757,859
Bonds payable-noncurrent	21,030,000	22,815,000
Total Noncurrent Liabilities	<u>62,443,612</u>	<u>66,772,274</u>
Total Liabilities	<u>69,032,051</u>	<u>73,758,931</u>
Deferred Inflows of Resources		
Unearned revenue	90,154	90,154
OPEB deferrals	16,609	10,387
Pension deferrals	91,185	113,654
Total Deferred Inflows of Resources	<u>197,948</u>	<u>214,195</u>
Net Position		
Net investment in capital assets	32,700,976	33,558,205
Restricted Public Works	386,553	108,801
Unrestricted	35,258,215	30,746,202
Total Net Position	<u>\$ 68,345,744</u>	<u>\$ 64,413,208</u>

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Operating revenues:		
Charges for services	\$ 24,481,121	\$ 22,962,438
Total operating revenues	<u>24,481,121</u>	<u>22,962,438</u>
Operating expenses:		
Water/Sewer Operations	7,390,161	7,415,038
Water Supply	2,247,713	2,170,431
Wastewater Treatment	2,616,920	2,432,670
Depreciation	<u>8,503,830</u>	<u>9,685,176</u>
Total operating expenses	<u>20,758,624</u>	<u>21,703,315</u>
Operating income	<u>3,722,497</u>	<u>1,259,123</u>
Nonoperating revenues (expenses):		
Investment earnings	613,773	378,972
Gain (loss) on sale of capital assets	35,785	147,064
Miscellaneous revenues	692,286	655,592
Interest on long-term debt	<u>(2,013,025)</u>	<u>(2,095,718)</u>
Total nonoperating (expenses)	<u>(671,181)</u>	<u>(914,090)</u>
Income (loss) before capital contributions and transfers	<u>3,051,316</u>	<u>345,033</u>
Capital contributions:		
NC Military Affairs Committee	<u>-</u>	<u>134,334</u>
Total capital contributions	<u>-</u>	<u>134,334</u>
Income (loss) before transfers	<u>3,051,316</u>	<u>479,367</u>
Transfers:		
Transfers in	1,031,220	702,342
Transfers (out)	<u>(150,000)</u>	<u>(25,000)</u>
Total transfers	<u>881,220</u>	<u>677,342</u>
Increase (Decrease) in Net Position	<u>3,932,536</u>	<u>1,156,709</u>
Change in Net Position		
Beginning of year, July 1	64,413,208	63,295,971
Prior period adjustment	<u>-</u>	<u>(39,472)</u>
Total net position, restated	<u>64,413,208</u>	<u>63,256,499</u>
End of year, June 30	<u><u>\$ 68,345,744</u></u>	<u><u>\$ 64,413,208</u></u>

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$ 23,679,703	\$ 22,962,110
Cash paid for goods and services	(6,602,209)	(5,819,273)
Cash paid to employees	(5,888,213)	(6,095,745)
Customer deposits	(5,928)	25,894
Miscellaneous revenues	692,286	655,592
Net cash provided by operating activities	<u>11,875,639</u>	<u>11,728,578</u>
Cash flows from noncapital financing activities:		
Transfers in	1,031,220	702,342
Transfers (out)	(150,000)	(25,000)
Advances to other funds	(4,323,191)	(440,000)
Net cash provided (used) by noncapital financing activities	<u>(3,441,971)</u>	<u>237,342</u>
Cash flows from capital and related financing activities:		
Capital contributions	-	134,334
Debt issued	837,822	447,999
Principal paid on long-term debt	(5,472,547)	(5,408,338)
Interest paid on long-term debt	(1,950,816)	(1,982,862)
Acquisition and construction of capital assets	(2,686,357)	(3,576,241)
Proceeds from sale of capital assets	35,785	41,000
Net cash provided (used) by capital and related financing activities	<u>(9,236,113)</u>	<u>(10,344,108)</u>
Cash flows from investing activities:		
Interest earned on investments	613,773	378,972
Net cash provided by investing activities	<u>613,773</u>	<u>378,972</u>
Net increase (decrease) in cash and cash equivalents	(188,672)	2,000,784
Cash and cash equivalents, July 1	<u>29,535,729</u>	<u>27,534,945</u>
Cash and cash equivalents, June 30	<u><u>\$ 29,347,057</u></u>	<u><u>\$ 29,535,729</u></u>

continued

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 3,722,497	\$ 1,259,123
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,503,830	9,685,176
Miscellaneous revenues	692,286	655,592
Bad debt expense	34,354	50,829
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(801,418)	(328)
(Increase) decrease in inventories	45,458	(38,057)
(Increase) decrease in prepaid items	(443)	(8)
(Increase) decrease in deferred outflows - pensions	(304,538)	415,476
(Increase) decrease in deferred outflows - OPEB	3,439	(16,529)
Increase (decrease) in accounts payable and accrued liabilities	(335,984)	102,986
Increase (decrease) in compensated absences payable	(18,546)	(6,100)
Increase (decrease) in deferred inflows - pensions	(22,469)	(4,242)
Increase (decrease) in deferred inflows - OPEB	6,222	10,387
Increase (decrease) pension liability	369,899	(409,746)
Increase (decrease) OPEB liability	(13,022)	(1,875)
Increase (decrease) in customer deposits	(5,928)	25,894
Total adjustments	<u>8,153,140</u>	<u>10,469,455</u>
Net cash provided by operating activities	<u>\$ 11,875,637</u>	<u>\$ 11,728,578</u>
Noncash investing, capital, and financing activities:		
Gain (loss) on noncash disposal of capital assets	\$ -	\$ 106,064
Amortization of deferral related to refunded debt	150,787	143,764
Amortization of debt premium	<u>77,441</u>	<u>30,908</u>
Total noncash investing, capital, and financing activities	<u>\$ 228,228</u>	<u>\$ 280,736</u>

City of Jacksonville, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for sales and services:				
Water sales	\$ 8,513,000	\$ 8,627,114	\$ 114,114	\$ 8,270,978
Water tap fees	10,000	9,200	(800)	1,550
Water system develop fees	-	374,226	374,226	87,457
Water Meter Purchases	22,000	23,261	1,261	5,392
Sewer sales	13,416,500	13,536,584	120,084	13,054,676
Sewer facility fees	-	519,368	519,368	146,397
Sewer grease trap violations	10,000	14,090	4,090	13,490
Late penalty charges	248,000	246,401	(1,599)	269,859
New account service charges	215,000	217,200	2,200	223,710
Inflow and Infiltration Fee	892,980	896,198	3,218	885,336
Onslow County leachate	13,000	13,179	179	-
Other operating revenue	4,000	4,300	300	3,593
Total	23,344,480	24,481,121	1,136,641	22,962,438
Nonoperating revenues:				
Interest earned on investments	558,863	613,773	54,910	378,972
Sale of capital assets	51,000	35,785	(15,215)	147,064
NC Military Affairs Committee	-	-	-	134,334
Miscellaneous revenue	522,931	692,286	169,355	655,592
Total	1,132,794	1,341,844	209,050	1,315,962
Total revenues	24,477,274	25,822,965	1,345,691	24,278,400
Expenditures:				
Water/Sewer operations				
Administration				
Salaries and employee benefits		202,318		169,016
Supplies		22,271		(1,229)
Insurance		2,199		2,007
Contracted services-info technology		30,514		43,734
Contracted services		28,895		46,104
Bad debt		34,354		50,829
Overhead allocation from General Fund		1,571,584		1,655,061
Other departmental expenditures		405,469		400,161
Total		2,297,604		2,365,683

continued

City of Jacksonville, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative)
			Actual
Engineering			
Salaries and employee benefits		\$ 535,004	\$ 639,186
Supplies		3,669	2,572
Insurance		2,935	2,512
Contracted services		309,605	260,935
Contracted services-info technology		65,299	65,133
Other departmental expenditures		43,401	45,320
Total		959,913	1,015,658
Metering distribution			
Salaries and employee benefits		239,694	227,043
Supplies		98,554	40,314
Insurance		2,699	4,466
Utilities		3,879	3,898
Maintenance and repair		3,404	2,256
Contracted services		7,533	7,091
Contracted services-info technology		23,890	24,425
Other departmental expenditures		33,527	36,459
Total		413,180	345,952
Utilities maintenance			
Salaries and employee benefits		1,566,618	1,629,883
Supplies		229,199	170,962
Insurance		32,177	28,711
Utilities		341,281	366,309
Maintenance and repair		935,872	711,983
Contracted services		260,714	407,914
Contracted services-info technology		79,632	78,160
Other departmental expenditures		273,971	293,823
Total		3,719,464	3,687,745
Total Water/Sewer operations	9,708,687	7,390,161	2,318,526
Water supply			
Salaries and employee benefits		865,451	816,722
Supplies		182,605	146,347
Insurance		67,059	67,931
Utilities		732,125	721,478
Maintenance and repair		149,997	197,559
Contracted services		99,034	92,195
Contracted services-info technology		54,150	53,735
Other departmental expenditures		97,292	74,464
Total water supply	2,924,823	2,247,713	677,110

continued

City of Jacksonville, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Wastewater treatment				
Salaries and employee benefits		\$ 928,529		\$ 946,205
Supplies		203,587		183,274
Insurance		33,639		34,683
Utilities		765,779		722,979
Maintenance and repair		91,054		102,392
Contracted services		309,422		139,384
Contracted services-info technology		54,150		56,992
Other departmental expenditures		230,760		246,761
Total wastewater treatment	<u>3,484,318</u>	<u>2,616,920</u>	<u>867,398</u>	<u>2,432,670</u>
Total	<u>16,117,828</u>	<u>12,254,794</u>	<u>3,863,034</u>	<u>12,018,139</u>
Budgetary appropriations:				
Interest paid	1,947,844	2,013,025	(65,181)	2,095,718
Debt principal	5,367,838	5,472,547	(104,709)	5,408,338
Increase (decrease) in inventory	-	(45,458)	45,458	38,057
(Increase) decrease in compensated absences payable	-	18,546	(18,546)	6,100
Increase (decrease) in prepaid expenditures	-	443	(443)	8
Debt issued	(803,385)	(837,822)	34,437	(447,999)
Appropriated retained earnings	(1,606,395)	-	(1,606,395)	-
Transfers (in) -				
From General Fund	-	-	-	(171,060)
From Water/Sewer Capital Projects	(1,502,046)	(1,502,044)	(2)	(699,632)
From Non-Major Governmental Funds	(47,868)	(190,094)	142,226	(452,408)
From Water/Sewer Capital Reserve	(300,000)	(300,000)	-	(187,000)
From Stormwater	-	(551,000)	551,000	(40,000)
From Powell Bill	-	(290,126)	290,126	(38,874)
Transfers out -				
To Water/Sewer Capital Projects	5,153,458	5,153,458	-	-
To Special Revenue Fund	100,000	100,000	-	-
To Non-Major Internal Service Funds	50,000	50,000	-	25,000
Capital outlay	-	569,997	(569,997)	525,449
Total budgetary appropriations	<u>8,359,446</u>	<u>9,661,472</u>	<u>(1,302,026)</u>	<u>6,061,697</u>
Total expenditures	<u>\$ 24,477,274</u>	<u>\$ 21,916,266</u>	<u>\$ 2,561,008</u>	<u>\$ 18,079,836</u>
Transfers in	\$ 2,833,264	Transfers out		\$ 5,303,458
Transfers within the Water/Sewer Fund	(1,802,044)	Transfers within the Water/Sewer Fund		(5,153,458)
Exhibit G	<u>\$ 1,031,220</u>	Exhibit G		<u>\$ 150,000</u>

continued

City of Jacksonville, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Actual
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues		\$ 25,822,965	\$ 24,278,400
Total expenditures		21,916,266	18,079,836
Excess of revenues over (under) expenditures		3,906,699	6,198,564
Budgetary appropriations (above):			
Payment of debt principal		5,472,547	5,408,338
Debt issued		(837,822)	(447,999)
Increase (decrease) in inventory		(45,458)	38,057
(Increase) decrease in compensated absences payable		18,546	6,100
Increase (decrease) in prepaid expenditures		443	8
Capital outlay		569,997	525,449
Transfers		3,351,414	(886,632)
Total budgetary appropriations		8,529,667	4,643,321
Depreciation (Statement 43)		(8,503,830)	(9,685,176)
Increase (decrease) in net position (Statement 43)		\$ 3,932,536	\$ 1,156,709

Note: Prepared on the budgetary basis, which is modified accrual.

City of Jacksonville, North Carolina
Water Capital Projects Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ 63,516	\$ 63,516	\$ -	\$ 63,516	\$ -
ONWASA	124,000	120,179	-	120,179	(3,821)
Water Interconnect - Camp Lejeune	71,250	-	-	-	(71,250)
NC Dept. of Commerce	125,000	125,000	-	125,000	-
NC Military Affairs	134,334	134,334	-	134,334	-
Water/Sewer Contributions	200,000	-	-	-	(200,000)
Contractor reimbursement	426,298	426,298	-	426,298	-
Total revenues	1,144,398	869,327	-	869,327	(275,071)
Expenditures:					
Water Treatment Plant	46,051,067	44,240,014	4,112	44,244,126	1,806,941
Water Interconnection MCBCL	142,500	-	-	-	142,500
Piney Green & 17 Water Service Area	2,654,500	903,784	-	903,784	1,750,716
Commerce Grant - Test Well	517,000	371,777	-	371,777	145,223
Blue Creek School Road Improvement	340,000	41,400	-	41,400	298,600
Rehabilitation to Wells 1 & 5	88,000	71,010	-	71,010	16,990
Black Creek Water Wells	30,000	-	18,054	18,054	11,946
Marine Blvd Water	175,700	41,770	1,213	42,983	132,717
Indian Dr Booster Renovation	1,063,200	651,108	176,860	827,968	235,232
Isolation Valve NW & Ellis	84,300	-	82,381	82,381	1,919
Well & Wellhouse Upgrade	526,500	46,165	24,912	71,077	455,423
Water Plant Chem Tank	274,000	23,781	6,169	29,950	244,050
Jax Commons Water Line	50,000	7,110	36,336	43,446	6,554
Castle Hayne Monitor Well	483,000	-	-	-	483,000
Total expenditures	52,479,767	46,397,919	350,037	46,747,956	5,731,811
Revenues over (under) expenditures	(51,335,369)	(45,528,592)	(350,037)	(45,878,629)	5,456,740
Other financing sources (uses):					
Debt issued -					
Installment purchases	1,992,152	1,992,152	-	1,992,152	-
Loans payable - SRF	39,995,263	38,589,527	-	38,589,527	(1,405,736)
Revenue bonds	4,859,716	4,958,318	(98,602)	4,859,716	-
Transfers in -					
From Water/Sewer Fund	7,092,172	5,919,604	1,065,302	6,984,906	(107,266)
From Water/Sewer Capital Reserve	16,990	16,990	-	16,990	-
Transfers (out) -					
To Water/Sewer Fund	(2,620,924)	(2,592,624)	(28,300)	(2,620,924)	-
Total other financing sources	51,335,369	48,883,967	938,400	49,822,367	(1,513,002)
Excess of revenues and other sources over (under) expenditures	\$ -	\$ 3,355,375	588,363	\$ 3,943,738	\$ 3,943,738
Fund Balance					
Beginning of year, July 1			3,355,375		
End of year, June 30			\$ 3,943,738		

City of Jacksonville, North Carolina
Sewer Capital Projects Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Interest Powell Bill	\$ 504	\$ 928	\$ 2,316	\$ 3,244	\$ 2,740
NCDOT - Reimbursement	315,000	-	-	-	(315,000)
Total revenues	315,504	928	2,316	3,244	(312,260)
Expenditures:					
Public Service Complex Phase II	527,542	487,768	10,888	498,656	28,886
Western Trunk Sewer Lower	37,435,500	2,604,720	-	2,604,720	34,830,780
Piney Green Sewer w/ ONWASA	3,881,009	3,237,375	-	3,237,375	643,634
SCADA Upgrade	895,979	895,980	-	895,980	(1)
NCDOT Sewer Relocation PG Rd.	388,028	255,614	-	255,614	132,414
FY15 Inflow/Infiltration	793,826	793,825	-	793,825	1
Automated Screen LTS	1,009,557	969,185	-	969,185	40,372
US 17 N Water/Sewer Extensions	734	734	-	734	-
Bio-dredging Sludge Removal	285,662	285,662	-	285,662	-
FY18 Inflow/Infiltration	724,032	110,551	378,710	489,261	234,771
Holiday City Lift Station	866,000	28,700	5,013	33,713	832,287
Henderson Dr Infrastructure Improvement	1,963,424	124,678	1,091,219	1,215,897	747,527
New Bridge Infrastructure	1,902,615	51,507	205,306	256,813	1,645,802
Biofilter Upgrade	36,879	36,879	-	36,879	-
LTS Phase II Aeration Upgrade	791,097	791,098	-	791,098	(1)
LTS South Lagoon Baffle	117,000	7,750	-	7,750	109,250
Woodlands RR W/S Service	74,000	-	-	-	74,000
Western & Gum Branch	78,607	8,355	-	8,355	70,252
Util Reloc NC53 & Jacksonville Pky	20,000	-	-	-	20,000
UT RL Gum Branch Rd Wide	108,000	-	-	-	108,000
UT RL US17B (Marine Blvd)	189,500	-	-	-	189,500
UT RL 258 to Burgaw Hwy	330,000	-	-	-	330,000
UT RL Commerce to PG Rd	371,700	-	-	-	371,700
Brynn Marr Force Main Rel	500,000	-	50,784	50,784	449,216
Inflow & Infiltration FY20	70,000	-	-	-	70,000
Decatur Lift Station Elim	276,000	-	4,150	4,150	271,850
Ellis Pump Station Upgrade	804,121	-	-	-	804,121
Communicatin Improvement SCADA	101,021	-	20,253	20,253	80,768
Total expenditures	54,541,833	10,690,381	1,766,323	12,456,704	42,085,129
Revenues (under) expenditures	(54,226,329)	(10,689,453)	(1,764,007)	(12,453,460)	41,772,869
Other financing sources (uses):					
Debt issued -					
Revenue bonds	34,415,580	187,394	158,185	345,579	(34,070,001)
Transfers in -					
From Water/Sewer Fund	21,198,709	17,045,552	4,088,157	21,133,709	(65,000)
From General Fund	171,060	171,060	-	171,060	-
From Capital Projects-Powell Bill	398,000	107,874	290,126	398,000	-
From Stormwater	591,000	40,000	551,000	591,000	-
From General Capital Reserve	936,701	793,912	142,788	936,700	(1)
Transfers (out) -					
To Water/Sewer Fund	(3,100,749)	(1,627,003)	(1,473,745)	(3,100,748)	1
To General Capital Reserve	(383,972)	(383,972)	-	(383,972)	-
Total other financing sources	54,226,329	16,334,817	3,756,511	20,091,328	34,135,001
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	\$ 5,645,364	1,992,504	\$ 7,637,868	\$ 7,637,868
Fund Balance					
Beginning of year, July 1			5,645,364		
End of year, June 30			<u>\$ 7,637,868</u>		

City of Jacksonville, North Carolina
Water and Sewer Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Water System Development Fee	\$ 380,000	\$ 86,437	\$ 374,226	\$ 460,663	\$ 80,663
Sewer System Development Fee	600,000	146,397	519,368	665,765	65,765
Investment earnings	514,094	490,058	29,394	519,452	5,358
Total revenues	1,494,094	722,892	922,988	1,645,880	151,786
Expenditures:					
Water supply and distribution	1,010,934	-	-	-	1,010,934
Sewage collection and treatment	988,066	-	-	-	988,066
Total expenditures	1,999,000	-	-	-	1,999,000
Revenues over (under) expenditures	(504,906)	722,892	922,988	1,645,880	2,150,786
Other financing sources (uses):					
Transfers in -					
From Water/Sewer Fund	1,988,954	1,988,954	-	1,988,954	-
From Water/Sewer Capital Projects	2,062,326	2,062,326	-	2,062,326	-
Transfers (out) -					
To Water/Sewer Fund	(987,000)	(687,000)	(300,000)	(987,000)	-
To Water Capital Projects	(270,291)	(270,291)	-	(270,291)	-
To Sewer Capital Projects	(1,249,083)	(1,249,083)	-	(1,249,083)	-
To General Capital Reserve Fund	(1,040,000)	(1,040,000)	-	(1,040,000)	-
Total other financing sources (uses)	504,906	804,906	(300,000)	504,906	-
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 1,527,798</u>	622,988	<u>\$ 2,150,786</u>	<u>\$ 2,150,786</u>
Fund Balance					
Beginning of year, July 1			1,527,798		
End of year, June 30			<u>\$ 2,150,786</u>		

SOLID WASTE FUND

The Solid Waste Fund is used to account for solid waste collection operations in the City of Jacksonville that are financed through user charges.

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 62,225	\$ 11,806
Accounts receivable (net)	414,305	403,547
Interfund receivables	240,000	-
Total Current Assets	<u>716,530</u>	<u>415,353</u>
Non-current Assets:		
Restricted cash and cash equivalents	673,013	722,284
Capital assets (net)	1,183,208	1,420,252
Total Noncurrent Assets	<u>1,856,221</u>	<u>2,142,536</u>
Total Assets	<u>2,572,751</u>	<u>2,557,889</u>
Deferred Outflows of Resources		
Contributions to pension plan in current fiscal year	387,944	248,069
OPEB Deferrals	13,090	16,529
Total deferred outflows of resources	<u>401,034</u>	<u>264,598</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	213,706	203,982
Compensated absences payable - current	61,584	63,290
Installment purchases payable - current	491,565	518,615
Total Current Liabilities	<u>766,855</u>	<u>785,887</u>
Noncurrent Liabilities:		
Compensated absences payable - noncurrent	38,837	33,146
Total OPEB liability	53,610	66,633
Net pension liability	503,891	333,995
Installment purchases payable - noncurrent	975,573	856,881
Total Noncurrent Liabilities	<u>1,571,911</u>	<u>1,290,655</u>
Total Liabilities	<u>2,338,766</u>	<u>2,076,542</u>
Deferred Inflows of Resources		
OPEB deferrals	16,608	10,387
Pension deferrals	6,110	16,430
Total deferred inflows of resources	<u>22,718</u>	<u>26,817</u>
Net Position		
Net investment in capital assets	403,938	788,097
Unrestricted	208,363	(68,969)
Total Net Position	<u>\$ 612,301</u>	<u>\$ 719,128</u>

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Operating revenues:		
Charges for services	\$ 4,823,826	\$ 4,775,951
Total operating revenues	<u>4,823,826</u>	<u>4,775,951</u>
Operating expenses:		
Solid Waste Operations	5,232,190	5,061,026
Depreciation	<u>521,800</u>	<u>535,815</u>
Total operating expenses	<u>5,753,990</u>	<u>5,596,841</u>
Operating income (loss)	<u>(930,164)</u>	<u>(820,890)</u>
Nonoperating revenues (expenses):		
Investment earnings	8,086	6,353
Gain (loss) on sale of capital assets	38,100	(21,995)
Restricted revenue - State	54,047	52,012
Miscellaneous revenue	379	44,847
Interest on long-term debt	<u>(30,688)</u>	<u>(22,743)</u>
Total nonoperating revenues (expenses)	<u>69,924</u>	<u>58,474</u>
Income (loss) before contributions and transfers	<u>(860,240)</u>	<u>(762,416)</u>
Transfers:		
Transfers in	<u>753,413</u>	<u>792,192</u>
Total transfers	<u>753,413</u>	<u>792,192</u>
Change in Net Position	<u>(106,827)</u>	<u>29,776</u>
Net Position:		
Beginning of year, July 1	719,128	731,641
Restatement	-	(42,289)
Total net position, restated	<u>719,128</u>	<u>689,352</u>
End of year, June 30	<u>\$ 612,301</u>	<u>\$ 719,128</u>

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers	\$ 4,808,538	\$ 4,746,733
Cash paid for goods and services	(3,004,167)	(2,829,734)
Cash paid to employees	(2,192,483)	(2,227,968)
Miscellaneous revenue	379	347
Net cash provided (used) by operating activities	<u>(387,733)</u>	<u>(310,622)</u>
Cash flows from noncapital financing activities:		
Transfers in	753,413	792,192
Advances (to) other funds	(240,000)	-
Restricted Intergovernmental - State	<u>54,047</u>	<u>52,012</u>
Net cash provided by noncapital financing activities	<u>567,460</u>	<u>844,204</u>
Cash flows from capital and related financing activities:		
Debt issued	666,762	721,518
Principal paid on long-term debt	(575,121)	(618,692)
Interest paid on long-term debt	(31,650)	(22,743)
Purchase of capital assets	(284,756)	(739,522)
Proceeds from sale of assets	<u>38,100</u>	<u>66,300</u>
Net cash (used) by capital and related financing activities	<u>(186,665)</u>	<u>(593,139)</u>
Cash flows from investing activities:		
Interest earned on investments	<u>8,086</u>	<u>6,353</u>
Net cash provided by investing activities	<u>8,086</u>	<u>6,353</u>
Net increase (decrease) in cash and cash equivalents	1,148	(53,204)
Cash and cash equivalents, July 1	<u>734,090</u>	<u>787,294</u>
Cash and cash equivalents, June 30	<u><u>\$ 735,238</u></u>	<u><u>\$ 734,090</u></u>

continued

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (930,164)	\$ (820,890)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation	521,800	535,815
Pension (income) expense	19,701	604
Miscellaneous revenue	379	347
Bad debt expense	4,530	(7,942)
Change in assets, deferred outflow of resources, liabilities, and deferred inflow of resources:		
(Increase) decrease in accounts receivable	(15,288)	(29,218)
(Increase) decrease in deferred outflows - pensions	(159,576)	168,042
(Increase) decrease in deferred outflows - OPEB	3,439	(16,529)
Increase (decrease) in net pension liability	169,896	(166,320)
Increase (decrease) in accounts payable and accrued liabilities	10,687	23,191
Increase (decrease) in compensated absences payable	3,985	(4,512)
Increase (decrease) in deferred inflows - pensions	(10,320)	(1,722)
Increase (decrease) in deferred inflows - OPEB	6,221	10,387
Increase (decrease) in OPEB liability	(13,023)	(1,875)
Total adjustments	<u>542,431</u>	<u>510,268</u>
Net cash provided (used) by operating activities	<u>\$ (387,733)</u>	<u>\$ (310,622)</u>

City of Jacksonville, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for sales and services:				
Commercial fees	\$ 1,500,000	\$ 1,507,872	\$ 7,872	\$ 1,503,420
Residential fees	2,116,000	2,116,770	770	2,104,930
Recycling revenues	-	611	611	202
Other operating revenues	1,187,900	1,198,573	10,673	1,167,399
Total operating revenues	4,803,900	4,823,826	19,926	4,775,951
Nonoperating revenues:				
Restricted revenue - State	50,000	54,047	4,047	52,012
Gain (Loss) on sale of capital assets	38,000	38,100	100	(21,995)
Miscellaneous revenue	250	379	129	44,847
Interest earned on investments	4,185	8,086	3,901	6,353
Total nonoperating revenues	92,435	100,612	8,177	81,217
Total revenues	4,896,335	4,924,438	28,103	4,857,168
Expenditures:				
Solid Waste Disposal				
Salaries and employee benefits		1,551,638		1,605,127
Unleaded/on road diesel fuel		145,919		135,379
Supplies		81,788		83,569
Vehicle maintenance and repair		375,812		385,683
Contracted services - landfill		1,817,570		1,682,547
Contracted services - internal services		85,430		75,161
Bad debt		4,530		(7,942)
Overhead allocation from General Fund		346,265		332,747
Other expenditures		79,501		107,360
Total Solid Waste Disposal (Residential)	4,880,399	4,488,453	391,946	4,399,631
Commercial Dumpster Collection				
Salaries and employee benefits		314,903		278,169
Unleaded/on road diesel fuel		85,484		79,478
Vehicle maintenance and repair		272,419		226,136
Contracted services - internal services		15,927		16,283
Other expenditures		55,004		61,329
Total Commercial Dumpster Collection	808,855	743,737	65,118	661,395
Total	5,689,254	5,232,190	457,064	5,061,026

continued

City of Jacksonville, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenses--
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	<u>2019</u>			<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Budgetary appropriations:				
Interest paid	\$ 33,696	\$ 30,688	\$ 3,008	\$ 22,743
Debt principal	621,455	575,121	46,334	618,692
Decr. (Incr.) in compensated absences payable	-	(3,985)	3,985	4,512
Debt issued	(666,762)	(666,762)	-	(721,518)
Transfers (in) -				
From General Fund	(1,462,860)	(753,413)	(709,447)	(792,192)
Capital outlay	668,768	284,756	384,012	739,522
Appropriated retained earnings	12,784	-	12,784	-
	<u>(792,919)</u>	<u>(533,595)</u>	<u>(259,324)</u>	<u>(128,241)</u>
Total budgetary appropriations				
	<u>\$ 4,896,335</u>	<u>\$ 4,698,595</u>	<u>\$ 197,740</u>	<u>\$ 4,932,785</u>

Reconciliation of modified accrual basis to full accrual basis:

Total revenues	\$ 4,924,438	\$ 4,857,168
Total expenditures	<u>4,698,595</u>	<u>4,932,785</u>
Excess of revenues over (under) expenditures	<u>225,843</u>	<u>(75,617)</u>
Budgetary appropriations (above):		
Payment of debt principal	575,121	618,692
Debt issued	(666,762)	(721,518)
Decrease (Increase) in compensated absences payable	(3,985)	4,512
Capital outlay	<u>284,756</u>	<u>739,522</u>
Total budgetary appropriations	<u>189,130</u>	<u>641,208</u>
Depreciation (Statement 50)	<u>(521,800)</u>	<u>(535,815)</u>
Change in Net Position (Statement 50)	<u>\$ (106,827)</u>	<u>\$ 29,776</u>

Note: Prepared on the budgetary basis, which is modified accrual.



STORMWATER FUND

The Stormwater Fund is used to account for funds used in the construction of facilities to manage storm water runoff and maintain storm water ditches.

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Comparative Statements of Net Position
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,747,787	\$ 3,040,184
Accounts receivable (net)	<u>336,019</u>	<u>201,794</u>
Total Current Assets	<u>3,083,806</u>	<u>3,241,978</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	219,164	212,231
Capital assets (net)	<u>6,859,844</u>	<u>6,715,244</u>
Total Noncurrent Assets	<u>7,079,008</u>	<u>6,927,475</u>
Total Assets	<u>10,162,814</u>	<u>10,169,453</u>
Deferred Outflows of Resources		
Contributions to pension plan	<u>249,988</u>	<u>160,954</u>
Total Deferred Outflows of Resources	<u>249,988</u>	<u>160,954</u>
Liabilities		
Current Liabilities:		
Accounts payable and		
accrued liabilities	135,634	49,220
Compensated absences - current	46,759	40,713
Interfund payable	111,020	-
Installment purchases payable-current	595,342	546,894
Loans payable-current	<u>23,899</u>	<u>23,899</u>
Total Current Liabilities	<u>912,654</u>	<u>660,726</u>
Noncurrent Liabilities:		
Compensated absences payable	5,710	24,877
Net Pension Liability	318,023	209,880
Installment purchases payable-noncurrent	528,284	924,898
Loans payable-noncurrent	<u>324,464</u>	<u>348,363</u>
Total Noncurrent Liabilities	<u>1,176,481</u>	<u>1,508,018</u>
Total Liabilities	<u>2,089,135</u>	<u>2,168,744</u>
Deferred Inflows of Resources		
Pension Deferral	<u>18,093</u>	<u>24,662</u>
Total deferred inflows of resources	<u>18,093</u>	<u>24,662</u>
Net Position		
Net investment in capital assets	5,607,019	5,083,421
Unrestricted	<u>2,698,555</u>	<u>3,053,580</u>
Total Net Position	<u>\$ 8,305,574</u>	<u>\$ 8,137,001</u>

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Total operating revenues	\$ 3,020,849	\$ 3,025,219
Operating expenses:		
Stormwater/Water Quality Operations	2,236,169	2,064,367
Depreciation	424,733	377,993
Total operating expenses	2,660,902	2,442,360
Operating income	359,947	582,859
Nonoperating revenues (expenses):		
Investment earnings	62,081	31,328
Gain (loss) on sale of capital assets	45,056	-
Restricted - State	303,353	7,843
Tax rebate - Build America Bond interest	(304)	16,315
Miscellaneous	66,159	220,422
Interest on long-term debt	(41,634)	(54,208)
Total nonoperating revenues (expenses)	434,711	221,700
Income (loss) before contributions and transfers	794,658	804,559
Operating transfers		
Transfers (out)	(626,085)	(115,085)
Total transfers	(626,085)	(115,085)
Change in Net Position	168,573	689,474
Net position:		
Beginning of year, July 1	8,137,001	7,447,527
End of year, June 30	<u>\$ 8,305,574</u>	<u>\$ 8,137,001</u>

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$ 2,882,985	\$ 3,044,676
Cash paid for goods and services	(577,915)	(592,184)
Cash paid to employees	(1,569,032)	(1,470,496)
Miscellaneous revenue	369,512	228,265
Net cash provided by operating activities	<u>1,105,550</u>	<u>1,210,261</u>
Cash flows from noncapital financing activities:		
Advances from other funds	111,020	-
Transfers in (out)	(626,085)	(115,085)
Net cash (used) by noncapital financing activities	<u>(515,065)</u>	<u>(115,085)</u>
Cash flows from capital and related financing activities:		
Debt issued	217,128	212,006
Principal paid on long term debt	(589,193)	(564,061)
Interest paid on long term debt	(41,384)	(54,208)
Tax rebate - Build America Bond interest	(304)	16,315
Acquisition and construction of capital assets	(569,333)	(207,143)
Sale of capital assets	45,056	-
Net cash (used) by capital and related financing activities	<u>(938,030)</u>	<u>(597,091)</u>
Cash flows from investing activities:		
Interest earned on investments	62,081	31,328
Net cash provided by investing activities	<u>62,081</u>	<u>31,328</u>
Net increase (decrease) in cash and cash equivalents	(285,464)	529,413
Cash and cash equivalents, July 1	3,252,415	2,723,002
Cash and cash equivalents, June 30	<u>\$ 2,966,951</u>	<u>\$ 3,252,415</u>
Reconciliation to Statement 53:		
Cash and cash equivalents	\$ 2,747,787	\$ 3,040,184
Restricted cash and cash equivalents	219,164	212,231
	<u>\$ 2,966,951</u>	<u>\$ 3,252,415</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income	<u>\$ 359,947</u>	<u>\$ 582,859</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	424,733	377,993
Pension (Income) Expense	12,540	372
Miscellaneous revenue	369,512	228,265
Bad debt expense	3,639	1,442
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(137,864)	19,457
Increase (decrease) in accounts payable	86,164	(4,367)
Increase (decrease) in compensated absences payable	(13,121)	4,240
Total adjustments	<u>745,603</u>	<u>627,402</u>
Net cash provided by operating activities	<u>\$ 1,105,550</u>	<u>\$ 1,210,261</u>

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Commercial fees	\$ 2,149,000	\$ 2,153,432	\$ 4,432	\$ 2,152,180
Residential fees	820,000	823,608	3,608	821,334
Permits and fees	51,056	43,809	(7,247)	51,705
Total operating revenues	3,020,056	3,020,849	793	3,025,219
Nonoperating revenues:				
Interest earned on investments	47,826	62,081	14,255	31,328
Restricted - State	-	303,353	303,353	7,843
Sale of capital assets	40,000	45,056	5,056	-
Tax rebate - Build America Bond interest	20,640	(304)	(20,944)	16,315
Miscellaneous revenue	19,645	66,159	46,514	220,422
Total nonoperating revenues	128,111	476,345	348,234	275,908
Total revenues	3,148,167	3,497,194	349,027	3,301,127
Expenditures:				
Stormwater/Water Quality				
Salaries and employee benefits		1,248,622		1,158,776
Supplies		47,637		39,297
Insurance		20,396		16,151
Maintenance and repair		4,655		4,202
Contracted services		225,173		173,943
Contracted services-internal service		94,557		91,482
Bad debt		3,639		1,442
Overhead allocation from General Fund		319,829		316,332
Other expenditures		271,661		262,742
Total	2,326,233	2,236,169	90,064	2,064,367
Budgetary appropriations:				
Interest paid	46,835	41,634	5,201	54,208
Debt principal	610,022	589,193	20,829	564,062
(Increase) decrease in compensated absences payable	-	13,121	(13,121)	(4,240)
Debt issued	(274,274)	(217,128)	(57,146)	(212,006)
Transfers (in) -				
From Stormwater Capital Projects	(56)	(56)	-	(420,457)
Transfers out -				
To General Fund	75,085	75,085	-	75,085
To Stormwater Capital Projects	42,540	42,540	-	599,470
To Water Sewer Capital Projects	551,000	551,000	-	40,000
Capital outlay	483,387	471,397	11,990	129,965
Appropriated retained earnings	(712,605)	-	(712,605)	-
Total budgetary appropriations	821,934	1,566,786	(744,852)	826,087
Total expenditures	\$ 3,148,167	\$ 3,802,955	\$ (654,788)	\$ 2,890,454
Transfers in	\$ 56	Transfers out		\$ 668,625
Transfers within the Stormwater Fund	(56)	Transfers within the Stormwater Fund		(42,540)
Exhibit G	\$ -	Exhibit G		\$ 626,085

continued

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Variance Positive (Negative)
			Actual
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues		\$ 3,497,194	\$ 3,301,127
Total expenditures		3,802,955	2,890,454
Excess of revenues over (under) expenditures		(305,761)	410,673
Budgetary appropriations (above):			
Payment of debt principal		589,193	564,062
Debt issued		(217,128)	(212,006)
(Increase) decrease in compensated absences payable		13,121	(4,240)
Transfers		42,484	179,013
Capital outlay		471,397	129,965
Total budgetary appropriations		899,067	656,794
Depreciation (Statement 54)		(424,733)	(377,993)
Change in Net Position (Statement 54)		\$ 168,573	\$ 689,474

Note: Prepared on the budgetary basis, which is modified accrual.

City of Jacksonville, North Carolina
Stormwater/Water Quality Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Miscellaneous revenue	\$ 677,820	\$ 258,543	\$ 354,353	\$ 612,896	\$ (64,924)
Total revenues	677,820	258,543	354,353	612,896	(64,924)
Expenditures:					
Capital outlay:					
Downtown Central/Wilson Bay	859,989	511,583	-	511,583	348,406
Center Street Area	305,033	144,575	3,480	148,055	156,978
New River Oyster Hwy	669,000	116,845	193,177	310,022	358,978
Wardola-Thompson Creek	490,000	65,326	55,494	120,820	369,180
Bayshore Rain Garden	25,000	-	-	-	25,000
Leonard St Culvert Repair	42,540	-	38,962	38,962	3,578
Total expenditures	2,391,562	838,329	291,113	1,129,442	1,262,120
Revenues over (under) expenditures	(1,713,742)	(579,786)	63,240	(516,546)	1,197,196
Other financing sources (uses):					
Debt issued -					
Loans payable - SRF	1,331,110	443,961	-	443,961	(887,149)
Transfers in -					
From Proprietary Fund	828,145	785,605	42,540	828,145	-
Transfers (out) -					
To Proprietary Fund	(445,513)	(445,457)	(56)	(445,513)	-
Total other financing sources (uses)	1,713,742	784,109	42,484	826,593	(887,149)
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ 204,323	105,724	\$ 310,047	\$ 310,047
Fund Balance:					
Beginning of year, July 1			204,323		
End of year, June 30			\$ 310,047		



NON-MAJOR FUNDS

- Non-Major Governmental Funds
- Internal Service Funds



NON-MAJOR GOVERNMENTAL FUNDS

The Non-Major Governmental Combining Statements show a combined total for all non-major governmental funds.

INDIVIDUAL FUND DESCRIPTIONS

Community Development Fund:

Community Development Block Grant (CDBG) – accounts for the revenues and expenditures of Community Development Block Grant programs.

NCHFA/HOME/Affordable Housing Construction Project – accounts for the revenues and expenditures of the Affordable Housing Construction Project.

Law Enforcement Grants Fund:

School Resource Officer Grant – accounts for the revenues and expenditures of the School Resource Officer Program.

School Resource Officer – Elementary School Grant – accounts for the revenues and expenditures of the School Resource Officer Program.

Bulletproof Vest Grant – accounts for the revenues and expenditures of the Bulletproof Vest Grant Program.

Federal DEA Project – accounts for the revenues and expenditures of the Federal Drug Enforcement Administration Project.

State DEA Project – accounts for the revenues and expenditures of the State Drug Enforcement Administration Project.

800 MHz Radio System Grant – accounts for the revenues and expenditures of the 800 MHz Radio System Grant Program.

Governor's Highway Safety Program Grant - Bike Safety FY18 – accounts for the revenues and expenditures of the 2017 Governor's Highway Safety Grant Bike Safety Program.

Governor's Highway Safety Program Grant - Bike Safety FY19 – accounts for the revenues and expenditures of the 2018 Governor's Highway Safety Grant Bike Safety Program.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Law Enforcement Grants Fund continued:

Governor's Crime Commission Crisis Counselor FY18 – accounts for the revenues and expenditures of the Governor's Crime Commission Crisis Counselor for FY18.

JAG Electronic Monitor Equipment – accounts for the revenues and expenditures of the JAG Electronic Monitor Equipment Project.

E-911 Fund:

Emergency Telephone System – accounts for the revenues and expenditures of the Enhanced 911 Operation.

Transportation Fund:

City Transportation Project – accounts for the revenues and expenditures of the City Transportation Project.

Transit Project ARRA Fund – accounts for the revenues and expenditures of the Transit Project funded by the American Recovery and Reinvestment Act.

Transit Park & Ride – accounts for the revenues and expenditures of the Transit Park & Ride Project.

NCDOT Intern Program – accounts for the revenues and expenditures of the North Carolina Department of Transportation Intern Program.

Non-Capitalized Projects Fund:

Downtown Revitalization – accounts for the revenues and expenditures of the Downtown Revitalization Project.

Intelligent Transportation System – accounts for the revenues and expenditures of the Intelligent Transportation System.

Coastal Community Action Rehabilitation Project – accounts for the revenues and expenditures of the Coastal Community Action Rehabilitation Project.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Street Improvements Fund:

Streets Powell Bill Capital Project – accounts for the funds used in the rehabilitation of streets primarily funded by Powell Bill revenues.

Developer Contributed Sidewalks Project – accounts for the revenues and expenditures of the Developer Contributed Sidewalks Project

FY16 Sidewalk Installation Project – accounts for the revenues and expenditures of the FY16 Sidewalk Installation Project.

FY18 Sidewalk Installation Project – accounts for the revenues and expenditures of the FY18 Sidewalk Installation Project.

FY17 Street Rehabilitation – accounts for the revenues and expenditures of the FY17 Street Rehabilitation.

FY18 Street Rehabilitation – accounts for the revenues and expenditures of the FY18 Street Rehabilitation.

FY19 Street Rehabilitation – accounts for the revenues and expenditures of the FY19 Street Rehabilitation.

NC DOT TIP Sidewalks – Piney Green Road Project – accounts for the revenues and expenditures of the NC DOT TIP Sidewalks – Piney Green Road Project.

Carolina Forest Blvd Rehab Project – accounts for the revenues and expenditures of the Carolina Forest Blvd Rehab Powell Bill Project.

FY19 Pedestrian Improvement – accounts for the revenues and expenditures of the FY19 Pedestrian Improvement Project.

General Capital Reserve Fund – accounts for funds reserved by City Council for future capital improvements.

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Community Development		Law Enforcement Grants	
		NCHFA/HOME/ Affordable Housing Construction	School Resource Officer	School Resource Officer Elementary School
Assets	CDBG			
Cash and cash equivalents	\$ -	\$ -	\$ 391,846	\$ 77,933
Restricted cash and cash equivalents	39,998	240,167	-	-
Accounts receivable	27,188	-	-	-
Interfund receivable	-	-	-	-
Prepaid Items	-	-	1,650	825
Notes receivable, net	1,404,595	107,320	-	-
Total Assets	\$ 1,471,781	\$ 347,487	\$ 393,496	\$ 78,758
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 67,653	\$ -	\$ 5,950	\$ 4,076
Interfund payable	-	-	-	-
Total Liabilities	67,653	-	5,950	4,076
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	1,650	825
Restricted:				
Streets	-	-	-	-
Public Safety	-	-	-	-
Community Development	1,404,128	347,487	-	-
Committed:				
Public Safety	-	-	385,896	73,857
Community Development	-	-	-	-
Economic Development	-	-	-	-
Capital Projects	-	-	-	-
Unrestricted	-	-	-	-
Total Fund Balance (deficit)	1,404,128	347,487	387,546	74,682
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,471,781	\$ 347,487	\$ 393,496	\$ 78,758

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Law Enforcement Grants			
	Bulletproof Vest	Federal DEA	State DEA	800MHZ Radio System Upgrade
Assets				
Cash and cash equivalents	\$ 156,370	\$ -	\$ -	\$ 136,692
Restricted cash and cash equivalents	-	158,096	79,880	-
Accounts receivable	4,165	-	-	-
Interfund receivable	-	-	-	-
Prepaid Items	-	-	-	-
Notes receivable, net	-	-	-	-
Total Assets	<u>\$ 160,535</u>	<u>\$ 158,096</u>	<u>\$ 79,880</u>	<u>\$ 136,692</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	-	-
Restricted:				
Streets	-	-	-	-
Public Safety	-	158,096	79,880	-
Community Development	-	-	-	-
Committed:				
Public Safety	160,535	-	-	136,692
Community Development	-	-	-	-
Economic Development	-	-	-	-
Capital Projects	-	-	-	-
Unrestricted	-	-	-	-
Total Fund Balance (deficit)	<u>160,535</u>	<u>158,096</u>	<u>79,880</u>	<u>136,692</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 160,535</u>	<u>\$ 158,096</u>	<u>\$ 79,880</u>	<u>\$ 136,692</u>

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet

June 30, 2019

With Comparative Totals for June 30, 2018

	<u>Law Enforcement Grants</u>			<u>E-911 Fund</u>
	<u>GHSP Bike Safety FY19</u>	<u>GCC Crisis Counselor FY18</u>	<u>JAG Elect Monitor Equipment</u>	<u>Emergency Telephone System</u>
Assets				
Cash and cash equivalents	\$ (416)	\$ (11,929)	\$ -	\$ -
Restricted cash and cash equivalents	-	-	47	10,785
Accounts receivable	416	14,968	-	38,164
Interfund receivable	-	-	-	-
Prepaid Items	-	-	-	-
Notes receivable, net	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ -</u>	<u>\$ 3,039</u>	<u>\$ 47</u>	<u>\$ 48,949</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 1,482	\$ -	\$ 15,706
Interfund payable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>1,482</u>	<u>-</u>	<u>15,706</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	-	-
Restricted:				
Streets	-	-	-	-
Public Safety	-	1,557	47	33,243
Community Development	-	-	-	-
Committed:				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Economic Development	-	-	-	-
Capital Projects	-	-	-	-
Unrestricted	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance (deficit)	<u>-</u>	<u>1,557</u>	<u>47</u>	<u>33,243</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 3,039</u>	<u>\$ 47</u>	<u>\$ 48,949</u>

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Transportation Fund		Non-Capitalized Projects Fund	
	City Transportation Project	Transit Park & Ride	NC DOC Downtown Revival	Coastal Community Action Rehabilitation
Assets				
Cash and cash equivalents	\$ 91,652	\$ 21,915	\$ 1,000	\$ -
Restricted cash and cash equivalents	-	-	-	10,000
Accounts receivable	314,444	36,573	-	-
Interfund receivable	-	-	-	-
Prepaid Items	-	-	-	-
Notes receivable, net	-	-	-	-
Total Assets	<u>\$ 406,096</u>	<u>\$ 58,488</u>	<u>\$ 1,000</u>	<u>\$ 10,000</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 187,538	\$ 10,450	\$ 196	\$ -
Interfund payable	90,202	-	-	-
Total Liabilities	<u>277,740</u>	<u>10,450</u>	<u>196</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	-	-
Restricted:				
Streets	-	-	-	-
Public Safety	-	-	-	-
Community Development	-	-	-	-
Committed:				
Public Safety	-	-	-	-
Community Development	-	-	804	10,000
Economic Development	128,356	48,038	-	-
Capital Projects	-	-	-	-
Unrestricted	-	-	-	-
Total Fund Balance (deficit)	<u>128,356</u>	<u>48,038</u>	<u>804</u>	<u>10,000</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 406,096</u>	<u>\$ 58,488</u>	<u>\$ 1,000</u>	<u>\$ 10,000</u>

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Street Improvements Fund			
	Streets Powell Bill	Developer Contributed Sidewalks	FY18 Sidewalk Installation	FY17 Street Rehabilitation
Assets				
Cash and cash equivalents	\$ -	\$ 70,474	\$ -	\$ -
Restricted cash and cash equivalents	60,789	-	95,000	180,070
Accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Prepaid Items	-	-	-	-
Notes receivable, net	-	-	-	-
Total Assets	\$ 60,789	\$ 70,474	\$ 95,000	\$ 180,070
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 106,322
Interfund payable	-	-	-	-
Total Liabilities	-	-	-	106,322
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	-	-
Restricted:				
Streets	60,789	-	95,000	73,748
Public Safety	-	-	-	-
Community Development	-	-	-	-
Committed:				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Economic Development	-	-	-	-
Capital Projects	-	70,474	-	-
Unrestricted	-	-	-	-
Total Fund Balance (deficit)	60,789	70,474	95,000	73,748
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 60,789	\$ 70,474	\$ 95,000	\$ 180,070

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Street Improvements Fund			
	FY18 Street Rehabilitation	FY19 Street Rehabilitation	NCDOT TIP Sidewalks Piney Green	Carolina Forest Blvd Rehab
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	200,145	830,000	101,700	367,278
Accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Prepaid Items	-	-	-	-
Notes receivable, net	-	-	-	-
Total Assets	\$ 200,145	\$ 830,000	\$ 101,700	\$ 367,278
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 55,053	\$ -	\$ 80,556	\$ -
Interfund payable	-	-	-	-
Total Liabilities	55,053	-	80,556	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	-	-
Restricted:				
Streets	145,092	830,000	21,144	367,278
Public Safety	-	-	-	-
Community Development	-	-	-	-
Committed:				
Public Safety	-	-	-	-
Community Development	-	-	-	-
Economic Development	-	-	-	-
Capital Projects	-	-	-	-
Unrestricted	-	-	-	-
Total Fund Balance (deficit)	145,092	830,000	21,144	367,278
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 200,145	\$ 830,000	\$ 101,700	\$ 367,278

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019
With Comparative Totals for June 30, 2018

	Street Improvements Fund		Totals	
	Pedestrian Improvement FY19	General Capital Reserve Fund	June 30, 2019	June 30, 2018
Assets				
Cash and cash equivalents	\$ -	\$ 1,104,199	\$ 2,039,736	\$ 2,018,036
Restricted cash and cash equivalents	89,335	-	2,463,290	2,092,896
Accounts receivable	-	-	435,918	1,154,526
Interfund receivable	-	546,000	546,000	-
Prepaid Items	-	-	2,475	-
Notes receivable, net	-	-	1,511,915	1,605,439
Total Assets	\$ 89,335	\$ 1,650,199	\$ 6,999,334	\$ 6,870,897
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,185	\$ -	\$ 536,167	\$ 363,189
Interfund payable	-	-	90,202	730,000
Total Liabilities	1,185	-	626,369	1,093,189
Total Deferred Inflows of Resources	-	-	-	712,754
Fund Balance:				
Non Spendable:				
Prepaid items	-	-	2,475	-
Restricted:				
Streets	88,150	-	1,681,201	1,718,011
Public Safety	-	-	272,823	1,064,745
Community Development	-	-	1,751,615	1,849,503
Committed:				
Public Safety	-	-	756,980	-
Community Development	-	-	10,804	-
Economic Development	-	-	176,394	-
Capital Projects	-	1,650,199	1,720,673	1,059,909
Unrestricted	-	-	-	(627,214)
Total Fund Balance (deficit)	88,150	1,650,199	6,372,965	5,064,954
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 89,335	\$ 1,650,199	\$ 6,999,334	\$ 6,870,897

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Community Development Fund		Law Enforcement Grants Fund	
		NCHFA/HOME/ Affordable Housing Construction	School Resource Officer	School Resource Officer Elementary
	CDBG			
Revenues:				
Restricted intergovernmental revenues	\$ 316,290	\$ -	\$ 261,776	\$ 119,144
Investment earnings	12	53	-	-
Miscellaneous	205,084	10,443	-	-
Total revenues	521,386	10,496	261,776	119,144
Expenditures:				
Public Safety	-	-	387,750	96,483
Economic and Physical Development	399,281	818	-	-
Capital outlay	218,669	-	70,143	-
Total expenditures	617,950	818	457,893	96,483
Revenues over (under) expenditures	(96,564)	9,678	(196,117)	22,661
Other financing sources (uses):				
Transfers in	-	-	149,043	52,021
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	149,043	52,021
Net change in fund balance	(96,564)	9,678	(47,074)	74,682
Fund balances:				
Beginning of year, July 1	1,500,692	337,809	434,620	-
End of year, June 30	\$ 1,404,128	\$ 347,487	\$ 387,546	\$ 74,682

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Law Enforcement Grants Fund			
	Bulletproof Vest	Federal DEA	State DEA	800 MHz Radio System
Revenues:				
Restricted intergovernmental revenues	\$ 12,412	\$ 84,848	\$ 16,109	\$ -
Investment earnings	-	7	8	-
Miscellaneous	-	-	-	-
Total revenues	12,412	84,855	16,117	-
Expenditures:				
Public Safety	38,035	66,832	25,425	-
Economic and Physical Development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	38,035	66,832	25,425	-
Revenues over (under) expenditures	(25,623)	18,023	(9,308)	-
Other financing sources (uses):				
Transfers in	40,450	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	40,450	-	-	-
Net change in fund balance	14,827	18,023	(9,308)	-
Fund balances:				
Beginning of year, July 1	145,708	140,073	89,188	136,692
End of year, June 30	\$ 160,535	\$ 158,096	\$ 79,880	\$ 136,692

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Law Enforcement Grants Fund			
	GHSP Bike Safety FY18	GHSP Bike Safety FY19	GCC Crisis Counselor FY18	JAG Elect Monitor Equipment
Revenues:				
Restricted intergovernmental revenues	\$ 955	\$ 416	\$ 74,875	\$ -
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	955	416	74,875	-
Expenditures:				
Public Safety	955	416	86,318	-
Economic and Physical Development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	955	416	86,318	-
Revenues over (under) expenditures	-	-	(11,443)	-
Other financing sources (uses):				
Transfers in	-	-	13,000	47
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	13,000	47
Net change in fund balance	-	-	1,557	47
Fund balances:				
Beginning of year, July 1	-	-	-	-
End of year, June 30	\$ -	\$ -	\$ 1,557	\$ 47

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	E-911 Fund	Transportation Fund		
	Emergency Telephone System	City Transportation Project	Transit Project ARRA Fund	Transit Park & Ride
Revenues:				
Restricted intergovernmental revenues	\$ 457,922	\$ 2,963,554	\$ -	\$ 542,425
Investment earnings	352	-	-	-
Miscellaneous	-	216,557	-	-
Total revenues	<u>458,274</u>	<u>3,180,111</u>	<u>-</u>	<u>542,425</u>
Expenditures:				
Public Safety	377,541	-	-	-
Economic and Physical Development	-	1,913,731	-	18,785
Capital outlay	165,954	845,450	-	377,283
Total expenditures	<u>543,495</u>	<u>2,759,181</u>	<u>-</u>	<u>396,068</u>
Revenues over (under) expenditures	<u>(85,221)</u>	<u>420,930</u>	<u>-</u>	<u>146,357</u>
Other financing sources (uses):				
Transfers in	-	406,723	-	55,215
Transfers (out)	-	(213,212)	(8,655)	-
Total other financing sources (uses)	<u>-</u>	<u>193,511</u>	<u>(8,655)</u>	<u>55,215</u>
Net change in fund balance	(85,221)	614,441	(8,655)	201,572
Fund balances:				
Beginning of year, July 1	118,464	(486,085)	8,655	(153,534)
End of year, June 30	<u>\$ 33,243</u>	<u>\$ 128,356</u>	<u>\$ -</u>	<u>\$ 48,038</u>

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Transportation Fund	Non-Cap. Projects Fund		
	NCDOT Intern Program	NC DOC Downtown Revitalization	Intelligent Transportation System	Coastal Community Action Rehabilitation
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Public Safety	-	-	-	-
Economic and Physical Development	-	196	541,156	-
Capital outlay	-	-	-	-
Total expenditures	-	196	541,156	-
Revenues over (under) expenditures	-	(196)	(541,156)	-
Other financing sources (uses):				
Transfers in	-	-	541,157	-
Transfers (out)	(3,750)	-	(3)	-
Total other financing sources (uses)	(3,750)	-	541,154	-
Net change in fund balance	(3,750)	(196)	(2)	-
Fund balances:				
Beginning of year, July 1	3,750	1,000	2	10,000
End of year, June 30	\$ -	\$ 804	\$ -	\$ 10,000

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Streets Improvements Fund			
	Streets Powell Bill	Developer Contributed Sidewalks	FY16 Sidewalk Installation	FY18 Sidewalk Installation
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ 2,593	\$ -	\$ -
Investment earnings	37,830	-	-	-
Miscellaneous	-	-	-	-
Total revenues	37,830	2,593	-	-
Expenditures:				
Public Safety	-	-	-	-
Economic and Physical Development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	37,830	2,593	-	-
Other financing sources (uses):				
Transfers in	1,774,558	-	-	-
Transfers (out)	(1,761,283)	-	(6,337)	-
Total other financing sources (uses)	13,275	-	(6,337)	-
Net change in fund balance	51,105	2,593	(6,337)	-
Fund balances:				
Beginning of year, July 1	9,684	67,881	6,337	95,000
End of year, June 30	\$ 60,789	\$ 70,474	\$ -	\$ 95,000

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Streets Improvements Fund			
	FY17 Street Rehabilitation	FY18 Street Rehabilitation	FY19 Street Rehabilitation	NCDOT TIP Sidewalks Piney Green
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Public Safety	-	-	-	-
Economic and Physical Development	-	-	-	80,556
Capital outlay	205,309	675,152	-	-
Total expenditures	205,309	675,152	-	80,556
Revenues over (under) expenditures	(205,309)	(675,152)	-	(80,556)
Other financing sources (uses):				
Transfers in	-	-	830,000	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	830,000	-
Net change in fund balance	(205,309)	(675,152)	830,000	(80,556)
Fund balances:				
Beginning of year, July 1	279,057	820,244	-	101,700
End of year, June 30	\$ 73,748	\$ 145,092	\$ 830,000	\$ 21,144

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Streets Improvements Fund			Totals	
	Carolina Forest Blvd Rehab	Pedestrian Improvement FY19	General Capital Reserve Fund	June 30, 2019	June 30, 2018
Revenues:					
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 4,853,319	\$ 2,405,280
Investment earnings	-	-	21,377	59,639	34,732
Miscellaneous	-	-	-	432,084	210,376
Total revenues	-	-	21,377	5,345,042	2,650,388
Expenditures:					
Public Safety	-	-	-	1,079,755	897,575
Economic and Physical Development	26,930	11,850	-	2,993,303	2,960,951
Capital outlay	11,781	-	-	2,569,741	1,031,851
Total expenditures	38,711	11,850	-	6,642,799	4,890,377
Revenues over (under) expenditures	(38,711)	(11,850)	21,377	(1,297,757)	(2,239,989)
Other financing sources (uses):					
Transfers in	-	100,000	1,806,228	5,768,442	5,190,901
Transfers (out)	-	-	(1,169,434)	(3,162,674)	(4,370,977)
Total other financing sources (uses)	-	100,000	636,794	2,605,768	819,924
Net change in fund balance	(38,711)	88,150	658,171	1,308,011	(1,420,065)
Fund balances:					
Beginning of year, July 1	405,989	-	992,028	5,064,954	6,485,019
End of year, June 30	\$ 367,278	\$ 88,150	\$ 1,650,199	\$ 6,372,965	\$ 5,064,954

Transfers In	\$ 5,768,442	Transfers Out	\$ 3,162,674
Transfers within Non-Major Governmental Funds	(1,477,495)	Transfers within Non-Major Governmental Funds	(1,477,495)
Exhibit D	\$ 4,290,947		\$ 1,685,179

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Community Development Block Grant (CDBG)
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Entitlement Grant 2016					
Entitlement Grant 2016	\$ 343,231	\$ 248,401	\$ 94,830	\$ 343,231	\$ -
Program income	292,518	1,626,386	111,570	1,737,956	1,445,438
Investment earnings	22	7	5	12	(10)
Total	635,771	1,874,794	206,405	2,081,199	1,445,428
Entitlement Grant 2017					
Entitlement Grant 2017	327,262	-	221,460	221,460	(105,802)
Program income	184,281	-	93,514	93,514	(90,767)
Investment earnings	20	-	7	7	(13)
Total	511,563	-	314,981	314,981	(196,582)
Entitlement Grant 2018					
Entitlement Grant 2018	365,203	-	-	-	(365,203)
Program income	225,033	-	-	-	(225,033)
Investment earnings	22	-	-	-	(22)
Total	590,258	-	-	-	(590,258)
Total revenues	1,737,592	1,874,794	521,386	2,396,180	658,588
Revenues:					
Entitlement Grant 2016					
Administration		78,239	43,357	121,596	
Housing rehabilitation		34,870	89,939	124,809	
Non-Profit funding		28,092	15,257	43,349	
Economic development		30,000	-	30,000	
Affordable housing		34,264	-	34,264	
Clearance		145,418	39,176	184,594	
Acquisition of property		23,219	-	23,219	
Total	635,771	374,102	187,729	561,831	73,940
Entitlement Grant 2017					
Administration		-	48,586	48,586	
Housing rehabilitation		-	10,494	10,494	
Non-Profit funding		-	13,668	13,668	
Affordable housing		-	25,000	25,000	
Clearance		-	15,214	15,214	
Acquisition of property		-	104,770	104,770	
Capital Outlay		-	212,489	212,489	
Total	511,563	-	430,221	430,221	81,342
Entitlement Grant 2018					
Total	590,258	-	-	-	590,258
Total expenditures	1,737,592	374,102	617,950	992,052	745,540
Revenues over (under) expenditures	-	1,500,692	(96,564)	1,404,128	1,404,128
Net change in fund balance	\$ -	\$ 1,500,692	(96,564)	\$ 1,404,128	\$ 1,404,128
Fund balance:					
Beginning of year, July 1			1,500,692		
End of year, June 30			<u>\$ 1,404,128</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
NCHFA/HOME/Affordable Housing Construction Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Program income	\$ 882,449	\$ 710,760	\$ 10,443	\$ 721,203	\$ (161,246)
Investment earnings	8,918	8,821	53	8,874	(44)
Total revenues	891,367	719,581	10,496	730,077	(161,290)
Expenditures:					
Operating expenditures		466,125	818	466,943	
Total expenditures	975,738	466,125	818	466,943	508,795
Revenues over (under) expenditures	(84,371)	253,456	9,678	263,134	347,505
Other financing sources:					
Transfers in -					
From Affordable Home Ownership	84,371	84,353	-	84,353	(18)
Total other financing sources	84,371	84,353	-	84,353	(18)
Net change in fund balance	<u>\$ -</u>	<u>\$ 337,809</u>	9,678	<u>\$ 347,487</u>	<u>\$ 347,487</u>
Fund balance:					
Beginning of year, July 1			337,809		
End of year, June 30			<u>\$ 347,487</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
School Resource Officer Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Onslow County Board of Education	\$ 4,893,068	\$ 4,631,291	\$ 261,776	\$ 4,893,067	\$ (1)
Investment earnings	7,376	7,376	-	7,376	-
Total revenues	4,900,444	4,638,667	261,776	4,900,443	(1)
Expenditures:					
Salaries and employee benefits		5,531,051	335,218	5,866,269	
Operating expenditures		713,990	52,532	766,522	
Capital outlay		181,262	70,143	251,405	
Total expenditures	7,271,742	6,426,303	457,893	6,884,196	387,546
Revenues (under) expenditures	(2,371,298)	(1,787,636)	(196,117)	(1,983,753)	387,545
Other financing sources (uses):					
Transfers in -					
From General Fund	2,535,551	2,386,508	149,043	2,535,551	-
Transfers (out) -					
To General Fund	(162,448)	(162,447)	-	(162,447)	1
To Special Revenue Fund	(1,805)	(1,805)	-	(1,805)	-
Total other financing sources	2,371,298	2,222,256	149,043	2,371,299	1
Net change in fund balance	\$ -	\$ 434,620	(47,074)	\$ 387,546	\$ 387,546
Fund balance:					
Beginning of year, July 1			434,620		
End of year, June 30			\$ 387,546		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
School Resource Officer Grant - Elementary Schools
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Onslow County Board of Education	\$ 119,144	\$ -	\$ 119,144	\$ 119,144	\$ -
Total revenues	119,144	-	119,144	119,144	-
Expenditures:					
Salaries and employee benefits		-	81,954	81,954	
Operating expenditures		-	14,529	14,529	
Total expenditures	171,165	-	96,483	96,483	74,682
Revenues (under) expenditures	(52,021)	-	22,661	22,661	74,682
Other financing sources (uses):					
Transfers in -					
From General Fund	52,021	-	52,021	52,021	-
Transfers (out) -					
To General Fund	-	-	-	-	-
Total other financing sources	52,021	-	52,021	52,021	-
Net change in fund balance	\$ -	\$ -	74,682	\$ 74,682	\$ 74,682
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 74,682		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Bulletproof Vest Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Bureau of Justice Grant	\$ 192,673	\$ 170,087	\$ 9,912	\$ 179,999	\$ (12,674)
NCLM Bulletproof Grant	36,750	34,250	2,500	36,750	-
Total revenues	<u>229,423</u>	<u>204,337</u>	<u>12,412</u>	<u>216,749</u>	<u>(12,674)</u>
Expenditures:					
Operating expenditures		413,020	38,035	451,055	
Total expenditures	<u>624,264</u>	<u>413,020</u>	<u>38,035</u>	<u>451,055</u>	<u>173,209</u>
Revenues (under) expenditures	<u>(394,841)</u>	<u>(208,683)</u>	<u>(25,623)</u>	<u>(234,306)</u>	<u>160,535</u>
Other financing sources:					
Transfers in -					
From General Fund	<u>394,841</u>	<u>354,391</u>	<u>40,450</u>	<u>394,841</u>	<u>-</u>
Total other financing sources	<u>394,841</u>	<u>354,391</u>	<u>40,450</u>	<u>394,841</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 145,708</u>	<u>14,827</u>	<u>\$ 160,535</u>	<u>\$ 160,535</u>
Fund balance:					
Beginning of year, July 1			<u>145,708</u>		
End of year, June 30			<u>\$ 160,535</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Federal DEA Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Drug enforcement	\$ 1,374,436	\$ 1,289,587	\$ 84,848	\$ 1,374,435	\$ (1)
Investment earnings	34,100	32,497	7	32,504	(1,596)
Gain/Loss from insurance	22,625	22,625	-	22,625	-
Miscellaneous	-	6,250	-	6,250	6,250
Total revenues	<u>1,431,161</u>	<u>1,350,959</u>	<u>84,855</u>	<u>1,435,814</u>	<u>4,653</u>
Expenditures:					
Operating expenditures		860,584	66,832	927,416	
Capital outlay		<u>536,533</u>	<u>-</u>	<u>536,533</u>	
Total expenditures	<u>1,617,395</u>	<u>1,397,117</u>	<u>66,832</u>	<u>1,463,949</u>	<u>153,446</u>
Revenues over (under) expenditures	<u>(186,234)</u>	<u>(46,158)</u>	<u>18,023</u>	<u>(28,135)</u>	<u>158,099</u>
Other financing sources (uses):					
Transfers in -					
From General Fund	245,225	245,224	-	245,224	(1)
From Special Revenue Fund	50,553	50,551	-	50,551	(2)
Transfers (out) -					
To Special Revenue Fund	<u>(109,544)</u>	<u>(109,544)</u>	<u>-</u>	<u>(109,544)</u>	<u>-</u>
Total other financing sources (uses)	<u>186,234</u>	<u>186,231</u>	<u>-</u>	<u>186,231</u>	<u>(3)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 140,073</u>	<u>18,023</u>	<u>\$ 158,096</u>	<u>\$ 158,096</u>
Fund balance:					
Beginning of year, July 1			<u>140,073</u>		
End of year, June 30			<u>\$ 158,096</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
State DEA Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Drug enforcement	\$ 274,468	\$ 260,404	\$ 16,109	\$ 276,513	\$ 2,045
Investment earnings	23,141	23,150	8	23,158	17
Total revenues	297,609	283,554	16,117	299,671	2,062
Expenditures:					
Operating expenditures		174,650	25,425	200,075	
Capital outlay		159,678	-	159,678	
Total expenditures	437,571	334,328	25,425	359,753	77,818
Revenues over (under) expenditures	(139,962)	(50,774)	(9,308)	(60,082)	79,880
Other financing sources (uses):					
Transfers in -					
From General Fund	161,422	161,422	-	161,422	-
From Special Revenue	1,934	1,934	-	1,934	-
Transfers (out) -					
To Special Revenue Fund	(23,394)	(23,394)	-	(23,394)	-
Total other financing sources	139,962	139,962	-	139,962	-
Net change in fund balance	\$ -	\$ 89,188	(9,308)	\$ 79,880	\$ 79,880
Fund balance:					
Beginning of year, July 1			89,188		
End of year, June 30			\$ 79,880		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
800 MHz Radio System
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project		Actual		Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Onslow County	\$ 453,434	\$ 453,433	\$ -	\$ 453,433	\$ (1)
Sprint/Nextel Rebanding Reimbursements	-	37,620	-	37,620	37,620
Total revenues	453,434	491,053	-	491,053	37,619
Expenditures:					
Operating expenditures		2,370,001	-	2,370,001	
Total expenditures	2,469,074	2,370,001	-	2,370,001	99,073
Revenues over (under) expenditures	(2,015,640)	(1,878,948)	-	(1,878,948)	136,692
Other financing sources (uses):					
Debt issued	1,744,551	1,744,551	-	1,744,551	-
Transfers in -					
From General Fund	8,000	8,000	-	8,000	-
From Capital Reserve Fund	346,589	346,589	-	346,589	-
Transfers (out) -					
To Capital Reserve	(83,500)	(83,500)	-	(83,500)	-
Total other financing sources (uses)	2,015,640	2,015,640	-	2,015,640	-
Net change in fund balance	\$ -	\$ 136,692	-	\$ 136,692	\$ 136,692
Fund balance:					
Beginning of year, July 1			136,692		
End of year, June 30			\$ 136,692		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Governor's Highway Safety Program Grant - Bike Safety FY18
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Governor's Highway Safety Grant	\$ 5,000	\$ 203	\$ 955	\$ 1,158	\$ (3,842)
Total revenues	5,000	203	955	1,158	(3,842)
Expenditures:					
Operating expenditures		203	804	1,007	
Refund to Grantor		-	151	151	
Total expenditures	5,000	203	955	1,158	3,842
Revenues (under) expenditures	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Governor's Highway Safety Program Grant - Bike Safety FY19
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Governor's Highway Safety Grant	\$ 5,000	\$ -	\$ 416	\$ 416	\$ (4,584)
Total revenues	5,000	-	416	416	(4,584)
Expenditures:					
Operating expenditures		-	416	416	
Total expenditures	5,000	-	416	416	4,584
Revenues (under) expenditures	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
GCC Crisis Counselor FY18
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Crisis Counselor	\$ 152,882	\$ 55,441	\$ 74,875	\$ 130,316	\$ (22,566)
Total revenues	152,882	55,441	74,875	130,316	(22,566)
Expenditures:					
Salaries and employee benefits		55,286	86,318	141,604	
Operating expenses		155	-	155	
Total expenditures	165,882	55,441	86,318	141,759	24,123
Revenues (under) expenditures	(13,000)	-	(11,443)	(11,443)	1,557
Other financing sources:					
Transfers in -					
From General Fund	13,000	-	13,000	13,000	-
Total other financing sources	13,000	-	13,000	13,000	-
Net change in fund balance	\$ -	\$ -	1,557	\$ 1,557	\$ 1,557
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 1,557		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
JAG Elect Monitor Equipment
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
JAG Grant - Justice Assistance	\$ 23,794	\$ -	\$ -	\$ -	\$ (23,794)
Total revenues	23,794	-	-	-	(23,794)
Expenditures:					
Total expenditures	23,841	-	-	-	23,841
Revenues (under) expenditures	(47)	-	-	-	47
Other financing sources:					
Transfers in--					
From General Fund	-	-	47	47	47
Special Revenue	47	-	-	-	(47)
Total other financing sources	47	-	47	47	-
Net change in fund balance	\$ -	\$ -	47	\$ 47	\$ 47
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 47		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Emergency Telephone System
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ 4,302,356	\$ 3,844,025	\$ 457,922	\$ 4,301,947	\$ (409)
Miscellaneous revenue	8,038	8,038	-	\$ 8,038	-
Investment earnings	33,667	28,248	352	28,600	(5,067)
Total revenues	<u>4,344,061</u>	<u>3,880,311</u>	<u>458,274</u>	<u>4,338,585</u>	<u>(5,476)</u>
Expenditures:					
Telephone		1,358,197	239,192	1,597,389	
Training		37,733	11,134	48,867	
Operating expenses		1,367,743	127,215	1,494,958	
Debt service					
Principal retirement		594,000	-	594,000	
Interest and fees		8,343	-	8,343	
Capital outlay		1,427,334	165,954	1,593,288	
Total expenditures	<u>5,375,565</u>	<u>4,793,350</u>	<u>543,495</u>	<u>5,336,845</u>	<u>38,720</u>
Revenues over (under) expenditures	<u>(1,031,504)</u>	<u>(913,039)</u>	<u>(85,221)</u>	<u>(998,260)</u>	<u>33,244</u>
Other financing sources (uses):					
Debt issued	594,000	594,000	-	594,000	-
Transfers in -					
From General Fund	100,649	100,649	-	100,649	-
From Special Revenue Fund	445,390	445,388	-	445,388	(2)
From Information Technology Fund	342	342	-	342	-
Transfers (out) -					
To General Fund	(33,659)	(33,658)	-	(33,658)	1
To ITS Internal Service Fund	(75,218)	(75,218)	-	(75,218)	-
Total other financing sources (uses)	<u>1,031,504</u>	<u>1,031,503</u>	<u>-</u>	<u>1,031,503</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 118,464</u>	<u>(85,221)</u>	<u>\$ 33,243</u>	<u>\$ 33,243</u>
Fund balance:					
Beginning of year, July 1			118,464		
End of year, June 30			<u>\$ 33,243</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
City Transportation Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
FY 2008-2009 Jacksonville Transit					
NCDOT SMAP FY 2008-2009	\$ 152,709	\$ 152,708	\$ -	\$ 152,708	\$ (1)
NCDOT State match	180,460	128,566	-	128,566	(51,894)
FTA Section 5307	1,917,492	1,537,812	403,080	1,940,892	23,400
Jacksonville Transit fares	79,197	79,197	-	79,197	-
ADA fares	3,183	3,183	-	3,183	-
Miscellaneous	16,631	16,630	-	16,630	(1)
Total	2,349,672	1,918,096	403,080	2,321,176	(28,496)
FY 2009-2010 Jacksonville Transit					
NCDOT SMAP FY 2009-2010	312,389	312,389	-	312,389	-
NCDOT State match	72,999	36,096	-	36,096	(36,903)
FTA Section 5307	1,159,598	1,116,774	37,055	1,153,829	(5,769)
Jacksonville Transit fares	220,214	249,391	-	249,391	29,177
ADA fares	12,996	12,995	-	12,995	(1)
Miscellaneous	6,257	6,257	-	6,257	-
Total	1,784,453	1,733,902	37,055	1,770,957	(13,496)
FY 2010-2011 Jacksonville Transit					
NCDOT SMAP FY 2010-2011	170,978	184,098	-	184,098	13,120
NCDOT State match	62,250	-	53,333	53,333	(8,917)
FTA Section 5307	1,177,754	409,515	498,008	907,523	(270,231)
Jacksonville Transit fares	105,600	105,600	-	105,600	-
ADA fares	5,855	5,855	-	5,855	-
Miscellaneous	56	56	-	56	-
Total	1,522,493	705,124	551,341	1,256,465	(266,028)
FY 2011-2012 Jacksonville Transit					
NCDOT SMAP FY 2011-2012	164,110	171,708	-	171,708	7,598
NCDOT State match	70,205	-	-	-	(70,205)
FTA Section 5307	1,125,941	544,821	-	544,821	(581,120)
Jacksonville Transit fares	120,911	120,911	-	120,911	-
ADA fares	8,098	8,098	-	8,098	-
Miscellaneous	1,106	1,106	-	1,106	-
Total	1,490,371	846,644	-	846,644	(643,727)
FY 2012-2013 Jacksonville Transit					
NCDOT SMAP FY 2012-2013	164,000	210,138	-	210,138	46,138
NCDOT State match	89,000	-	13,333	13,333	(75,667)
FTA Section 5307	1,203,000	543,068	338,564	881,632	(321,368)
Jacksonville Transit fares	100,000	134,775	-	134,775	34,775
ADA fares	5,000	9,550	-	9,550	4,550
Miscellaneous	1,608	1,608	25,966	27,574	25,966
Total	1,562,608	899,139	377,863	1,277,002	(285,606)

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
City Transportation Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
FY 2013-2014 Jacksonville Transit					
NCDOT SMAP FY 2013-2014	\$ 167,000	\$ 199,211	\$ -	\$ 199,211	\$ 32,211
NCDOT State match	80,000	-	-	-	(80,000)
FTA Section 5307	1,264,000	594,000	-	594,000	(670,000)
Jacksonville Transit fares	100,000	123,957	-	123,957	23,957
ADA fares	8,677	13,733	-	13,733	5,056
Miscellaneous	3,890	12,929	-	12,929	9,039
Total	<u>1,623,567</u>	<u>943,830</u>	<u>-</u>	<u>943,830</u>	<u>(679,737)</u>
FY 2015-2016 Jacksonville Transit					
NCDOT SMAP FY 2015-2016	162,423	162,423	-	162,423	-
NCDOT State match	22,000	-	-	-	(22,000)
FTA Section 5307	860,000	495,395	76,345	571,740	(288,260)
Jacksonville Transit fares	125,000	117,116	-	117,116	(7,884)
ADA fares	10,235	10,235	-	10,235	-
Miscellaneous	7,356	7,356	-	7,356	-
Total	<u>1,187,014</u>	<u>792,525</u>	<u>76,345</u>	<u>868,870</u>	<u>(318,144)</u>
FY 2016-2017 Jacksonville Transit					
NCDOT SMAP FY 2016-2017	134,076	31,148	-	31,148	(102,928)
NCDOT State match	28,300	-	-	-	(28,300)
FTA Section 5307	980,822	-	-	-	(980,822)
Jacksonville Transit fares	125,000	94,740	-	94,740	(30,260)
ADA fares	10,000	11,165	-	11,165	1,165
Miscellaneous	-	7,353	-	7,353	7,353
Total	<u>1,278,198</u>	<u>144,406</u>	<u>-</u>	<u>144,406</u>	<u>(1,133,792)</u>
FY 2017-2018 Jacksonville Transit					
NCDOT SMAP FY 2017-2018	162,485	176,435	-	176,435	13,950
FTA Section 5307	838,467	-	698,426	698,426	(140,041)
Jacksonville Transit fares	125,000	150,580	-	150,580	25,580
ADA fares	10,000	10,460	-	10,460	460
Miscellaneous	521	2,521	-	2,521	2,000
Total	<u>1,136,473</u>	<u>339,996</u>	<u>698,426</u>	<u>1,038,422</u>	<u>(98,051)</u>
FY 2018-2019 Jacksonville Transit					
NCDOT SMAP FY 2017-2018	176,435	-	176,435	176,435	-
FTA Section 5307	808,824	-	668,975	668,975	(139,849)
Jacksonville Transit fares	170,289	-	182,984	182,984	12,695
ADA fares	10,000	-	7,607	7,607	(2,393)
Total	<u>1,165,548</u>	<u>-</u>	<u>1,036,001</u>	<u>1,036,001</u>	<u>(129,547)</u>
Total revenues	<u>15,100,397</u>	<u>8,323,662</u>	<u>3,180,111</u>	<u>11,503,773</u>	<u>(3,596,624)</u>

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
City Transportation Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
FY 2008-2009 Jacksonville Transit					
Salaries and employee benefits		\$ 84,062	\$ -	\$ 84,062	
Operating expenditures		742,490	486,600	1,229,090	
Capital outlay		1,375,350	-	1,375,350	
Refund to grantor		16,644	-	16,644	
Total	2,733,642	2,218,546	486,600	2,705,146	28,496
FY 2009-2010 Jacksonville Transit					
Salaries and employee benefits		192,231	-	192,231	
Operating expenditures		1,399,963	6,547	1,406,510	
Capital outlay		514,776	30,281	545,057	
Refund to grantor		12,573	-	12,573	
Total	2,176,409	2,119,543	36,828	2,156,371	20,038
FY 2010-2011 Jacksonville Transit					
Salaries and employee benefits		166,514	-	166,514	
Operating expenditures		15,000	-	15,000	
Capital outlay		777,764	548,917	1,326,681	
Total	1,761,104	959,278	548,917	1,508,195	252,909
FY 2011-2012 Jacksonville Transit					
Salaries and employee benefits		186,183	-	186,183	
Operating expenditures		878,052	-	878,052	
Refund to grantor		2,454	-	2,454	
Total	1,702,818	1,066,689	-	1,066,689	636,129
FY 2012-2013 Jacksonville Transit					
Salaries and employee benefits		129,325	-	129,325	
Operating expenditures		1,072,665	50,380	1,123,045	
Capital outlay		72,060	296,533	368,593	
Total	1,919,608	1,274,050	346,913	1,620,963	298,645
FY 2013-2014 Jacksonville Transit					
Salaries and employee benefits		201,728	-	201,728	
Operating expenditures		996,739	-	996,739	
Total	1,824,399	1,198,467	-	1,198,467	625,932

continued

City of Jacksonville, North Carolina
Non-Major Governmental Funds
City Transportation Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
FY 2015-2016 Jacksonville Transit					
Salaries and employee benefits		\$ 150,563	\$ -	\$ 150,563	
Operating expenditures		1,056,761	29,360	1,086,121	
Capital outlay		58,532	-	58,532	
Total	<u>1,573,014</u>	<u>1,265,856</u>	<u>29,360</u>	<u>1,295,216</u>	<u>277,798</u>
FY 2016-2017 Jacksonville Transit					
Operating expenditures		386,364	(2,815)	383,549	
Capital outlay		31,164	(30,281)	883	
Total	<u>1,579,684</u>	<u>417,528</u>	<u>(33,096)</u>	<u>384,432</u>	<u>1,195,252</u>
FY 2017-2018 Jacksonville Transit					
Salaries and employee benefits		180,902	-	180,902	
Operating expenditures		1,163,848	(357)	1,163,491	
Total	<u>1,522,655</u>	<u>1,344,750</u>	<u>(357)</u>	<u>1,344,393</u>	<u>178,262</u>
FY 2018-2019 Jacksonville Transit					
Salaries and employee benefits		-	153,021	153,021	
Operating expenditures		-	1,190,995	1,190,995	
Total	<u>1,555,537</u>	<u>-</u>	<u>1,344,016</u>	<u>1,344,016</u>	<u>211,521</u>
Total expenditures	<u>18,348,870</u>	<u>11,864,707</u>	<u>2,759,181</u>	<u>14,623,888</u>	<u>3,724,982</u>
Revenues (under) expenditures	<u>(3,248,473)</u>	<u>(3,541,045)</u>	<u>420,930</u>	<u>(3,120,115)</u>	<u>128,358</u>
Other financing sources (uses):					
Transfers in -					
From General Fund	3,431,791	3,025,066	406,723	3,431,789	(2)
From Special Revenue Fund	158,772	158,772	-	158,772	-
Transfers (out) -					
To Special Revenue Fund	(93,378)	(93,378)	-	(93,378)	-
To General Fund	(248,712)	(35,500)	(213,212)	(248,712)	-
Total other financing sources:	<u>3,248,473</u>	<u>3,054,960</u>	<u>193,511</u>	<u>3,248,471</u>	<u>(2)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (486,085)</u>	614,441	<u>\$ 128,356</u>	<u>\$ 128,356</u>
Fund balance:					
Beginning of year, July 1			(486,085)		
End of year, June 30			<u>\$ 128,356</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Transit Project ARRA Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
ARRA Funding	\$ 1,527,492	\$ 1,526,593	\$ -	\$ 1,526,593	\$ (899)
Total revenues	1,527,492	1,526,593	-	1,526,593	(899)
Expenditures:					
Operating expenditures		679,975	-	679,975	
Capital outlay		866,788	-	866,788	
Total expenditures	1,547,651	1,546,763	-	1,546,763	888
Revenues over (under) expenditures	(20,159)	(20,170)	-	(20,170)	(11)
Other financing sources (uses):					
Transfers in -					
From General Fund	32,575	32,575	-	32,575	-
Transfers (out) -					
To General Fund	(12,416)	(3,750)	(8,655)	(12,405)	11
Total other financing sources (uses)	20,159	28,825	(8,655)	20,170	(11)
Net change in fund balance	\$ -	\$ 8,655	(8,655)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			8,655		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Transit Park & Ride
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
FTA Section 5307	\$ 1,510,672	\$ 737,181	\$ 542,425	\$ 1,279,606	\$ (231,066)
Total revenues	1,510,672	737,181	542,425	1,279,606	(231,066)
Expenditures:					
Operating expenditures		219,115	18,785	237,900	
Capital outlay		707,100	377,283	1,084,383	
Total expenditures	1,601,387	926,215	396,068	1,322,283	279,104
Revenues (under) expenditures	(90,715)	(189,034)	146,357	(42,677)	48,038
Other financing sources:					
Transfers in -					
From General Fund	90,715	35,500	55,215	90,715	-
Total other financing sources	90,715	35,500	55,215	90,715	-
Net change in fund balance	\$ -	\$ (153,534)	201,572	\$ 48,038	\$ 48,038
Fund balance:					
Beginning of year, July 1			(153,534)		
End of year, June 30			\$ 48,038		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
NCDOT Intern Program
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Intern Program Funding	\$ 33,748	\$ -	\$ -	\$ -	\$ (33,748)
Total revenues	33,748	-	-	-	(33,748)
Expenditures:					
Total expenditures	33,748	-	-	-	33,748
Revenues (under) expenditures	-	-	-	-	-
Other financing sources:					
Transfers in -					
From General Fund	3,750	3,750	-	3,750	-
Transfers (out) -					
To General Fund	(3,750)	-	(3,750)	(3,750)	-
Total other financing sources	-	3,750	(3,750)	-	-
Net change in fund balance	\$ -	\$ 3,750	(3,750)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			3,750		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Downtown Revitalization
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
NC Dept. of Commerce reimbursement	\$ 94,340	\$ 94,340	\$ -	\$ 94,340	\$ -
Art Council	2,000	2,000	-	2,000	-
Total revenues	96,340	96,340	-	96,340	-
Expenditures:					
Operating Expenditures		95,340	196	95,536	
Total expenditures	96,340	95,340	196	95,536	804
Revenues (under) expenditures	-	1,000	(196)	804	804
Net change in fund balance	\$ -	\$ 1,000	(196)	\$ 804	\$ 804
Fund balance:					
Beginning of year, July 1			1,000		
End of year, June 30			\$ 804		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Intelligent Transportation System
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Operating Expenditures		1,680,886	541,156	2,222,042	
Total expenditures	2,222,042	1,680,886	541,156	2,222,042	-
Revenues (under) expenditures	(2,222,042)	(1,680,886)	(541,156)	(2,222,042)	-
Other financing sources:					
Transfers in -					
From General Fund	212,574	212,574	-	212,574	-
From Special Revenue Fund	386,000	386,000	-	386,000	-
From Capital Projects - Powell Bill	1,623,471	1,082,314	541,157	1,623,471	-
Transfers (out) -					
To Powell Bill	(3)	-	(3)	(3)	-
Total other financing sources	2,222,042	1,680,888	541,154	2,222,042	-
Net change in fund balance	\$ -	\$ 2	(2)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			2		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Coastal Community Action Rehabilitation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Operating expenditures		-	-	-	
Total expenditures	10,000	-	-	-	10,000
Revenues over (under) expenditures	(10,000)	-	-	-	10,000
Other financing sources:					
Transfers in -					
From General Fund	10,000	10,000	-	10,000	-
Transfers (out) -					
To General Fund	-	-	-	-	-
Total other financing sources	10,000	10,000	-	10,000	-
Net change in fund balance	\$ -	\$ 10,000	-	\$ 10,000	\$ 10,000
Fund balance:					
Beginning of year, July 1			10,000		
End of year, June 30			\$ 10,000		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Streets Powell Bill Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ 1,180,309	\$ 1,145,040	\$ 37,830	\$ 1,182,870	\$ 2,561
Contributions	321,000	321,000	-	321,000	-
Miscellaneous	68,645	68,644	-	68,644	(1)
Total revenues	1,569,954	1,534,684	37,830	1,572,514	2,560
Expenditures:					
Capital Improvements		15,974,762	-	15,974,762	
Total expenditures	16,032,991	15,974,762	-	15,974,762	58,229
Revenues over (under) expenditures	(14,463,037)	(14,440,078)	37,830	(14,402,248)	60,789
Other financing sources (uses):					
Transfers in -					
From General Fund	10,378,475	10,378,475	-	10,378,475	-
From General Fund - Powell Bill	15,268,653	13,500,431	1,768,221	15,268,652	(1)
From Capital Reserve Fund	355,702	355,702	-	355,702	-
From Capital Projects - Powell Bill	459,850	453,514	6,337	459,851	1
From Community Development Fund	2,496	2,496	-	2,496	-
Transfers (out) -					
To General Fund	(2,093,948)	(1,552,791)	(541,157)	(2,093,948)	-
To Capital Projects - Powell Bill	(7,177,191)	(6,247,191)	(930,000)	(7,177,191)	-
To Water/Sewer	(290,126)	-	(290,126)	(290,126)	-
To Powell Bill Projects	(2,440,874)	(2,440,874)	-	(2,440,874)	-
Total other financing sources (uses)	14,463,037	14,449,762	13,275	14,463,037	-
Net change in fund balance	\$ -	\$ 9,684	51,105	\$ 60,789	\$ 60,789
Fund balance:					
Beginning of year, July 1			9,684		
End of year, June 30			\$ 60,789		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Developer Contributed Sidewalks
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project		Actual		Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Sidewalks	\$ 37,363	\$ 67,881	\$ 2,593	\$ 70,474	\$ 33,111
Total revenues	37,363	67,881	2,593	70,474	33,111
Expenditures:					
Reserve for sidewalk		-	-	-	
Total expenditures	37,363	-	-	-	37,363
Revenues over expenditures	-	67,881	2,593	70,474	70,474
Net change in fund balance	\$ -	\$ 67,881	2,593	\$ 70,474	\$ 70,474
Fund balance:					
Beginning of year, July 1			67,881		
End of year, June 30			\$ 70,474		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY16 Sidewalk Installation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		132,768	-	132,768	
Total expenditures	132,768	132,768	-	132,768	-
Revenues (under) expenditures	(132,768)	(132,768)	-	(132,768)	-
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	159,580	159,579	-	159,579	(1)
Transfers (out) -					
To Powell Bill	(26,812)	(20,474)	(6,337)	(26,811)	1
Total other financing sources	132,768	139,105	(6,337)	132,768	-
Net change in fund balance	\$ -	\$ 6,337	(6,337)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			6,337		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY18 Sidewalk Installation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		5,000	-	5,000	
Total expenditures	100,000	5,000	-	5,000	95,000
Revenues (under) expenditures	(100,000)	(5,000)	-	(5,000)	95,000
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	100,000	100,000	-	100,000	-
Transfers (out) -					
To Powell Bill	-	-	-	-	-
Total other financing sources	100,000	100,000	-	100,000	-
Net change in fund balance	\$ -	\$ 95,000	-	\$ 95,000	\$ 95,000
Fund balance:					
Beginning of year, July 1			95,000		
End of year, June 30			\$ 95,000		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY17 Street Rehabilitation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		550,943	205,309	756,252	
Total expenditures	830,000	550,943	205,309	756,252	73,748
Revenues (under) expenditures	(830,000)	(550,943)	(205,309)	(756,252)	73,748
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	830,000	830,000	-	830,000	-
Total other financing sources	830,000	830,000	-	830,000	-
Net change in fund balance	\$ -	\$ 279,057	(205,309)	\$ 73,748	\$ 73,748
Fund balance:					
Beginning of year, July 1			279,057		
End of year, June 30			\$ 73,748		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY18 Street Rehabilitation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		9,756	675,152	684,908	
Total expenditures	830,000	9,756	675,152	684,908	145,092
Revenues (under) expenditures	(830,000)	(9,756)	(675,152)	(684,908)	145,092
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	830,000	830,000	-	830,000	-
Total other financing sources	830,000	830,000	-	830,000	-
Net change in fund balance	\$ -	\$ 820,244	(675,152)	\$ 145,092	\$ 145,092
Fund balance:					
Beginning of year, July 1			820,244		
End of year, June 30			\$ 145,092		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY19 Street Rehabilitation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	-	-	-	-	-
Expenditures:					
Total expenditures	830,000	-	-	-	830,000
Revenues (under) expenditures	(830,000)	-	-	-	830,000
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	830,000	-	830,000	830,000	-
Total other financing sources	830,000	-	830,000	830,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	830,000	<u>\$ 830,000</u>	<u>\$ 830,000</u>
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 830,000</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
NC DOT TIP Sidewalks - Piney Green Road
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		-	80,556	80,556	
Total expenditures	101,700	-	80,556	80,556	21,144
Revenues (under) expenditures	(101,700)	-	(80,556)	(80,556)	21,144
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	101,700	101,700	-	101,700	-
Total other financing sources	101,700	101,700	-	101,700	-
Net change in fund balance	\$ -	\$ 101,700	(80,556)	\$ 21,144	\$ 21,144
Fund balance:					
Beginning of year, July 1			101,700		
End of year, June 30			\$ 21,144		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Carolina Forest Blvd Rehab
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		-	38,711	38,711	
Total expenditures	405,991	-	38,711	38,711	367,280
Revenues (under) expenditures	(405,991)	-	(38,711)	(38,711)	367,280
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	405,991	405,989	-	405,989	(2)
Total other financing sources	405,991	405,989	-	405,989	(2)
Net change in fund balance	\$ -	\$ 405,989	(38,711)	\$ 367,278	\$ 367,278
Fund balance:					
Beginning of year, July 1			405,989		
End of year, June 30			\$ 367,278		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY19 Pedestrian Improvement
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	-	-	-	-	-
Expenditures:					
Capital Improvements		-	11,850	11,850	
Total expenditures	100,000	-	11,850	11,850	88,150
Revenues (under) expenditures	(100,000)	-	(11,850)	(11,850)	88,150
Other financing sources:					
Transfers in -					
From General Fund - Powell Bill	100,000	-	100,000	100,000	-
Total other financing sources	100,000	-	100,000	100,000	-
Net change in fund balance	\$ -	\$ -	88,150	\$ 88,150	\$ 88,150
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 88,150		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
General Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project		Actual		Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive
					(Negative)
Revenues:					
Investment earnings	\$ 2,185,674	\$ 2,194,274	\$ 21,377	\$ 2,215,651	\$ 29,977
Investment earnings - Powell Bill	28,736	28,638	-	28,638	(98)
Onslow County Board of Education	53,000	53,000	-	53,000	-
Contributions from developers	315,611	325,113	-	325,113	9,502
Miscellaneous	618,485	619,485	-	619,485	1,000
Total revenues	3,201,506	3,220,510	21,377	3,241,887	40,381
Expenditures:					
Total reserves	1,608,229	-	-	-	1,608,229
Revenues over expenditures	1,593,277	3,220,510	21,377	3,241,887	1,648,610
Other financing sources (uses):					
Transfers in -					
From General Fund	29,751,930	28,100,756	1,651,174	29,751,930	-
From General Fund - Powell Bill	323,572	323,572	-	323,572	-
From Special Revenue Fund	50,000	50,000	-	50,000	-
From Non-Capital Project Fund	170,000	170,000	-	170,000	-
From Capital Project Funds	3,826,634	3,671,580	155,054	3,826,634	-
From Water/Sewer Fund	5,435,346	5,435,346	-	5,435,346	-
From Water/Sewer Capital Projects	1,423,972	1,423,972	-	1,423,972	-
Transfers (out) -					
To General Fund	(12,285,837)	(12,159,474)	(125,340)	(12,284,814)	1,023
To Capital Project Fund	(23,391,341)	(22,537,339)	(804,000)	(23,341,339)	50,002
To Major Enterprise Fund	(1,942,437)	(1,894,567)	(47,306)	(1,941,873)	564
To Proprietary Fund	(4,030,535)	(4,030,536)	-	(4,030,536)	(1)
To Water/Serwer	(302,581)	(159,792)	(142,788)	(302,580)	1
To ISF inc ISF P	-	-	(50,000)	(50,000)	(50,000)
To Special Revenue Fund	(22,000)	(22,000)	-	(22,000)	-
To Non-Capital Project Fund	(600,000)	(600,000)	-	(600,000)	-
Total other financing (uses)	(1,593,277)	(2,228,482)	636,794	(1,591,688)	1,589
Net change in fund balance	\$ -	\$ 992,028	658,171	\$ 1,650,199	\$ 1,650,199
Fund balance:					
Beginning of year, July 1			992,028		
End of year, June 30			\$ 1,650,199		

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services provided to other user departments.

INDIVIDUAL FUND DESCRIPTIONS

Fleet Maintenance Internal Service Fund – accounts for fleet management operations provided to City departments.

City Hall Maintenance Internal Service Fund – accounts for building maintenance operations provided to City departments.

Information Technology Services Internal Service Fund – accounts for data processing operations provided to City departments.

Information Technology Services Capital Project Fund – accounts for funds used in obtaining new hardware and software for data processing.

Video/Media Services Internal Service Fund – accounts for video and media operations provided to City departments and Onslow County.

Self-Insurance Fund – account for the funds contributed by both the City and its employees to provide health and dental insurance benefits for eligible employees.

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Net Position
June 30, 2019
With Comparative Totals for June 30, 2018

	Fleet Maintenance	City Hall Maintenance	Information Technology Services
Assets			
Current Assets:			
Cash and cash equivalents	\$ 300,358	\$ 290,532	\$ 2,949,737
Accounts receivable (net)	-	-	122,100
Inventories	83,122	-	25,296
Prepaid items	-	-	-
Total Current Assets	<u>383,480</u>	<u>290,532</u>	<u>3,097,133</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	<u>25,368</u>	<u>90,844</u>	<u>161,500</u>
Capital Assets:			
Capital assets (net)	<u>106,568</u>	<u>18,724</u>	<u>663,509</u>
Total Assets	<u>515,416</u>	<u>400,100</u>	<u>3,922,142</u>
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	170,152	9,941	20,854
Current portion of long-term debt	<u>36,389</u>	<u>18,305</u>	<u>139,072</u>
Total Current Liabilities	<u>206,541</u>	<u>28,246</u>	<u>159,926</u>
Noncurrent Liabilities:			
Compensated absences payable	38,688	4,376	50,554
Noncurrent portion of long-term debt	<u>59,773</u>	<u>64,068</u>	<u>119,991</u>
Total Noncurrent Liabilities	<u>98,461</u>	<u>68,444</u>	<u>170,545</u>
Total Liabilities	<u>305,002</u>	<u>96,690</u>	<u>330,471</u>
Net Position			
Invested in capital assets, net of related debt	35,774	27,195	565,946
Unrestricted	<u>174,640</u>	<u>276,215</u>	<u>3,025,725</u>
Total Net Position	<u>\$ 210,414</u>	<u>\$ 303,410</u>	<u>\$ 3,591,671</u>

continued

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Net Position
June 30, 2019
With Comparative Totals for June 30, 2018

	Video/ Media Services	Self Insurance	Totals	
			June 30, 2019	June 30, 2018
Assets				
Current Assets:				
Cash and cash equivalents	\$ 603,680	\$ 401,777	\$ 4,546,084	\$ 4,028,207
Accounts receivable (net)	39,500	747	162,347	162,069
Inventories	-	-	108,418	99,219
Prepaid items	-	76,100	76,100	76,100
Total Current Assets	643,180	478,624	4,892,949	4,365,595
Noncurrent Assets:				
Restricted cash and cash equivalents	27,219	-	304,931	228,909
Capital Assets:				
Capital assets (net)	90,008	-	878,809	894,741
Total Assets	760,407	478,624	6,076,689	5,489,245
Liabilities				
Current Liabilities:				
Accounts payable and accrued liabilities	22,799	475,153	698,899	573,057
Current portion of long-term debt	10,095	-	203,861	199,034
Total Current Liabilities	32,894	475,153	902,760	772,091
Noncurrent Liabilities:				
Compensated absences payable	23,161	-	116,779	126,877
Noncurrent portion of long-term debt	29,953	-	273,785	209,813
Total Noncurrent Liabilities	53,114	-	390,564	336,690
Total Liabilities	86,008	475,153	1,293,324	1,108,781
Net Position				
Invested in capital assets, net of related debt	77,179	-	706,094	714,803
Unrestricted	597,220	3,471	4,077,271	3,665,661
Total Net Position	\$ 674,399	\$ 3,471	\$ 4,783,365	\$ 4,380,464

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Fleet Maintenance	City Hall Maintenance	Information Technology Services
Operating revenues:			
Charges to other funds	\$ 2,936,433	\$ 223,750	\$ 3,000,976
Other operating revenue	70,807	240	652
Total operating revenues	<u>3,007,240</u>	<u>223,990</u>	<u>3,001,628</u>
Operating expenses:			
Operations	2,969,329	198,036	2,120,533
Depreciation	53,724	1,766	376,509
Total operating expenses	<u>3,023,053</u>	<u>199,802</u>	<u>2,497,042</u>
Operating income (loss)	<u>(15,813)</u>	<u>24,188</u>	<u>504,586</u>
Nonoperating revenues (expenses):			
Investment earnings	1,245	7,013	49,439
Gain (loss) on sale of capital assets	8,291	-	2,625
Interest on long-term debt	(1,903)	(907)	(4,507)
Total nonoperating revenues	<u>7,633</u>	<u>6,106</u>	<u>47,557</u>
Income (loss) before transfers	<u>(8,180)</u>	<u>30,294</u>	<u>552,143</u>
Operating transfers:			
Transfers in	-	-	105,040
Transfers (out)	-	(78,629)	-
Total transfers	<u>-</u>	<u>(78,629)</u>	<u>105,040</u>
Net income (loss)	(8,180)	(48,335)	657,183
Net position:			
Beginning of year, July 1	218,594	351,745	2,934,488
End of year, June 30	<u>\$ 210,414</u>	<u>\$ 303,410</u>	<u>\$ 3,591,671</u>

continued

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Video/ Media Services	Self Insurance	Totals	
			June 30, 2019	June 30, 2018
Operating revenues:				
Charges to other funds	\$ 668,366	\$ 5,231,686	\$ 12,061,211	\$ 11,666,655
Other operating revenue	552	10,000	82,251	20,594
Total operating revenues	668,918	5,241,686	12,143,462	11,687,249
Operating expenses:				
Operations	569,779	5,437,064	11,294,741	10,713,465
Depreciation	74,224	-	506,223	462,296
Total operating expenses	644,003	5,437,064	11,800,964	11,175,761
Operating income (loss)	24,915	(195,378)	342,498	511,488
Investment earnings	10,609	7,705	76,011	36,226
Gain (loss) on sale of capital assets	-	-	10,916	5,341
Interest on long-term debt	(618)	-	(7,935)	(6,273)
Total nonoperating revenues	9,991	7,705	78,992	35,294
Income (loss) before transfers	34,906	(187,673)	421,490	546,782
Operating transfers:				
Transfers in	-	-	105,040	33,000
Transfers (out)	(45,000)	-	(123,629)	-
Total transfers	(45,000)	-	(18,589)	33,000
Net income (loss)	(10,094)	(187,673)	402,901	579,782
Net position:				
Beginning of year, July 1	684,493	191,144	4,380,464	3,800,682
End of year, June 30	\$ 674,399	\$ 3,471	\$ 4,783,365	\$ 4,380,464

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Fleet Maintenance	City Hall Maintenance	Information Technology Services
Cash flows from operating activities:			
Cash receipts from interfund services provided	\$ 3,007,240	\$ 223,990	\$ 3,001,628
Cash payments for interfund services (used)	(2,911,930)	(198,582)	(2,178,915)
Net cash provided (used) by operating activities	<u>95,310</u>	<u>25,408</u>	<u>822,713</u>
Cash flows from noncapital financing activities:			
Transfers in / (out)	-	(78,629)	105,040
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(78,629)</u>	<u>105,040</u>
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(54,863)	(7,627)	(163,913)
Interest paid on long-term debt	(1,903)	(907)	(4,507)
Debt issued	25,132	90,000	160,000
Purchase of capital assets	(28,940)	(11,371)	(433,014)
Proceeds from sale of assets	8,291	-	2,625
Net cash (used) for capital and related financing activities	<u>(52,283)</u>	<u>70,095</u>	<u>(438,809)</u>
Cash flows from investing activities:			
Interest earned on investments	1,245	7,013	49,439
Net cash provided by investing activities	<u>1,245</u>	<u>7,013</u>	<u>49,439</u>
Net increase (decrease) in cash and cash equivalents	44,272	23,887	538,383
Cash and cash equivalents, July 1	281,454	357,489	2,572,854
Cash and cash equivalents, June 30	<u>\$ 325,726</u>	<u>\$ 381,376</u>	<u>\$ 3,111,237</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (15,813)	\$ 24,188	\$ 504,586
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	53,724	1,766	376,509
Change in assets and liabilities:			
(Increase) decrease accounts receivable	-	-	-
(Increase) decrease in inventories	(5,903)	-	(3,297)
Increase (decrease) in accounts payable	62,124	(555)	(42,931)
Increase (decrease) in compensated absences payable	1,178	9	(12,154)
Total adjustments	<u>111,123</u>	<u>1,220</u>	<u>318,127</u>
Net cash provided (used) by operating activities	<u>\$ 95,310</u>	<u>\$ 25,408</u>	<u>\$ 822,713</u>

continued

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019
With Comparative Totals for the Fiscal Year Ended June 30, 2018

	Video/ Media Services	Self Insurance	Totals	
			June 30, 2019	June 30, 2018
Cash flows from operating activities:				
Cash receipts from interfund services provided	\$ 668,418	\$ 5,241,908	\$ 12,143,184	\$ 11,567,712
Cash payments for interfund services (used)	(571,728)	(5,327,042)	(11,188,197)	(10,539,905)
Net cash provided (used) by operating activities	96,690	(85,134)	954,987	1,027,807
Cash flows from noncapital financing activities:				
Transfers in / (out)	(45,000)	-	(18,589)	33,000
Net cash provided (used) by noncapital financing activities	(45,000)	-	(18,589)	33,000
Cash flows from capital and related financing activities:				
Principal paid on long-term debt	(6,895)	-	(233,298)	(234,527)
Interest paid on long-term debt	(618)	-	(7,935)	(6,273)
Debt issued	26,966	-	302,098	228,666
Purchase of capital assets	(16,966)	-	(490,291)	(544,769)
Proceeds from sale of assets	-	-	10,916	6,707
Net cash (used) for capital and related financing activities	2,487	-	(418,510)	(550,196)
Cash flows from investing activities:				
Interest earned on investments	10,609	7,705	76,011	36,226
Net cash provided by investing activities	10,609	7,705	76,011	36,226
Net increase (decrease) in cash and cash equivalents	64,786	(77,429)	593,899	546,837
Cash and cash equivalents, July 1	566,113	479,206	4,257,116	3,710,279
Cash and cash equivalents, June 30	<u>\$ 630,899</u>	<u>\$ 401,777</u>	<u>\$ 4,851,015</u>	<u>\$ 4,257,116</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 24,915	\$ (195,378)	\$ 342,498	\$ 511,488
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	74,224	-	506,223	462,296
Change in assets and liabilities:				
(Increase) decrease accounts receivable	(500)	222	(278)	(119,537)
(Increase) decrease in inventories	-	-	(9,200)	10,182
Increase (decrease) in accounts payable	(2,818)	110,022	125,842	149,149
Increase (decrease) in compensated absences payable	869	-	(10,098)	14,229
Total adjustments	71,775	110,244	612,489	516,319
Net cash provided (used) by operating activities	<u>\$ 96,690</u>	<u>\$ (85,134)</u>	<u>\$ 954,987</u>	<u>\$ 1,027,807</u>

City of Jacksonville, North Carolina
Fleet Maintenance Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 3,682,280	\$ 2,936,433	\$ (745,847)	\$ 2,773,265
Sale of capital assets	800	8,291	7,491	3,685
Other operating revenues	9,200	70,807	61,607	9,172
Investment earnings	775	1,245	470	967
Total revenues	<u>3,693,055</u>	<u>3,016,776</u>	<u>(676,279)</u>	<u>2,787,089</u>
Expenditures:				
Salaries and employee benefits		685,124		654,477
Fuel		6,360		6,431
Utilities		22,107		21,940
Maintenance and repair		2,115,173		1,921,327
Other departmental expenditures		140,565		133,391
Total	<u>3,742,303</u>	<u>2,969,329</u>	<u>772,974</u>	<u>2,737,566</u>
Budgetary appropriations:				
Interest paid	2,317	1,903	414	2,031
Debt principal	56,641	54,863	1,778	55,132
Debt issued	(27,306)	(25,132)	(2,174)	(46,000)
Increase (decrease) in inventory	-	5,903	(5,903)	(1,845)
(Increase) decrease in compensated absences payable	-	(1,178)	1,178	(3,528)
Capital outlay	29,306	28,940	366	45,117
Appropriated retained earnings	(110,206)	-	(110,206)	-
Total budgetary appropriations	<u>(49,248)</u>	<u>65,299</u>	<u>(114,547)</u>	<u>50,907</u>
Total expenditures	<u>\$ 3,693,055</u>	<u>\$ 3,034,628</u>	<u>\$ 658,427</u>	<u>\$ 2,788,473</u>
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 3,016,776		\$ 2,787,089
Total expenditures		<u>3,034,628</u>		<u>2,788,473</u>
Excess of revenues over (under) expenditures		<u>(17,852)</u>		<u>(1,384)</u>
Budgetary appropriations (above):				
Payment of debt principal		54,863		55,132
Debt issued		(25,132)		(46,000)
Increase (decrease) in inventory		5,903		(1,845)
(Increase) decrease in compensated absences payable		(1,178)		(3,528)
Capital outlay		28,940		45,117
Total budgetary appropriations		<u>63,396</u>		<u>48,876</u>
Depreciation (Statement 92)		<u>(53,724)</u>		<u>(55,312)</u>
Net income (loss) (Statement 92)		<u>\$ (8,180)</u>		<u>\$ (7,820)</u>

Note: Prepared on the budgetary basis, which is modified accrual.

City of Jacksonville, North Carolina
City Hall Maintenance Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 223,750	\$ 223,750	\$ -	\$ 233,640
Other operating revenues	75	240	165	166
Investment earnings	2,095	7,013	4,918	3,410
Total revenues	225,920	231,003	5,083	237,216
Expenditures:				
Salaries and employee benefits		55,605		54,971
Utilities		89,345		84,935
Maintenance and repair		23,227		20,793
Other departmental expenditures		29,859		27,991
Total	227,411	198,036	29,375	188,690
Budgetary appropriations:				
Interest paid	2,226	907	1,319	2
Debt principal	12,871	7,627	5,244	899
Debt issued	(90,000)	(90,000)	-	-
(Increase) decrease in compensated absences payable	-	(9)	9	(42)
Transfer to GF Capital Project	78,629	78,629	-	-
Capital outlay	11,371	11,371	-	-
Appropriated retained earnings	(16,588)	-	(16,588)	-
Total budgetary appropriations	(1,491)	8,525	(10,016)	859
Total expenditures	\$ 225,920	\$ 206,561	\$ 19,359	\$ 189,549
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 231,003		\$ 237,216
Total expenditures		206,561		189,549
Excess of revenues over expenditures		24,442		47,667
Budgetary appropriations (above):				
Payment of debt principal		7,627		899
Debt issued		(90,000)		-
(Increase) decrease in compensated absences payable		(9)		(42)
Capital outlay		11,371		-
Total budgetary appropriations		(71,011)		857
Depreciation (Statement 92)		(1,766)		(629)
Net income (loss) (Statement 92)		\$ (48,335)		\$ 47,895

Note: Prepared on the budgetary basis, which is modified accrual.

City of Jacksonville, North Carolina
Information Technology Services Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 2,997,074	\$ 3,000,976	\$ 3,902	\$ 2,969,227
Sale of capital assets	500	2,625	2,125	474
Other operating revenues	550	652	102	548
Investment earnings	12,594	49,439	36,845	23,685
Total revenues	3,010,718	3,053,692	42,974	2,993,934
Expenditures:				
Salaries and employee benefits		956,936		973,854
Fuel		1,712		940
Maintenance and repair		10,690		10,748
Contracted services		43,590		32,160
Other departmental expenditures		1,107,605		900,462
Total	2,659,112	2,120,533	538,579	1,918,164
Budgetary appropriations:				
Interest paid	6,761	4,507	2,254	4,011
Debt principal	180,319	163,913	16,406	175,807
Debt issued	(160,000)	(160,000)	-	(160,000)
Transfers -				
(In) from Capital Reserve	-	(50,000)	50,000	-
(In) from Water/Sewer Fund	-	(50,000)	50,000	(25,000)
(In) from General Fund	-	(5,040)	5,040	(8,000)
To Capital Project Fund	40,000	40,000	-	40,000
Increase (decrease) in compensated absences payable	-	(12,154)	12,154	(9,043)
Increase (decrease) in inventories	-	3,297	(43,742)	(8,337)
Capital outlay	371,968	433,014	(61,046)	461,195
Appropriated retained earnings	(87,442)	-	(87,442)	-
Total budgetary appropriations	351,606	367,537	(56,376)	470,633
Total expenditures	\$ 3,010,718	\$ 2,488,070	\$ 482,203	\$ 2,388,797
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 3,053,692		\$ 2,993,934
Total expenditures		2,488,070		2,388,797
Excess of revenues over expenditures		565,622		605,137
Budgetary appropriations (above):				
Payment of debt principal		163,913		175,807
Debt issued		(160,000)		(160,000)
Transfer to ITS capital project		40,000		40,000
Increase (decrease) in compensated absences payable		(12,154)		(9,043)
Increase (decrease) in inventories		3,297		(8,337)
Capital outlay		433,014		461,195
Total budgetary appropriations		468,070		499,622
Depreciation (Statement 92)		(376,509)		(335,037)
Net income (loss) (Statement 92)		\$ 657,183		\$ 769,722

Note: Prepared on the budgetary basis, which is modified accrual.

City of Jacksonville, North Carolina
Information Technology Services Capital Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive Negative
Revenues:					
Investment earnings	\$ 787	\$ 787	\$ -	\$ 787	\$ -
Total revenues	787	787	-	787	-
Expenditures:					
Capital outlay:					
AS400 Life Cycle DP0601	660,787	368,187	88,071	456,258	204,529
Fiber Connectivity	130,000	30,000	100,000	130,000	-
Fiber Connectivity - Downtown	55,040	10,870	18,583	29,453	25,587
Total expenditures	845,827	409,057	206,654	615,711	230,116
Revenues over (under) expenditures	(845,040)	(408,270)	(206,654)	(614,924)	230,116
Other financing sources (uses):					
Debt issued	180,000	180,000	-	180,000	-
Fiber Connectivity-Sturgeon City	25,000	-	-	-	(25,000)
Transfers in -					
From General Fund	5,040	-	5,040	5,040	-
From ITS Fund	480,000	440,000	40,000	480,000	-
From Capital Reserves	70,000	20,000	50,000	70,000	-
From Water/Sewer Fund	85,000	35,000	50,000	85,000	-
Total other financing sources	845,040	675,000	145,040	820,040	(25,000)
Net change in fund balance	\$ -	\$ 266,730	\$ (61,614)	\$ 205,116	\$ 205,116
Fund balance:					
Beginning of year, July 1			266,730		
End of year, June 30			\$ 205,116		

City of Jacksonville, North Carolina
Video/Media Services Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 668,366	\$ 668,366	\$ -	\$ 687,957
Sale of capital assets	-	-	-	1,182
Other operating revenues	650	552	(98)	708
Investment earnings	2,885	10,609	7,724	5,156
Total revenues	671,901	679,527	7,626	695,003
Expenditures:				
Salaries and employee benefits		295,466		286,780
Contracted services		11,722		12,650
Other departmental expenditures		262,591		263,349
Total	702,167	569,779	132,388	562,779
Budgetary appropriations:				
Interest paid	577	618	(41)	229
Debt principal	7,026	6,895	131	2,689
Debt issued	(10,000)	(26,966)	16,966	(22,666)
Transfers -				
To Capital Projects	45,000	45,000	-	-
(Increase) decrease in compensated absences payable	-	(869)	869	(1,616)
Capital outlay	16,966	16,966	-	38,457
Appropriated retained earnings	(89,835)	-	(89,835)	-
Total budgetary appropriations	(30,266)	41,644	(71,910)	17,093
Total expenditures	\$ 671,901	\$ 611,423	\$ 60,478	\$ 579,872
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 679,527		\$ 695,003
Total expenditures		611,423		579,872
Excess of revenues over (under) expenditures		68,104		115,131
Budgetary appropriations (above):				
Payment of debt principal		6,895		2,689
Debt issued		(26,966)		(22,666)
(Increase) decrease in compensated absences payable		(869)		(1,616)
Capital outlay		16,966		38,457
Total budgetary appropriations		(3,974)		16,864
Depreciation (Statement 92)		(74,224)		(71,318)
Net income (loss) (Statement 92)		\$ (10,094)		\$ 60,677

Note: Prepared on the budgetary basis, which is modified accrual.

City of Jacksonville, North Carolina
Self Insurance Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2019

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 5,355,508	\$ 5,231,686	\$ (123,822)	\$ 5,002,566
Other operating revenues	-	10,000	10,000	10,000
Investment earnings	1,144	7,705	6,561	3,008
Total revenues	<u>5,356,652</u>	<u>5,249,391</u>	<u>(107,261)</u>	<u>5,015,574</u>
Expenditures:				
Benefit payments		5,407,073		5,265,807
Other departmental expenditures		29,991		40,459
Total	<u>5,401,778</u>	<u>5,437,064</u>	<u>(35,286)</u>	<u>5,306,266</u>
Budgetary appropriations:				
Appropriated retained earnings	(45,126)	-	(45,126)	-
Total budgetary appropriations	<u>(45,126)</u>	<u>-</u>	<u>(45,126)</u>	<u>-</u>
Total expenditures	<u>\$ 5,356,652</u>	<u>\$ 5,437,064</u>	<u>\$ (80,412)</u>	<u>\$ 5,306,266</u>
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 5,249,391		\$ 5,015,574
Total expenditures		<u>5,437,064</u>		<u>5,306,266</u>
Excess of revenues over (under) expenditures		<u>(187,673)</u>		<u>(290,692)</u>
Net income (loss) (Statement 92)		<u>\$ (187,673)</u>		<u>\$ (290,692)</u>

Note: Prepared on the budgetary basis, which is modified accrual.



GOVERNMENTAL FUNDS CAPITAL ASSETS

The Governmental Funds Capital Assets account for capital assets used in the operation of Governmental Funds, other than those accounted for in the Proprietary Funds.

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Governmental funds capital assets:		
Land	\$ 12,139,030	\$ 12,139,030
Land Rights	3,370,644	3,370,644
Buildings	58,585,399	54,912,728
Equipment	6,757,504	6,364,862
Software	1,064,401	1,062,850
Heavy equipment	862,476	767,398
Vehicles	13,182,778	12,670,998
Infrastructure	56,451,388	56,279,814
Improvements other than buildings	20,208,703	17,717,805
Construction in progress	<u>2,448,082</u>	<u>3,511,810</u>
Total governmental funds capital assets	<u>\$ 175,070,405</u>	<u>\$ 168,797,939</u>
Investment in governmental funds capital assets		
General Fund	\$ 46,116,459	\$ 53,415,206
Major Capital Project Fund	87,911,673	81,340,261
Non-Major Governmental Funds	17,312,088	10,312,287
Donations, court awards, etc.	<u>23,730,185</u>	<u>23,730,185</u>
Total investment in governmental funds capital assets	<u>\$ 175,070,405</u>	<u>\$ 168,797,939</u>

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the Internal Service Funds are excluded from the above amounts. Generally, the capital assets of the Internal Service Funds are included as governmental activities in the statement of net position.

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2019

	<u>Land</u>	<u>Land Rights</u>	<u>Buildings</u>	<u>Equipment</u>
General Government:				
City Manager	\$ -	\$ -	\$ -	\$ -
Human Resources	-	-	5,923	-
Finance	-	-	-	34,294
Planning	-	-	-	183,249
Other-Unclassified	4,018,806	-	13,159,556	21,928
Total General Government	<u>4,018,806</u>	<u>-</u>	<u>13,165,479</u>	<u>239,471</u>
Public Works:				
Inspections	-	-	-	-
Code Enforcement	-	-	-	-
Public Works	-	-	-	-
Engineering	66,967	-	-	-
Maintenance	21,412	-	83,672	227,781
Streets Powell Bill	67,500	3,370,644	100,209	31,033
Streets Non-Powell Bill	-	-	45,461	186,456
Traffic Signal Control	-	-	-	158,438
Total Public Works	<u>155,879</u>	<u>3,370,644</u>	<u>229,342</u>	<u>603,708</u>
Public Safety:				
Police	2,758	-	29,897,567	2,830,381
Fire	154,842	-	5,102,319	1,391,327
Total Public Safety	<u>157,600</u>	<u>-</u>	<u>34,999,886</u>	<u>4,221,708</u>
Cultural and Recreational:				
Recreation	<u>7,806,745</u>	<u>-</u>	<u>9,053,083</u>	<u>941,474</u>
Economic Development:				
Economic Development	<u>-</u>	<u>-</u>	<u>1,137,609</u>	<u>751,143</u>
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental funds capital assets	<u>\$ 12,139,030</u>	<u>\$ 3,370,644</u>	<u>\$ 58,585,399</u>	<u>\$ 6,757,504</u>

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the Internal Service Funds are excluded from the above amounts. Generally, the capital assets of the Internal Service Funds are included as governmental activities in the statement of net position.

continued

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2019

	<u>Software</u>	<u>Heavy Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>
General Government:				
City Manager	\$ -	\$ -	\$ -	\$ -
Human Resources	20,193	-	-	-
Finance	95,515	-	-	-
Planning	125,847	-	21,543	-
Other-Unclassified	-	-	-	-
Total General Government	<u>241,555</u>	<u>-</u>	<u>21,543</u>	<u>-</u>
Public Works:				
Inspections	-	-	137,239	-
Code Enforcement	-	-	54,690	-
Public Works	-	-	19,859	12,438,280
Engineering	9,212	-	-	-
Maintenance	-	-	417,189	-
Streets Powell Bill	-	259,024	50,858	41,411,163
Streets Non-Powell Bill	-	440,555	281,701	473,196
Traffic Signal Control	-	-	299,197	-
Total Public Works	<u>9,212</u>	<u>699,579</u>	<u>1,260,733</u>	<u>54,322,639</u>
Public Safety:				
Police	690,959	-	4,494,916	-
Fire	75,280	-	4,749,997	-
Total Public Safety	<u>766,239</u>	<u>-</u>	<u>9,244,913</u>	<u>-</u>
Cultural and Recreational:				
Recreation	<u>32,395</u>	<u>162,897</u>	<u>730,575</u>	<u>1,942,775</u>
Economic Development:				
Economic Development	<u>15,000</u>	<u>-</u>	<u>1,925,014</u>	<u>185,974</u>
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental funds capital assets	<u>\$ 1,064,401</u>	<u>\$ 862,476</u>	<u>\$ 13,182,778</u>	<u>\$ 56,451,388</u>

continued

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2019

	Improvements other than Buildings	Construction in Progress	Total
General Government:			
City Manager	\$ 460,070	\$ -	\$ 460,070
Human Resources	-	-	26,116
Finance	-	-	129,809
Planning	-	-	330,639
Other-Unclassified	1,260,619	-	18,460,909
Total General Government	1,720,689	-	19,407,543
Public Works:			
Inspections	-	-	137,239
Code Enforcement	-	-	54,690
Public Works	-	-	12,458,139
Engineering	28,109	-	104,288
Maintenance	-	-	750,054
Streets Powell Bill	3,350,106	-	48,640,537
Streets Non-Powell Bill	96,893	-	1,524,262
Traffic Signal Control	19,373	-	477,008
Total Public Works	3,494,481	-	64,146,217
Public Safety:			
Police	237,976	-	38,154,557
Fire	-	-	11,473,765
Total Public Safety	237,976	-	49,628,322
Cultural and Recreational:			
Recreation	12,600,739	-	33,270,683
Economic Development:			
Economic Development	2,154,818	-	6,169,558
Construction in progress	-	2,448,082	2,448,082
Total governmental funds capital assets	\$ 20,208,703	\$ 2,448,082	\$ 175,070,405

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended June 30, 2019

	Capital Assets 2018	Additions	Deductions	Transfers	Capital Assets 2019
General Government:					
City Manager	\$ 460,070	\$ -	\$ -	\$ -	\$ 460,070
Human Resources	26,116	-	-	-	26,116
Finance	129,109	700	-	-	129,809
Planning	261,188	69,451	-	-	330,639
Other-unclassified	14,865,785	3,595,124	-	-	18,460,909
Total General Government	15,742,268	3,665,275	-	-	19,407,543
Public Works:					
Inspections	137,239	-	-	-	137,239
Code Enforcement	53,780	-	-	910	54,690
Public Works	12,438,280	-	-	19,859	12,458,139
Engineering	104,288	-	-	-	104,288
Maintenance	710,459	53,526	33,768	19,837	750,054
Streets Powell Bill	47,114,747	1,542,547	-	(16,757)	48,640,537
Streets Non-Powell Bill	1,501,184	113,691	64,710	(25,903)	1,524,262
Traffic Signal Control	477,008	-	-	-	477,008
Total Public Works	62,536,985	1,709,764	98,478	(2,054)	64,146,217
Public Safety:					
Police	37,719,374	973,656	563,807	25,334	38,154,557
Fire	11,328,603	166,116	20,954	-	11,473,765
Total Public Safety	49,047,977	1,139,772	584,761	25,334	49,628,322
Cultural and Recreational:					
Recreation	32,661,220	688,760	60,028	(19,269)	33,270,683
Economic Development:					
Economic Development	5,297,680	1,385,938	514,060	-	6,169,558
Construction in progress	3,511,810	896,009	1,959,737	-	2,448,082
Total governmental funds capital assets	\$ 168,797,940	\$ 9,485,518	\$ 3,217,064	\$ 4,011	\$ 175,070,405

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the Internal Service Funds are excluded from the above amounts. Generally, the capital assets of the Internal Service Funds are included as governmental activities in the statement of net position.

ADDITIONAL FINANCIAL DATA

This section contains the following –

Additional information on property taxes:

- * Schedule of Ad Valorem Taxes Receivable
- * Analysis of Current Tax Levy

Schedule 103

City of Jacksonville, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 23,681,716	\$ 23,525,864	\$ 155,852
2017-2018	248,910		187,198	61,712
2016-2017	141,503		80,632	60,871
2015-2016	81,956		41,336	40,620
2014-2015	60,963		25,426	35,537
2013-2014	93,592		11,691	81,901
2012-2013	140,144		10,474	129,670
2011-2012	86,319		7,028	79,291
2010-2011	96,904		4,406	92,498
2009-2010	120,634		4,553	116,081
2008-2009	130,986		130,986	-
	<u>\$ 1,201,912</u>	<u>\$ 23,681,716</u>	<u>\$ 24,029,594</u>	<u>\$ 854,034</u>

Less allowance for uncollected ad valorem taxes receivable	<u>715,191</u>
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Real Property taxes receivable - net	\$ 138,843
Tax Tags Together receivable	<u>184,434</u>
Taxes receivable - net	<u>\$ 323,277</u>

Reconcilement with revenues:

Taxes - ad valorem - general fund	\$ 23,975,763
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Reconciling items:

Discoveries and abatements - Net	4,953
Taxes written off	128,459
Refunds	20,943
Interest Collected	<u>(100,525)</u>
Total collections and credits per above	<u>\$ 24,029,594</u>

City of Jacksonville, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2019

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current	\$ 3,692,690,626	0.642	\$ 23,707,074	\$ 21,571,325	\$ 2,135,749
Registered motor vehicles taxed at prior year's rate	-	0.642	-	-	-
Penalties	-		24,856	24,856	-
	<u>3,692,690,626</u>		<u>23,731,929</u>	<u>21,596,181</u>	<u>2,135,749</u>
Discoveries:					
Current year taxes and prior year taxes	1,358,006	0.642	8,718	8,718	
Total	<u>1,358,006</u>		<u>8,718</u>	<u>8,718</u>	-
Abatements	<u>(16,087,526)</u>		<u>(58,932)</u>	<u>(58,932)</u>	-
Total Property Valuation	<u>\$ 3,677,961,106</u>				
Net Levy			23,681,716	21,545,967	2,135,749
Less Uncollected tax at June 30, 2019 (Schedule 103)			<u>(155,852)</u>	<u>(155,852)</u>	-
Current year's taxes collected			<u>23,525,864</u>	<u>21,390,115</u>	<u>2,135,749</u>
Percent current year collected			<u>99.34%</u>	<u>99.28%</u>	<u>100.00%</u>



STATISTICAL SECTION

Schedules presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the City.

Contents

Financial Trends (Tables 1-4)

These tables contain trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity (Tables 5-9)

These tables contain information to help the reader assess the City's ability to generate revenue.

Debt Capacity (Tables 10-12)

Information is presented to help the reader assess the City's ability to sustain the current levels of debt as well as its ability to issue additional debt in the future.

Demographic and Economic Information (Tables 13-14)

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

Operating Information (Tables 15-17)

These tables contain information about the City's service levels and capital assets, to include infrastructure, 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.

Table 1

City of Jacksonville, North Carolina
Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in					
capital assets	\$ 49,811,519	\$ 54,511,124	\$ 61,803,084	\$ 70,194,243	\$ 69,688,076
Restricted	3,505,638	12,718,830	11,902,394	11,860,012	14,384,374
Unrestricted	26,825,278	22,460,393	21,203,993	21,780,114	19,397,108
Total governmental activities net position	<u>\$ 80,142,435</u>	<u>\$ 89,690,347</u>	<u>\$ 94,909,471</u>	<u>\$ 103,834,369</u>	<u>\$ 103,469,558</u>
Business-type activities					
Net investment in					
capital assets	\$ 46,532,620	\$ 41,894,354	\$ 39,486,272	\$ 41,107,918	\$ 42,120,408
Restricted	-	-	-	-	-
Unrestricted	24,018,469	32,786,883	34,475,732	33,863,759	30,938,617
Total business-type activities net position	<u>\$ 70,551,089</u>	<u>\$ 74,681,237</u>	<u>\$ 73,962,004</u>	<u>\$ 74,971,677</u>	<u>\$ 73,059,025</u>
Primary government					
Net investment in					
capital assets	\$ 96,344,139	\$ 96,405,478	\$ 101,289,356	\$ 111,302,161	\$ 111,808,484
Restricted	3,505,638	12,718,830	11,902,394	11,860,012	14,384,374
Unrestricted	50,843,747	55,247,276	55,679,725	55,643,873	50,335,725
Total primary government net position	<u>\$ 150,693,524</u>	<u>\$ 164,371,584</u>	<u>\$ 168,871,475</u>	<u>\$ 178,806,046</u>	<u>\$ 176,528,583</u>
Component Unit					
Restricted	\$ -	\$ 781,526	\$ 1,166,010	\$ 1,375,336	\$ 1,590,870
Unrestricted	-	-	144,306	198,475	240,739
Total component unit net position	<u>\$ -</u>	<u>\$ 781,526</u>	<u>\$ 1,310,316</u>	<u>\$ 1,573,811</u>	<u>\$ 1,831,609</u>

continued

Table 1
continued

City of Jacksonville, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in					
capital assets	\$ 72,396,888	\$ 71,029,630	\$ 69,120,586	\$ 70,390,054	\$ 73,151,872
Restricted	16,326,161	10,262,904	11,992,408	16,728,828	9,533,420
Unrestricted	14,875,001	22,372,831	21,294,316	18,278,872	25,719,592
Total governmental activities net position	<u>\$ 103,598,050</u>	<u>\$ 103,665,365</u>	<u>\$ 102,407,310</u>	<u>\$ 105,397,754</u>	<u>\$ 108,404,884</u>
Business-type activities					
Net investment in					
capital assets	\$ 44,194,388	\$ 41,547,420	\$ 39,516,023	\$ 39,538,524	\$ 38,711,933
Restricted	597,811	-	-	108,801	386,553
Unrestricted	26,937,567	29,779,464	31,959,116	33,622,012	38,165,133
Total business-type activities net position	<u>\$ 71,729,766</u>	<u>\$ 71,326,884</u>	<u>\$ 71,475,139</u>	<u>\$ 73,269,337</u>	<u>\$ 77,263,619</u>
Primary government					
Net investment in					
capital assets	\$ 116,591,276	\$ 112,577,050	\$ 108,636,609	\$ 109,928,578	\$ 111,863,805
Restricted	16,923,972	10,262,904	11,992,408	16,837,629	9,919,973
Unrestricted	41,812,568	52,152,295	53,253,432	51,900,884	63,884,725
Total primary government net position	<u>\$ 175,327,816</u>	<u>\$ 174,992,249</u>	<u>\$ 173,882,449</u>	<u>\$ 178,667,091</u>	<u>\$ 185,668,503</u>
Component Unit					
Restricted	\$ 1,603,812	\$ 1,647,248	\$ 1,526,943	\$ 1,286,284	\$ 1,256,241
Unrestricted	367,441	266,241	405,610	680,986	1,524,536
Total component unit net position	<u>\$ 1,971,253</u>	<u>\$ 1,913,489</u>	<u>\$ 1,932,553</u>	<u>\$ 1,967,270</u>	<u>\$ 2,780,777</u>

Table 2

City of Jacksonville, North Carolina
Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities:					
Expenses					
General Government	\$ 5,596,384	\$ 6,792,452	\$ 7,994,140	\$ 4,983,183	\$ 5,080,369
Public Works	3,882,329	6,533,211	6,377,902	6,627,300	6,824,331
Public Safety	20,979,364	19,198,958	19,915,276	20,600,507	21,181,815
Economic and Physical Development	814,390	1,163,709	667,729	1,583,916	1,992,960
Cultural and Recreational	4,915,686	5,021,989	4,601,950	5,530,950	5,936,222
Interest on long-term debt	258,864	221,531	329,417	1,224,639	1,132,525
Total expenses	<u>36,447,017</u>	<u>38,931,850</u>	<u>39,886,414</u>	<u>40,550,495</u>	<u>42,148,222</u>
Program Revenues					
Charges for services:					
General Government	898,699	250,468	138,799	171,465	162,977
Public Works	1,294,058	1,289,267	927,358	706,159	745,549
Public Safety	211,289	240,263	398,019	372,576	293,269
Cultural and Recreational	456,832	480,852	586,966	589,570	693,995
Operating grants and contributions	4,553,143	6,458,917	7,228,718	4,753,141	2,955,773
Capital grants and contributions	4,108,039	4,723,314	2,753,328	8,564,614	2,155,063
Total program revenues	<u>11,522,060</u>	<u>13,443,081</u>	<u>12,033,188</u>	<u>15,157,525</u>	<u>7,006,626</u>
Total Governmental Activities Net Program Expense	<u>(24,924,957)</u>	<u>(25,488,769)</u>	<u>(27,853,226)</u>	<u>(25,392,970)</u>	<u>(35,141,596)</u>
General Revenues and Other Changes in Net Position					
Taxes					
Property taxes	17,887,016	18,512,342	18,847,266	19,766,554	20,609,794
Sales tax	10,643,840	11,037,388	11,687,324	11,492,666	10,132,239
E-911 surcharge	420,799	420,799	350,341	333,471	316,281
Franchise tax	3,213,168	3,030,253	2,842,416	2,806,225	2,932,050
Beer and Wine tax	-	359,696	335,106	376,544	343,092
Gross receipts tax on short-term vehicle leases	154,786	174,971	173,012	174,815	187,443
Investment earnings	115,235	118,629	69,928	81,204	32,083
Miscellaneous	1,110,048	1,242,944	1,324,085	1,224,987	1,688,246
Transfers	(2,178,896)	139,659	(2,557,128)	(1,658,449)	(1,464,443)
Total general revenues and other changes in net position	<u>31,365,996</u>	<u>35,036,681</u>	<u>33,072,350</u>	<u>34,598,017</u>	<u>34,776,785</u>
Total Governmental Activities Change in Net Position	<u>\$ 6,441,039</u>	<u>\$ 9,547,912</u>	<u>\$ 5,219,124</u>	<u>\$ 9,205,047</u>	<u>\$ (364,811)</u>

continued

Table 2
continued

City of Jacksonville, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental Activities:					
Expenses					
General Government	\$ 4,680,357	\$ 4,672,105	\$ 4,557,396	\$ 4,780,126	\$ 9,053,212
Public Works	7,290,153	7,471,612	8,659,605	6,687,511	5,459,374
Public Safety	21,732,088	24,059,681	23,029,567	23,170,764	30,492,318
Economic and Physical Development	1,664,565	2,985,321	1,937,437	3,470,617	3,198,381
Cultural and Recreational	5,445,235	6,795,717	5,906,777	5,568,317	4,679,759
Interest on long-term debt	1,042,728	751,873	996,852	(327,949)	608,384
Total expenses	<u>41,855,126</u>	<u>46,736,309</u>	<u>45,087,634</u>	<u>43,349,386</u>	<u>53,491,428</u>
Program Revenues					
Charges for services:					
General Government	299,854	396,720	486,797	476,913	654,517
Public Works	694,430	610,552	581,612	596,411	564,457
Public Safety	211,957	191,778	210,537	237,403	219,666
Cultural and Recreational	734,277	711,627	751,690	739,208	629,600
Operating grants and contributions	3,419,907	3,844,205	2,825,844	3,769,253	11,104,953
Capital grants and contributions	2,067,195	2,609,324	3,268,406	2,016,629	2,030,845
Total program revenues	<u>7,427,620</u>	<u>8,364,206</u>	<u>8,124,886</u>	<u>7,835,817</u>	<u>15,204,038</u>
Total Governmental Activities Net Program Expense	<u>(34,427,506)</u>	<u>(38,372,103)</u>	<u>(36,962,748)</u>	<u>(35,513,569)</u>	<u>(38,287,390)</u>
General Revenues and Other Changes in Net Position					
Taxes					
Property taxes	22,673,994	22,886,482	23,435,216	23,779,268	23,589,414
Sales tax	10,719,324	11,295,715	11,787,496	12,249,581	13,344,544
E-911 surcharge	329,468	315,815	317,190	406,119	457,922
Franchise tax	3,678,597	3,797,175	3,700,373	3,656,690	3,691,487
Beer and Wine tax	372,917	336,855	350,615	328,068	327,294
Gross receipts tax on short-term vehicle leases	189,345	198,795	190,455	190,858	245,311
Investment earnings	14,197	96,487	208,181	456,983	767,697
Miscellaneous	849,763	483,155	242,953	191,039	(120,601)
Transfers	(1,294,474)	(1,276,272)	(1,259,408)	(1,354,449)	(1,008,548)
Total general revenues and other changes in net position	<u>37,533,131</u>	<u>38,134,207</u>	<u>38,973,071</u>	<u>39,904,157</u>	<u>41,294,520</u>
Total Governmental Activities Change in Net Position	<u>\$ 3,105,625</u>	<u>\$ (237,896)</u>	<u>\$ 2,010,323</u>	<u>\$ 4,390,588</u>	<u>\$ 3,007,130</u>

continued

Table 2
continued

City of Jacksonville, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
<u>Business-type Activities:</u>					
Expenses					
Water and Sewer	\$ 19,605,964	\$ 22,039,600	\$ 25,911,275	\$ 24,437,396	\$ 25,352,766
Solid Waste Disposal	4,936,541	5,030,182	5,204,115	5,164,869	5,309,438
Stormwater/Water Quality	1,706,904	1,999,166	2,458,468	2,493,130	2,439,645
Total expenses	<u>26,249,409</u>	<u>29,068,948</u>	<u>33,573,858</u>	<u>32,095,395</u>	<u>33,101,849</u>
Revenues					
Charges for services:					
Water and Sewer	25,432,654	25,077,038	23,178,499	22,247,424	21,849,926
Solid Waste Disposal	2,622,685	2,710,478	2,807,152	3,537,164	3,582,715
Stormwater/Water Quality	2,077,406	2,086,443	2,163,960	2,885,148	2,893,937
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,587,697	3,143,054	1,291,589	2,048,232	331,300
Total revenues	<u>31,720,442</u>	<u>33,017,013</u>	<u>29,441,200</u>	<u>30,717,968</u>	<u>28,657,878</u>
Total Business-type Activities Net Program Expense	<u>5,471,033</u>	<u>3,948,065</u>	<u>(4,132,658)</u>	<u>(1,377,427)</u>	<u>(4,443,971)</u>
Other Changes in Net Position					
Investment earnings	137,377	205,659	99,003	57,069	24,604
Miscellaneous	130,047	116,083	757,294	718,920	1,042,272
Transfers	2,178,896	(139,659)	2,557,128	1,658,449	1,464,443
Total Business-type Activities Change in Net Position	<u>\$ 7,917,353</u>	<u>\$ 4,130,148</u>	<u>\$ (719,233)</u>	<u>\$ 1,057,011</u>	<u>\$ (1,912,652)</u>
Total Primary Government Change in Net Position	<u>\$ 14,358,392</u>	<u>\$ 13,678,060</u>	<u>\$ 4,499,891</u>	<u>\$ 10,262,058</u>	<u>\$ (2,277,463)</u>

continued

Table 2
continued

City of Jacksonville, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
<u>Business-type Activities:</u>					
Expenses					
Water and Sewer	\$ 25,099,324	\$ 25,522,986	\$ 25,005,300	\$ 23,799,033	\$ 22,771,649
Solid Waste Disposal	5,249,794	5,261,666	5,522,476	5,619,584	5,784,678
Stormwater/Water Quality	2,306,031	2,291,507	2,430,213	2,496,568	2,702,536
Total expenses	<u>32,655,149</u>	<u>33,076,159</u>	<u>32,957,989</u>	<u>31,915,185</u>	<u>31,258,863</u>
Revenues					
Charges for services:					
Water and Sewer	22,736,359	22,940,859	22,760,319	22,962,438	24,481,121
Solid Waste Disposal	4,542,269	4,685,085	4,697,273	4,775,951	4,823,826
Stormwater/Water Quality	2,935,490	2,975,883	2,985,626	3,025,219	3,020,849
Operating grants and contributions	51,301	48,745	85,506	59,855	357,400
Capital grants and contributions	66,782	52,911	360,505	134,334	-
Total revenues	<u>30,332,201</u>	<u>30,703,483</u>	<u>30,889,229</u>	<u>30,957,797</u>	<u>32,683,196</u>
Total Business-type Activities Net Program Expense	<u>(2,322,948)</u>	<u>(2,372,676)</u>	<u>(2,068,760)</u>	<u>(957,388)</u>	<u>1,424,333</u>
Other Changes in Net Position					
Investment earnings	18,908	87,394	179,624	416,653	683,940
Miscellaneous	490,892	606,128	777,983	1,062,245	877,461
Transfers	1,294,474	1,276,272	1,259,408	1,354,449	1,008,548
Total Business-type Activities Change in Net Position	<u>\$ (518,674)</u>	<u>\$ (402,882)</u>	<u>\$ 148,255</u>	<u>\$ 1,875,959</u>	<u>\$ 3,994,282</u>
Total Primary Government Change in Net Position	<u>\$ 2,586,951</u>	<u>\$ (640,778)</u>	<u>\$ 2,158,578</u>	<u>\$ 6,266,547</u>	<u>\$ 7,001,412</u>

Table 3

City of Jacksonville, North Carolina
Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 7,129,465	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	651,391	651,975	650,325	2,036,379
Restricted	-	7,743,995	7,179,852	8,409,072	6,518,498
Committed	-	-	-	-	-
Assigned	-	4,842,273	2,611,336	5,228,768	2,002,776
Unreserved	10,530,710	-	-	-	-
Unassigned	-	5,359,345	8,052,000	5,470,076	8,202,431
Total General Fund	<u>\$ 17,660,175</u>	<u>\$ 18,597,004</u>	<u>\$ 18,495,163</u>	<u>\$ 19,758,241</u>	<u>\$ 18,760,084</u>
All Other Governmental Funds					
Reserved	\$ 6,673,462	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	-
Restricted	-	9,345,040	33,379,755	24,701,198	15,581,241
Assigned	-	6,685,268	12,343,897	12,196,111	9,023,340
Committed	-	-	-	-	-
Unreserved, reported in:					
Capital Reserve Fund	323,514	-	-	-	-
Capital Projects Funds	2,929,440	-	-	-	-
Special Revenue Funds	1,366,861	-	-	-	-
Unassigned	-	(1,560,293)	(1,849,206)	(1,004,260)	7,133
Total All Other Governmental Funds	<u>\$ 11,293,277</u>	<u>\$ 14,470,015</u>	<u>\$ 43,874,446</u>	<u>\$ 35,893,049</u>	<u>\$ 24,611,714</u>

continued

Table 3
continued

City of Jacksonville, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	2,043,462	2,087,853	2,120,830	2,133,525	2,108,944
Restricted	6,999,700	6,794,310	8,013,610	9,611,393	6,383,188
Committed	-	312,733	369,355	499,143	612,450
Assigned	1,832,675	2,112,849	1,612,426	2,127,811	1,488,977
Unreserved	-	-	-	-	-
Unassigned	10,696,246	13,451,074	17,020,447	17,738,752	25,151,075
Total General Fund	<u>\$ 21,572,083</u>	<u>\$ 24,758,819</u>	<u>\$ 29,136,668</u>	<u>\$ 32,110,624</u>	<u>\$ 35,744,634</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	-	-	2,475
Restricted	9,748,232	5,681,528	4,979,721	8,444,541	4,524,808
Assigned	7,150,166	-	-	-	-
Committed	-	7,439,576	7,649,411	3,662,131	5,156,893
Unreserved, reported in:					
Capital Reserve Fund	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Unassigned	-	-	-	(1,743,762)	(1,693,535)
Total All Other Governmental Funds	<u>\$ 16,898,398</u>	<u>\$ 13,121,104</u>	<u>\$ 12,629,132</u>	<u>\$ 10,362,910</u>	<u>\$ 7,990,641</u>

NOTE: With the implementation of GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definition, the fund categories were restated.

Table 4

City of Jacksonville, North Carolina
Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues:					
Ad valorem taxes	\$ 17,726,734	\$ 18,531,433	\$ 18,924,864	\$ 19,761,590	\$ 20,627,279
CATV franchise tax ^a	78,886	91,887	90,185	-	-
Privilege licenses	688,685	718,554	747,295	765,542	761,840
Sales tax	10,643,840	11,037,388	11,687,324	11,492,666	10,132,239
Gross receipt on short term vehicle tax	154,786	174,971	173,012	174,815	187,443
Occupancy Tax ^o	-	19,444	-	-	-
Unrestricted intergovernmental revenues	3,267,272	3,457,891	3,245,404	3,185,171	3,356,230
Restricted intergovernmental revenues	5,237,889	6,476,508	6,959,393	4,775,304	4,585,448
Permits and fees	1,450,667	1,375,738	946,270	748,323	787,618
Sales and services	587,603	695,762	694,439	727,358	829,280
Investment earnings	89,604	132,062	71,582	73,695	50,570
Miscellaneous	861,933	1,221,571	1,429,702	1,523,735	803,783
Total revenues	40,787,899	43,933,209	44,969,470	43,228,199	42,121,730
Expenditures:					
General Government	5,191,549	6,677,733	7,522,961	5,614,655	4,798,712
Public Works	4,757,113	4,643,124	4,992,120	4,487,798	4,601,220
Public Safety	19,148,628	18,823,792	20,474,100	27,454,307	33,352,648
Cultural and Recreational	4,128,184	4,431,449	5,515,803	5,712,089	5,518,416
Economic and Physical Development	861,712	1,155,626	896,066	1,285,886	1,443,274
Capital outlay	2,005,026	2,867,387	2,910,518	2,702,123	2,359,480
Non-capitalized expenditures	371,482	56,499	9,499	-	332,219
Debt service:					
Principal retirement	2,129,525	1,710,314	3,252,974	2,858,417	3,407,473
Bond issuance costs	-	-	281,596	-	-
Interest and fees	258,864	221,531	209,374	1,120,423	1,243,876
Total expenditures	38,852,083	40,587,455	46,065,011	51,235,698	57,057,318
Excess of revenues over (under) expenditures	1,935,816	3,345,754	(1,095,541)	(8,007,499)	(14,935,588)
Other financing sources (uses):					
Debt issued	1,278,432	812,864	29,982,403	2,839,109	4,013,532
Refunding Debt	-	-	-	-	-
Premiums on debt issued	-	-	2,748,680	-	-
Sales of capital assets	200,990	95,673	381,547	88,536	107,007
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers in	5,741,235	7,833,882	10,038,695	7,570,239	6,421,354
Transfers (out)	(8,375,875)	(7,974,606)	(12,753,194)	(9,208,703)	(7,885,797)
Total other financing sources (uses)	(1,155,218)	767,813	30,398,131	1,289,181	2,656,096
Net change in fund balances	\$ 780,598	\$ 4,113,567	\$ 29,302,590	\$ (6,718,318)	\$ (12,279,492)
Debt service as a percentage of noncapital expenditures	8.0%	5.3%	9.0%	10.4%	11.7%

^a In FY 2008, the State changed the CATV made to local governments by the State.

^o Occupancy tax is a new revenue source beginning in 2011.

continued

Table 4
continued

City of Jacksonville, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues:					
Ad valorem taxes	\$ 22,962,166	\$ 23,421,769	\$ 23,544,063	\$ 24,032,420	\$ 23,975,763
CATV franchise tax ^a	-	-	-	-	-
Privilege licenses	712,683	7,156	6,963	6,320	7,693
Sales tax	10,719,324	11,295,715	11,787,496	12,249,581	13,344,544
Gross receipt on short term vehicle tax	189,345	198,795	190,455	190,858	245,311
Occupancy Tax ^o	-	-	-	-	-
Unrestricted intergovernmental revenues	4,101,119	4,218,634	4,132,806	4,063,739	4,131,550
Restricted intergovernmental revenues	4,820,461	6,347,337	5,609,791	5,496,689	13,211,671
Permits and fees	760,592	662,581	634,814	671,432	645,147
Sales and services	908,821	957,989	1,030,313	1,040,641	970,160
Investment earnings	15,165	90,596	203,780	443,779	781,162
Miscellaneous	544,046	913,778	578,659	752,474	1,068,871
Total revenues	45,733,722	48,114,350	47,719,140	48,947,933	58,381,872
Expenditures:					
General Government	4,605,727	4,308,791	4,208,179	5,942,687	6,656,496
Public Works	5,122,028	5,071,826	5,089,640	4,637,200	4,978,998
Public Safety	24,621,063	21,412,645	19,898,514	20,440,894	28,908,220
Cultural and Recreational	4,823,557	6,366,135	6,308,281	6,153,649	5,727,444
Economic and Physical Development	1,367,473	1,792,938	1,662,142	3,125,977	3,310,123
Capital outlay	4,877,263	3,913,931	2,187,066	3,046,865	3,920,009
Non-capitalized expenditures	88,854	940,678	(1)	-	-
Debt service:					
Principal retirement	3,989,325	4,081,897	4,191,467	3,875,499	3,100,575
Bond issuance costs	-	-	-	-	-
Interest and fees	1,188,879	1,102,266	1,019,922	1,035,997	888,161
Total expenditures	50,684,169	48,991,107	44,565,210	48,258,768	57,490,026
Excess of revenues over (under) expenditures	(4,950,447)	(876,757)	3,153,930	689,165	891,846
Other financing sources (uses):					
Debt issued	1,338,526	1,101,500	1,823,978	3,534,016	1,140,255
Refunding Debt	-	-	-	12,505,000	-
Premiums on debt issued	-	-	-	-	-
Sales of capital assets	5,078	210,233	190,973	58,487	220,066
Payment to refunded bond escrow agent	-	-	-	(14,691,485)	-
Transfers in	4,766,338	5,722,459	5,516,395	5,546,423	5,982,620
Transfers (out)	(6,060,812)	(7,053,204)	(6,799,399)	(6,933,872)	(6,972,579)
Total other financing sources (uses)	49,130	(19,012)	731,947	18,569	370,362
Net change in fund balances	\$ (4,901,317)	\$ (895,769)	\$ 3,885,877	\$ 707,734	\$ 1,262,208
Debt service as a percentage of noncapital expenditures	13.0%	11.9%	12.8%	11.7%	9.3%

Table 5

City of Jacksonville, North Carolina
Assessed Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$100
	Residential Property	Commercial Property	Motor Vehicles	Other			
2010	1,466,481,088	830,720,115	303,027,226	274,535,959	21,598,335	2,853,166,053	0.6260
2011	1,807,676,890	1,099,577,260	285,792,522	283,530,271	27,125,081	3,449,451,862	0.5380
2012	1,849,999,540	1,136,827,920	285,540,688	264,602,733	29,455,382	3,507,515,499	0.5380
2013	1,884,077,250	1,226,423,704	307,377,502	278,239,734	35,627,355	3,660,490,835	0.5380
2014	1,937,078,200	1,230,598,207	384,543,812	292,082,090	35,338,442	3,808,963,867	0.5380
2015	1,726,005,770	1,268,023,381	282,773,860	298,252,741	36,186,902	3,538,868,850	0.6420
2016	1,752,090,350	1,291,709,975	299,882,866	311,354,897	39,364,854	3,615,673,234	0.6420
2017	1,751,042,990	1,318,750,615	312,337,850	311,996,644	41,460,102	3,652,667,997	0.6420
2018	1,761,077,690	1,333,631,595	316,099,688	319,886,985	49,997,748	3,680,698,210	0.6420
2019	1,650,364,401	1,427,239,412	332,671,174	312,012,263	44,326,144	3,677,961,106	0.6420

Source: Onslow County Tax Administrator/Collector

Notes: Property in Onslow County is reassessed every five to eight years. The last revaluation was completed in 2015. The County assesses property at 100 percent of actual value. Tax rates are per \$100 of assessed value.

Table 6

City of Jacksonville, North Carolina
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	Council-Directed Capital Projects Initiative	Total Direct Rate	Onslow County	Total
2010	0.5476	0.0784	0.6260	0.590	1.216
2011	0.4596	0.0784	0.5380	0.585	1.123
2012	0.4596	0.0784	0.5380	0.585	1.123
2013	0.4596	0.0784	0.5380	0.585	1.123
2014	0.4596	0.0784	0.5380	0.585	1.123
2015	0.5506	0.0915	0.6420	0.675	1.317
2016	0.5506	0.0915	0.6420	0.675	1.317
2017	0.5506	0.0915	0.6420	0.675	1.317
2018	0.5506	0.0915	0.6420	0.675	1.317
2019	0.5506	0.0915	0.6420	0.705	1.347

Sources: City Finance Office and Onslow County Tax Administrator/Collector

Notes:

1. In FY2011, the property tax rate was decreased by 8.8 cents in response to the County's property revaluation in tax year 2010, which resulted in a 22% increase in property values.
2. In FY2015, the property tax rate was increased by 10.4 cents in response to the County's property revaluation in tax year 2014, which resulted in a 9.4% decrease in property values. Additionally, the Council-directed amount allocated for debt service was increased from 3.84 cents to 5.15 cents to pay for the Center for Public Safety bond. The amount allocated for capital projects remained at 4 cents for a grand total of 9.15 cents.
3. In FY2018, the City's property tax rate remained the same and as a result of the County's 3% increase the combined total property tax rate increased to \$1.347.

Table 7

**City of Jacksonville, North Carolina
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PR Jacksonville Limited Partnership	\$ 56,559,356	1	1.54 %	\$ 37,343,994	1	1.31 %
Duke Energy Progress, Inc	39,488,373	2	1.08			
Triangle Palisades At Jacksonville LLC	29,891,869	3	0.82			
Jones-Onslow EMC	27,780,029	4	0.76	22,430,510	3	0.79
BRC Jacksonville Commons LLC	24,224,300	5	0.66			
Independence Place Arlington West LLC	24,060,431	6	0.66			
Bailey & Fuller Properties LLC	23,203,310	7	0.63			
Williamsburg Plantation Apartments LLC	21,902,644	8	0.60			
Triangle Real Estate of Gastonia Inc	21,696,084	9	0.59			
Cross Pointe Developers LLC	20,298,701	10	0.55			
Carolina Telephone & Telegraph				25,920,701	2	0.91
Progress Energy Carolinas				18,425,283	4	0.65
Bailey & Associates, Inc.				15,826,491	5	0.55
Puller Place, LLC				15,453,737	6	0.54
Jacksonville Commons, LLC				13,832,318	7	0.48
Electronic Data Systems				12,715,622	8	0.45
Marine Federal Credit Union				12,629,018	9	0.44
New River Associates, LLC				12,347,078	10	0.43
Total	<u>\$ 289,105,097</u>		<u>7.89 %</u>	<u>\$ 186,924,752</u>		<u>6.55 %</u>

Source: Onslow County Tax Administrator/Collector

Table 8

City of Jacksonville, North Carolina
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	17,957,339	17,254,271	96.08	582,434	17,836,704	99.33
2011	18,696,869	18,083,308	96.72	516,657	18,599,965	99.48
2012	18,985,311	18,416,665	97.00	482,327	18,898,992	99.55
2013	19,870,580	19,236,220	96.81	494,216	19,730,436	99.29
2014	20,600,957	20,111,893	97.63	395,472	20,507,365	99.55
2015	22,976,393	22,526,620	98.04	388,810	22,915,430	99.73
2016	23,383,681	22,912,736	97.99	388,989	23,301,725	99.65
2017	23,519,246	23,042,770	97.97	334,973	23,377,743	99.40
2018	23,630,312	23,381,401	98.95	187,199	23,568,600	99.74
2019	23,681,716	23,525,864	99.34		23,525,864	99.34

Source: Onslow County Tax Administrator/Collector

Table 9

City of Jacksonville, North Carolina
Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Onslow County ^a</u>
2010	2.00 ^b
2011	2.25 ^c
2012	2.25
2013	2.25
2014	2.25
2015	2.25
2016	2.25
2017	2.25
2018	2.25
2019	2.25

Sources: City Finance Office and Onslow County Finance Office

Notes: The County sales tax rate may be changed only with the approval of the state legislature.

^a The City does not levy a separate sales tax from the County.

^b The County sales tax rate decreased to 2.00% effective October 1, 2009.

^c The County sales tax rate decreased to 2.25% effective October 1, 2008.

Table 10

City of Jacksonville, North Carolina
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2010	-	0%	-
2011	-	0%	-
2012	-	0%	-
2013	-	0%	-
2014	-	0%	-
2015	-	0%	-
2016	-	0%	-
2017	-	0%	-
2018	-	0%	-
2019	-	0%	-

Fiscal Year	Other Governmental Activities Debt	Business-type Activities				Total Primary Government	Percentage of Personal Income ^a	Debt Per Capita
	Installment Purchase Loans	State Revolving Loan	Installment Purchase Loans	Revenue Bonds	Other Loans			
2010	6,785,686	56,984,211	12,514,008	26,093,621	-	102,377,526	1.32%	1,254
2011	5,897,686	61,599,704	14,951,397	40,724,969	-	123,173,756	1.59%	1,593
2012	35,405,224	54,495,939	18,779,281	39,444,671	-	148,125,115	1.88%	1,985
2013	35,345,518	52,970,441	15,770,063	38,030,096	-	142,116,118	1.71%	1,857
2014	35,932,419	50,522,655	13,383,799	36,375,270	-	136,214,143	1.62%	1,742
2015	33,250,773	47,572,893	9,351,425	34,620,214	-	124,795,305	1.50%	1,630
2016	30,054,993	45,133,775	5,882,757	27,863,072	-	108,934,597	1.30%	1,405
2017	28,641,956	42,168,042	4,689,377	26,350,509	-	101,849,884	1.24%	1,315
2018	25,487,428	39,242,563	4,138,119	30,091,662	-	98,959,772	1.11%	1,307
2019	22,696,324	36,106,223	4,160,783	22,815,000	-	85,778,330	0.98%	1,139

Notes:

The City has no outstanding general obligation bonds. Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 9). The "Installment Purchase Loans" totals for 2013, 2014, 2015, 2016, 2017, 2018 and 2019 are adjusted to include the unamortized bond premium for the City's limited obligation bonds (see Note 10D).

^a Source: US Bureau of Economic Analysis. See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Table 11

City of Jacksonville, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Onslow County General Obligation Debt	\$ 44,440,000	25.9%	\$ 11,498,688
Other Debt			
Onslow County Certificates of Participation	34,695,000	25.9%	8,977,205
Onslow County Installment Purchase Loans	4,719,554	25.9%	1,221,167
Onslow County Limited Obligation Bonds	113,260,000	25.9%	29,305,613
Subtotal, overlapping debt			51,002,673
City direct debt			24,163,462
Total direct and overlapping debt			\$ 75,166,135

Sources: Assessed value data used to estimate applicable percentages provided by the Onslow County Tax Collector/ Assessor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least 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 Jacksonville. 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.

City direct debt includes the debt service for the Solid Waste Fund, as this debt is serviced by the General Fund.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Onslow County's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for Onslow County's installment purchase, loan, and other debt. The percentage of overlapping debt is based on the June 30, 2019, assessed valuation of the County of Onslow (\$14,214,542,455) as compared to the June 30, 2019, assessed valuation of the City of Jacksonville (\$3,677,961,106).

Table 12

City of Jacksonville, North Carolina
Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt limit	\$ 228,253,284	\$ 275,956,149	\$ 280,601,240	\$ 292,839,267	\$ 304,717,109
Total net debt applicable to limit	7,342,988	6,527,860	36,063,072	36,134,673	37,724,419
Legal debt margin	\$ 220,910,296	\$ 269,428,289	\$ 244,538,168	\$ 256,704,594	\$ 266,992,690
Total net debt applicable to the limit as a percentage of debt limit	3.2%	2.4%	12.9%	12.3%	12.4%

Note: Under state finance law, the City's outstanding general obligation debt may not exceed eight percent (8%) of total assessed property value. The City has no outstanding general obligation bond debt. Solid Waste Fund debt is included in the installment purchases total above since the Solid Waste Fund debt is serviced by the General Fund.

continued

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 3,665,511,562
Debt limit (8% of assessed value)	293,240,925
Debt applicable to limit:	
Installment purchase	24,163,462
Total net debt applicable to limit	24,163,462
Legal debt margin	<u>\$ 269,077,463</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 283,109,508	\$ 289,253,859	\$ 292,213,440	\$ 294,455,857	\$ 293,240,925
Total net debt applicable to limit	<u>34,657,286</u>	<u>31,486,694</u>	<u>28,832,309</u>	<u>26,321,769</u>	<u>24,163,462</u>
Legal debt margin	<u>\$ 248,452,222</u>	<u>\$ 257,767,165</u>	<u>\$ 263,381,131</u>	<u>\$ 268,134,088</u>	<u>\$ 269,077,463</u>
Total net debt applicable to the limit as a percentage of debt limit	12.2%	10.9%	9.9%	8.9%	8.2%

Installment Purchase Reconciliation to Note 9:

Installment Purchase	<u>\$ 24,163,462</u>
Governmental Activities Installment Purchases	\$ 19,934,576
Governmental Activities Unamortized Premiums	2,761,748
Solid Waste Ending Balance	1,467,138
	<u>\$ 24,163,462</u>

Table 13

City of Jacksonville, North Carolina
Demographic and Economic Statistics
 Last Ten Calendar Years

Fiscal Year	(1) Population ^a	(2) Personal Income ^a (in thousands)	(2) Per Capita Personal Income ^a	(1) Median Age ^a	(3) School Enrollment	(4) Unemployment Rate Percentage
2010	81,612	7,747,194	42,463	25.83	23,493 (5)	8.0
2011	77,343	7,895,564	43,990	25.92	23,201	9.6
2012	74,610	8,296,419	46,163	26.04	24,161	9.2
2013	76,520	8,421,526	45,953	26.20	24,377	8.8
2014	78,190	8,342,524	45,041	26.29	25,251	8.7
2015	76,576	8,354,931	44,538	26.28	25,111	6.2
2016	77,542	8,188,720	43,952	26.27	25,484	5.5
2017	77,464	8,892,158	47,517	26.06	25,744	4.6
2018	75,744	8,719,800	44,972	25.80	26,195	4.6
2019	75,310	NA	NA	25.99	26,410	5.3

Sources:

- (1) NC Office of State Budget and Management - State Demographer. Population figures are estimates as of July 1 of the previous year.
 (2) US Department of Commerce, Bureau of Economic Analysis
 (3) Onslow County Board of Education
 (4) US Dept of Labor, Bureau of Labor Statistics
 (5) NC Department of Public Instruction (ncpublicschools.org)
 NA - Data not available

Notes:

^a Population, personal income, and median age information is based on surveys conducted during the last quarter of the calendar year. Population includes portions of Marine Corps Base Camp Lejeune that were annexed in 1990. Personal income and per capita personal income figures are for the Jacksonville Metropolitan Statistical Area (MSA), which includes Onslow County.

City of Jacksonville, North Carolina
Principal Employers, Current and Ten Years Ago

Employer	2019		2010	
	Employees ^a	Rank	Employees ^a	Rank
Onslow County Board of Education	1,000+	1	1,000+	2
Department of Defense ^b	1,000+	2	1,000+	1
Camp Lejeune Marine Corps Exchange Services	1,000+	3	1,000+	3
Wal-Mart Associates, Inc.	1,000+	4	1,000+	6
Onslow County Government	1,000+	5	1,000+	5
Onslow Memorial Hospital	1,000+	6	1,000+	4
Coastal Carolina Community College	500-999	7	500-999	7
Convergys Customer Management Group	500-999	8	500-999	8
Food Lion, LLC	500-999	9	250-499	11
City of Jacksonville	500-999	10	500-999	9
Alorica Inc.	250-499	11		
Coastal Enterprises of Jacksonville	250-499	12	500-999	10
Dixon Foods Group Inc.	250-499	13	250-499	12
Lowes Home Centers Inc	250-499	14	250-499	13
Gordon Food Service Group	250-499	15		
PRC			250-499	15
Marine Federal Credit Union Inc.			250-499	14

Source: NC Employment Security Commission. Data is for the Jacksonville Metropolitan Statistical Area (MSA), which includes Onslow County. Data is calculated on an annual basis.

Notes:

^a Actual number of employees is not available; therefore, the range/ranking provided by the Employment Security Commission is used.

^b Includes civilian employees at the Marine Corps Base Camp Lejeune, New River Air Station, and Camp Johnson.

Employment by Industry Category

Because only ranges are available, the percentage of total City employment cannot be calculated for each employer. To give an idea of the impact the Marine Corps installations and other government agencies have on the local economy, the following table from the NC Employment Security Commission is provided. The high percentage (30.0%) of government employment at all levels contributes to an extremely stable economy for Jacksonville and Onslow County.

<u>Industry</u>	<u>No. of Units</u>	<u>Annual Average Employment</u>	<u>Percentage</u>
Total Federal Government	28	6,203	12.7
Total State Government	16	1,026	2.1
Total Local Government	119	7,114	14.5
Total Private Industry	3,036	34,608	70.7
Total All Industries	3,199	48,951	100.0

Table 15

City of Jacksonville, North Carolina
Full-Time City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Mayor and Council	7	7	7	7	7	7	7	7	7	7
City Manager	6	6	6	6	6.5	6.3	6.3	6.3	6.3	5
Community Programs	2	2	2	2	2	2	2	1	1	1
Legal	1	1	1	1	1	1	1	1	1	1
Human Resources	5	5	5	5	5	5	5	5	6	6
City Clerk	3	3	3	3	3	3	2	2	2	2
Finance	24	24	24	24	24	25	24	24	24	24
Planning	8	7	7	11	11	11	7	6	6	6
Transportation	2.1	2.1	2.1	3.1	2.6	3.5	3.5	3.5	3.5	4.8
Traffic Signal Control	-	-	-	2	4	4.3	4.3	4.3	5.3	5.3
Public Safety:										
Police										
Sworn	115	119	120	121	121	122	123	123	123	126
Non-sworn	27	29	30	31	32	30	30	32	32	32
Fire										
Firefighters	83	86	86	86	86	85	86	86	86	86
Administrative Support	3	3	3	3	3	3	2	2	2	2
Building Inspections	11	11	11	7	7	7	6	6	6	5
Code Enforcement	3.8	3.8	3.8	3.3	3.3	3.3	3.3	3.3	3	3
Public Works:										
Administration	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.1
Engineering	4	4	4	3	3	3	2	2	2	2.2
Facilities Maintenance	10	10	10	10	10	12	14	14	14	14
Streets	23	23	19	20	20	20	19	19	19	17
Recreation and Parks	37	38	38	40	40	40	44	44	46	46
Livable Neighborhoods	-	-	-	-	-	-	-	1	1.4	1.4
Community Engagement	-	-	-	-	-	-	-	-	-	1
Water/Sewer Operations:										
Administration	3.6	3.6	3.6	3.6	2.6	2.6	1.6	1.6	1.6	1.9
Engineering	10.6	11.6	11.6	11.6	11.6	11.6	8.6	8.6	8.6	8.7
Metering	7	7	7	7	6	6	5	5	5	5
Utilities Maintenance	25	25	26	27	29	29	29	29	29	29
Water Supply	13.85	13.85	13.85	13.85	13.85	14.35	14.35	15.35	15.35	15.35
Wastewater	15.15	15.15	17.15	18.15	18.15	17.65	17.65	17.65	17.65	17.65
Stormwater/Water Quality	4	4	4	3	3	3	3	3	3	3
Streets/Stormwater Drainage	15	15	19	18	18	18	19	19	19	20.7
Sanitation/Solid Waste Disposal	41	41	41	41	41	41	37	37	37	36
Solid Waste/Commercial Disposal	-	-	-	-	5	5	5	5	5	5
Fleet Maintenance	9	9	9	9	10	11	11	11	11	11
City Hall Maintenance	2	2	2	2	2	1	1	1	1	1
Info Technology Services	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3
Video/Media Services	3	3	3	3	4	4	4	4	4	4
Community Development	3.2	3.2	1.2	1.7	1.7	1.7	1.7	1.7	0.6	0.6
E-911 (Note 1)	-	-	-	-	-	-	-	-	-	-
TOTAL	540	550	553	560	570	572	562	564	567	570

Source: Finance Department

Note 1: E-911 funds are split 20% for two GIS Specialist positions, with the remaining 80% charged to Planning (10%), ITS (10%), and Utilities Engineering (60%).

Note 2: Several positions are split between departments or funds, which accounts for the decimal numbers in various departments.

Table 16

City of Jacksonville, North Carolina
Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014
General government					
Building permits issued (Note 1)	1,533	1,031	1,215	838	792
Number of residential units (Note 2)	674	356	440	210	111
Number of commercial units (Note 2)	51	64	100	184	220
Building inspections conducted (Note 1)	15,470	18,916	16,965	12,236	11,444
Business privilege licenses issued	3,891	4,827	5,106	4,686	5,093
Business privilege license collections	710,282	718,554	747,295	765,542	761,840
Zoning inspections conducted	2,533	2,672	2,741	2,049	4,470
Police (Note 3)					
Physical arrests	2,802	3,380	3,880	4,025	3,983
Traffic citations	22,838	27,687	29,292	23,255	15,327
Calls for service	106,279	106,132	111,355	99,576	74,749
Priority 1 response time (minutes/seconds)	13:26	8:52	4:37	3:14	3:16
Fire					
Emergency responses	2,727	2,525	2,636	2,018	2,783
Fires extinguished	201	196	164	126	121
Fire inspections conducted	1,951	1,819	1,745	1,946	1,867
Calls for service	15,500	15,490	16,695	18,613	19,926
Public Works					
Potholes repaired (Note 4)	1,056	4,491	483	168	157
Total street miles swept	2,500.0	1,798.0	702.2	4,680	3,708
Recreation and Parks					
After school program registrations	2,159	4,310	6,398	7,478	5,315
Athletic program registrations	3,919	3,617	3,560	3,263	4,261
Summer and adventure camp registrations	1,009	877	884	879	912
Senior citizen program registrations	456	514	465	483	418
Water					
Avg daily consumption (thousands of gallons)	4,081	3,928	3,865	3,574	3,470
Number of utility accounts	16,716	17,420	17,429	17,002	17,267
Wastewater					
Avg daily sewer treatment (thousands of gallons)	5,895	4,567	4,624	5,500	5,500
Solid Waste Disposal					
Refuse collected (residential/commercial tons/wk)	603.61	605.80	778.40	587.37	586.00
Yard waste collected (tons per week)	93.77	88.65	111.00	74.00	75.00
Recyclables collected (tons per fiscal year)	1,793	1,967	2,385	2,398	2,588
Stormwater					
Drainage ditches maintained (miles)	80.0	100.0	88.4	64.0	98.0
Transportation					
Jacksonville Transit System ridership (monthly average)	4,943	6,892	7,555	7,821	9,833

Source: City departments

Notes:

Note 1: The number of building permits issued includes only those issued for structures (single- and multi-family homes, mobile homes, commercial buildings, additions, and schools), and Certificate of Occupancy permits. It does not include swimming pools, signs, demolitions, and electrical, mechanical, and plumbing permits; however, these categories are included in the total for building inspections conducted. FY13 Building Inspections conducted was recorded in error in previous CAFR, corrected number is reflected in current table.

Note 2: The number of residential and commercial units does not correspond to the building permits issued because 1) building permits includes additions/alterations and Certificates of Occupancy, and 2) only one permit is issued for multi-family (apartment) buildings with multiple units.

Table 16
(continued)

City of Jacksonville, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
General government					
Building permits issued (Note 1)	734	717	794	811	1,158
Number of residential units (Note 2)	132	118	78	108	86
Number of commercial units (Note 2)	209	202	269	210	454
Building inspections conducted (Note 1)	11,967	9,479	8,531	10,025	9,963
Business privilege licenses issued	3,546	410	431	357	323
Business privilege license collections	712,682	7,345	7,547	6,545	5,689
Zoning inspections conducted	3,792	3,021	3,340	3,681	1,118
Police (Note 3)					
Physical arrests	4,046	4,004	4,095	4,121	3,170
Traffic citations	15,622	12,316	12,913	14,482	15,383
Calls for service	76,153	45,142	42,298	53,550	147,447
Priority 1 response time (minutes/seconds)	3:16	3:15	3:09	3:27	3:21
Fire					
Emergency responses	3,358	3,775	3,375	4,012	4,522
Fires extinguished	133	112	111	155	171
Fire inspections conducted	3,228	3,304	2,883	3,056	3,480
Calls for service	36,205	42,415	39,430	39,020	38,934
Public Works					
Potholes repaired (Note 4)	503	2,182	1,423	1,354	1,353
Total street miles swept	4,518	3,378	5,532	2,503	1,506
Recreation and Parks					
After school program registrations	5,282	5,288	4,326	4,549	5,390
Athletic program registrations	5,265	6,595	5,890	6,939	5,195
Summer and adventure camp registrations	985	1,066	924	1,192	1,108
Adult program registrations	552	803	834	423	727
Water					
Avg daily consumption (thousands of gallons)	3,470	3,141	3,131	3,215	3,247
Number of utility accounts	17,453	17,662	17,761	17,957	18,039
Wastewater					
Avg daily sewer treatment (thousands of gallons)	5,500	6,500	4,900	4,900	6,524
Solid Waste Disposal					
Refuse collected (residential/commercial tons/wk)	597	566	633	786	692
Yard waste collected (tons per week)	79	78	79	93	98
Recyclables collected (tons per fiscal year)	2,561	2,615	2,480	2,764	2,492
Stormwater					
Drainage ditches maintained (miles)	118	79	59	67	105
Transportation					
Jacksonville Transit System ridership (monthly average)	9,551	10,868	11,427	11,647	10,385

Source: City departments

Notes (continued):

Note 3: Due to a conversion of data on July 16, 2013 there was data that was either lost or did not transfer correctly causing some information to be lost. The data for FY14 reflects the information that could be restored.

Note 4: Beginning in FY2012, only repairs on potholes measuring 12" or larger were documented.

Table 17

City of Jacksonville, North Carolina
Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014
General government					
Area (square miles)	54.85	54.85	55.35	55.35	55.85
Land/Buildings (dollars)	22,409,435	23,571,103	24,068,494	30,978,391	59,624,895
Police					
Stations	1	1	1	1	1
Police vehicles	140	149	144	144	144
Fire					
Stations	4	4	4	4	4
Fire Engines	9	9	11	10	10
Public Works					
Streets (miles) (Note 1)	148.34	150.90	150.90	150.90	154.11
Sidewalks (miles)	135.00	155.00	201.18	201.18	NA
Recreation and Parks					
Parks	19	19	19	19	19
Acreage	267.40	267.40	267.40	267.40	267.40
Playgrounds	19	19	19	19	19
Athletic fields	21	21	21	21	21
Recreation centers	4	4	4	4	4
Splash pad	-	-	-	-	-
Marina	-	-	-	-	-
Water					
Water mains (miles)	280.00	271.00	272.13	310.00	310.00
Pump stations	42	42	42	45	45
Fire hydrants	2,156	2,156	2,184	2,184	2,401
Storage capacity (mil gallons)	3.4	5.9	5.9	5.9	5.9
Wastewater					
Sanitary sewers (miles)	248.60	253.98	255.62	291.22	291.22
Storm drainage ditches (miles)	80.00	100.00	88.36	64.00	98.00
Treatment capacity (mgd) (Note 2)	9.0	9.0	10.5	10.5	6.5
Solid Waste Disposal					
Sanitation trucks	19	18	20	20	28
Other sanitation vehicles (Note 3)	2	2	2	2	3

Source: City departments

Notes:

NA indicates data is not available.

(1) Street mileage includes those streets within the City limits that are maintained by the NC Department of Transportation (32.03 miles).

(2) Wastewater Treatment Capacity has incorrectly recorded the Nano-Plant in a previous year. This facility is only a cleansing process for the water distributed from the Castle Haynes Aquifer

(3) Prior to FY2010, other sanitation vehicles included three boom trucks, three dial-a-trucks, and two pickup trucks.

Table 17
(continued)

City of Jacksonville, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
General government					
Area (square miles)	55.89	55.89	55.94	56.00	56.00
Land/Buildings (dollars)	66,095,117	66,109,656	66,935,223	67,051,759	70,812,734
Police					
Stations	1	1	1	1	1
Police vehicles	144	145	144	154	166
Fire					
Stations	4	4	4	4	4
Fire Engines	10	11	11	11	11
Public Works					
Streets (miles) (Note 1)	155.25	187.28	187.28	187.88	216.20
Sidewalks (miles)	NA	NA	NA	92.93	92.93
Recreation and Parks					
Parks	19	19	19	19	19
Acreage	265.40	265.40	265.40	265.40	265.40
Playgrounds	19	19	19	19	19
Athletic fields	21	21	21	21	21
Recreation centers	4	4	4	4	4
Splash pad	-	1	1	2	2
Marina	-	1	1	1	1
Water					
Water mains (miles)	318.00	318.00	318.00	318.00	319.49
Pump stations	45	45	45	45	45
Fire hydrants	2,406	2,406	2,407	2,407	2,407
Storage capacity (mil gallons)	5.9	5.9	5.9	5.9	5.9
Wastewater					
Sanitary sewers (miles)	291.00	291.00	300.00	300.00	271.73
Storm drainage ditches (miles)	118.00	118.00	118.00	92.93	88.33
Treatment capacity (mgd) (Note 2)	6.5	6.5	9.0	9.0	9.0
Solid Waste Disposal					
Sanitation trucks	28	24	23	23	27
Other sanitation vehicles (Note 3)	3	9	9	9	8

Source: City departments



COMPLIANCE SECTION

The Compliance Section contains various schedules and Auditor opinions reflecting Federal, State and Local matching participation in various projects and programs of the City. The Single Audit Amendments Act of 1996 established audit requirements for State and Local governments that receive Federal assistance. The audit requirements were established to insure that audits are conducted on an organization wide basis, rather than on a grant-by-grant basis.

**Report of Independent Auditor 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 City Council
City of Jacksonville
Jacksonville, North Carolina

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksonville, North Carolina (the “City”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated October 24, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’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 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’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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cheryl Bekaert LLP

Raleigh, North Carolina
October 24, 2019

**Report of Independent Auditor on Compliance for Each Major Federal Program and on
Internal Control over Compliance In Accordance with the OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Honorable Mayor and City Council
City of Jacksonville
Jacksonville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Jacksonville, North Carolina's (the "City"), 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's major federal programs for the year ended June 30, 2019. The City's major federal 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 federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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* (CFR) 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 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 on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2019.

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 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 with a type of 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 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 material weaknesses or significant deficiencies. 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.

Cherry Bekaert LLP

Raleigh, North Carolina
October 24, 2019

**Report of Independent Auditor on Compliance with Requirements
Applicable to Each Major State Program and Internal Control over Compliance in
Accordance with the OMB Uniform Guidance and the State Single Audit Implementation Act**

To the Honorable Mayor and City Council
City of Jacksonville
Jacksonville, North Carolina

Report on Compliance for each Major State Program

We have audited the City of Jacksonville, North Carolina (the “City”) compliance with the types of requirements described in 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’s major state programs for the year ended June 30, 2019. 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 major state program.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major state program 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 applicable sections of *Title 2 US Code of Federal Regulations* (CFR) 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, 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 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 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 of the City’s compliance.

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2019.

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 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 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.

Cherny Bekaert LLP

Raleigh, North Carolina
October 24, 2019

CITY OF JACKSONVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.515(d)(2) with the Uniform Guidance? _____ Yes X No

CFDA #

97.036

Program Name

Department of Homeland Security
Desaster Grants-Public Assistance (FEMA)

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

CITY OF JACKSONVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

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 State Single Audit Implementation Act?

_____ Yes X No

Identification of major State programs

Names of State Program or Cluster

Non-State System Street-Aid Allocation Fund (Powell Bill)

CITY OF JACKSONVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

Section II – Findings Related to the Audit of the Basic Financial Statements

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – State Award Findings and Questioned Costs

None.

CITY OF JACKSONVILLE, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2019

None.

CITY OF JACKSONVILLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2019**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through or Grantor's Number	Expenditures			
			Federal	State	Pass-Through to Subrecipients	Local
FEDERAL AWARDS						
US Department of Housing & Urban Development						
Direct Program:						
Community Development Entitlement	14.218	B-16-MC-37-0014	101,154	\$ -	111,575	\$ -
Community Development Entitlement	14.218	B-17-MC-37-0014	221,927		208,294	-
Total US Department of HUD			323,081	-	319,869	-
US Department of Justice						
Direct Programs:						
Bulletproof Vest Partnership Grant	16.607		9,912	-	-	9,912
Justice Assistance Grant	16.738	2017-DJ-BX-0582	10,631	-	-	-
Pass through: NC Department of Crime Control and Public Safety						
Jacksonville PD Crisis Intervention Counselor	16.575	2016-VA-GX-0075	74,875	-	-	11,443
Total US Department of Justice			95,418	-	-	21,355
US Department of Transportation						
Direct Programs:						
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507		M 2,282,200	66,666	-	466,846
Pass through: NC Department of Transportation						
NC Governor's Highway Safety Program FY2018	20.616	2000022984	955	-	-	-
NC Governor's Highway Safety Program FY2017	20.616	2000005669	416	-	-	-
Section 5303 Grant	20.505	2000006651	28,000	3,499	-	3,501
Transportation Enhancement	20.205	EB-47054434	-	-	-	20,832
104-F Transportation Grant	20.205-5	N/A	M 236,000	-	-	71,203
Total US Department of Transportation			2,547,571	70,165	-	562,382
US Department of Homeland Security						
Pass through: NC Department of Crime Control and Public Safety						
Disaster Assistance	97.036	FEMA-4393-DR-NC	5,614,986	1,871,662	-	-
Total US Department of Homeland Security			5,614,986	1,871,662	-	-

(Continued)

CITY OF JACKSONVILLE, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
For the Fiscal Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through or Grantor's Number	Expenditures			
			Federal	State	Pass-Through to Subrecipients	Local
STATE GRANTS (all direct):						
NC Department of Public Safety						
Division of Adult Correction & Juvenile Justice						
Juvenile Transportation Program		N/A	-	218	-	-
Total NC Department of Public Safety			-	218	-	-
NC Parks & Recreation Trust Fund						
Division of Parks & Recreation						
PART F Grant - Jacksonville Marina		2017-833		154,446		609,160
Total NC Parks & Recreation Trust Fund			-	154,446	-	609,160
NC Department of Transportation						
Non-State System Street Aid Allocation		N/A	-	2,187,697	-	-
State Maintenance Assistance Program		N/A	-	176,435	-	176,435
Total NC Department of Transportation			-	2,364,132	-	176,435
NC Department of Natural and Cultural Resources						
Clean Water Management Trust Fund				171,476		21,701
NC Arts Council-Grass Roots Arts Program		N/A	-	196	-	-
Total NC Dept. of Natural and Cultural Resources			-	171,672	-	21,701
Total federal expenditures			<u>\$</u>	<u>8,581,056</u>		
Total state expenditures				<u>\$</u>	<u>4,632,295</u>	
Total pass-through to subrecipients expenditures					<u>\$</u>	<u>319,869</u>
Total local expenditures						<u>\$</u> 1,391,033

M indicates major federal program

See Notes to the Schedule of Expenditures of Federal and State Awards.

City of Jacksonville, North Carolina

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (the "Schedule") includes the federal and State award activity of City of Jacksonville, North Carolina, primary government, under programs of the federal and State government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of City of Jacksonville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Jacksonville.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has not adopted the 10% de minimus indirect cost rate allowed under Uniform Guidance.

