

City of Jacksonville  
**North Carolina**

**Comprehensive Annual  
Financial Report**

For The Fiscal Year Ended June 30, 2001

Prepared By  
**FINANCE DEPARTMENT**

Finance Director  
**DEBRA H. BAILEY**



# INTRODUCTORY SECTION

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- \* Table of Contents
- \* Letter of Transmittal
- \* Certificate of Achievement for Excellence  
in Financial Reporting
- \* City of Jacksonville - Organizational Chart
- \* City of Jacksonville - List of Principal Officials

**City of Jacksonville, North Carolina  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2001**

**Table of Contents**

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>		
<b>Letter of Transmittal</b>		1
<b>Certificate of Achievement for Excellence in Financial Reporting</b>		13
<b>Organizational Chart</b>		14
<b>List of Principal Officials</b>		15
<b>FINANCIAL SECTION</b>		
<b>Report of Independent Auditors</b>		17
<b>General Purpose Financial Statements:</b>		
Combined Balance Sheet - All Fund Types and Account Groups	A	20
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	B	24
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual - General Fund	C	25
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Nonexpendable Trust Fund	D	26
Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Fund	E	27
Law Enforcement Officers' Special Separation Allowance Statement of Changes in Plan Net Assets	F	29

	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Notes to the Financial Statements		30
<b>Required Supplemental Financial Data:</b>		
Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress	F-1	57
Law Enforcement Officers' Special Separation Allowance Schedule of Employer Contributions	F-2	58
<b>Other Supplemental Financial Data:</b>		
General Fund:		
Comparative Balance Sheets	1	60
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	2	61
Special Revenue Funds:		
Combining Balance Sheet	3	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	4	71
Community Development Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	5	74
COPS Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	6	75
School Resource Officer Program Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	7	76
E-911 Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	8	77
Lead Base Paint Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	9	78

	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Emergency Relief Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	10	79
HUD Disaster Recovery Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	11	80
Bulletproof Vest Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	12	81
Affordable Home Ownership Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	13	82
Law Enforcement Block Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	14	83
Highway Safety Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	15	84
Governor's Highway Grant Project Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	16	85
Capital Project Funds:		
Combining Balance Sheet	17	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	18	94
Northeast Creek Park Phase II Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	19	99
Multi-Purpose Community Recreation Complex Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	20	100

	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Street Improvements Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	21	101
Fire Station #4 - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	22	102
Trails and Greenways Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	23	103
Demolition Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	24	104
Country Club Park Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	25	105
Richard Ray All America Park Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	26	106
Sherwood Forest Park Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	27	107
Civic Facility Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	28	108
Woodlands Park Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	29	109
Kerr Street Park Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	30	110
Wilson Bay Park Phase I Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	31	111

	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Skateboard Park Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	32	112
Downtown Riverfront Development Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	33	113
Phillips Park Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	34	114
Rails to Trails Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	35	115
Northwoods Playground Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	36	116
Local Government Complex Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	37	117
Sturgeon City Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	38	118
Brook Valley Park Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	39	119
Jacksonville Business Park Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	40	120
Riverwalk Crossing Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	41	121
Northeast Creek Boardwalk Park III Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	42	122



	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Sturgeon City Park Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	43	123
Police Remodeling Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	44	124
Non-Powell Bill Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	45	125
Northeast Creek Park Fund - Schedule of Revenues Expenditures, and Changes in Fund Balances - Budget and Actual	46	126
Downtown Trail Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	47	127
Chaney Creek Power Line Trail Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	48	128
City Compost Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	49	129
Citywide Landscaping Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	50	130
Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	51	131

	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Enterprise Funds:		
Combining Balance Sheet	52	133
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	53	134
Combining Statement of Cash Flows	54	135
Water and Sewer Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	55	137
Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	56	140
Water Capital Projects Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	57	141
Sewer Capital Projects Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	58	142
Water and Sewer Capital Reserve Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	59	143
Internal Service Funds:		
Combining Balance Sheet	60	145
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	61	146
Combining Statement of Cash Flows	62	147
Fleet Maintenance Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	63	148
City Hall Maintenance Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	64	149
Information Technology Services Fund - Schedule of Revenues Expenditures - Budget and Actual (Non-GAAP)	65	150
Information Technology Services Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	66	151

	<u>Statement/ Schedule Number</u>	<u>Page Number</u>
Trust and Agency Funds:		
Combining Balance Sheet	67	153
Statement of Revenues, Expenses and Changes in Fund Balances - Nonexpendable Trust Funds	68	154
General Fixed Assets Account Group:		
Comparative Schedules of General Fixed Assets - By Source	69	156
Schedule of General Fixed Assets - By Function and Activity	70	157
Schedule of Changes in General Fixed Assets - By Function and Activity	71	159
Additional Financial Data:		
Schedule of Cash and Investment Balances	72	161
Schedule of Ad Valorem Taxes Receivable	73	162
Analysis of Current Tax Levy	74	163

	<u>Table Number</u>	<u>Page Number</u>
<b>STATISTICAL SECTION</b>		
General Governmental Expenditures by Function	1	165
General Governmental Revenues by Source	2	165
Property Tax Levies and Collections	3	167
Assessed Value of Taxable Property	4	167
Property Tax Rates - Direct and All Overlapping Governments	5	168
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	6	169
Computation of Legal Debt Margin	7	169
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	8	170
Computation of Direct and Overlapping Debt	9	171
Demographic Statistics	10	171
Analysis of General Fund Balance	11	172
Analysis of General Fund Balance as a Percentage of Expenditures	12	172
Calculation of Debt Service Coverage - Water and Sewer Bonds	13	173
Property Value, Construction, and Bank Deposits	14	173
Schedule of Ten Largest Taxpayers	15	175
Schedule of Insurance in Force	16	176
Miscellaneous Statistics	17	177

**COMPLIANCE SECTION**

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in accordance with <u>Government Auditing Standards</u>	178
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act	180
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act	182
Schedule of Findings and Questioned Costs	184
Corrective Action Plan	187
Summary Schedule of Prior Year Audit Findings	188
Schedule of Expenditures of Federal and State Awards	189



## **LETTER OF TRANSMITTAL**

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

September 28, 2001

We are pleased to present the comprehensive annual financial report of the City of Jacksonville for the fiscal year ended June 30, 2001. The general purpose financial statements contained herein have been audited by the independent certified public accounting firm of McGladrey & Pullen, LLP, and their unqualified 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 and account groups 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 comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, the government's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, much of which is presented on a multi-year basis. Finally, the compliance section presents reports and schedules required by the Federal and State Single Audit Act.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*. Information related to this single audit, including the schedule of Federal and State financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance, are included in the single audit section of this report.

This report includes all funds and account groups of the City. The City provides a full range of services. These services include police and fire protection, sanitation, the construction and maintenance of streets, community development, planning and zoning, and parks and recreation. In addition to general governmental activities, the City owns and operates a water and sewer system and separately accounts for solid waste disposal costs; therefore, these latter activities are included in the reporting entity.

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## ECONOMIC CONDITION AND OUTLOOK

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Jacksonville is located along the New River in Onslow County, which is in the southeastern part of the State. Jacksonville, the county seat, is home of the Marine Corps Base, Camp Lejeune, and the Marine Corps New River Air Station. The City is less than an hour away from two major seaports (Wilmington and Morehead City) where large quantities of raw and finished products are exported and imported. Flight service is provided through Albert J. Ellis Airport which is the 7th busiest airport in the State. The City is easily accessed by US 258, I-40, NC 24 and US 17, which runs north and south along the Atlantic coast. The community currently has a 4.2 percent unemployment rate as compared to a statewide rate of 5.1 percent and a national average of 4.7 percent. The City annexed Camp Lejeune in 1990, resulting in an increased City population of approximately 46,435; however, in July 2000, the N.C. Office of State Planning adjusted our population for decreases in Camp Lejeune barracks for a total population of 66,715, making Jacksonville the eleventh largest City in North Carolina.

The City is governed by the Council-Manager form of government and has been since 1953. The City Council consists of a mayor and six council members. Two councilmen and the mayor are elected-at-large and four councilmen are elected by district for two year terms. The Mayor and Council make appointments to various boards and commissions. Council appoints the City Manager and City Attorney. The City Manager serves as Chief Executive Officer and is responsible for enforcement of laws and ordinances, delivery of services, planning and budgetary management.

The City has been fortunate to continue experiencing conservative expansion. Overall the value of new construction was \$39.6 million. The construction of department stores, apartments, residential developments and office complexes is consistent with construction in previous years.

All indications are that economic growth will continue to increase. While having a positive impact, this growth also presents significant challenges for the City. If the present high level of services is to be maintained, the City, in the future, will need to explore new methods of obtaining financial resources.

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## MAJOR INITIATIVES

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**FOR THE YEAR.** In addition to day-to-day operations and on-going major projects, the City faced some new challenges and initiated several major programs.

- | **Onslow Water and Sewer Authority** – The City, in conjunction with Onslow County and its other municipalities, has formed the Onslow Water and Sewer Authority which has been approved by the State. A consultant has been retained to research the feasibility of the Authority.
- | **Country Club/Sunset Acres Sewer System** – These subdivisions were recently annexed and the City began installing sewer to these areas and has completed the Sunset Acres portion of the project. The Country Club Acres portion is expected to be completed in 2003.
- | **Wilson Bay Initiative** – The City continued work on the Wilson Bay Restoration Project. More than two million oysters have been planted in Wilson Bay and water quality has improved dramatically. The City also funded a program to test aeration devices in the Bay. It is believed that the combination of aeration devices, the oysters, and construction of a three-acre wetlands project will continue to improve the water quality of Wilson Bay and help to restore the natural ecosystem



of the area. The wetlands project, valued at \$375,000, was funded by a grant from the Clean Water Management Trust Fund.

- | **Sturgeon City** – City Council has accepted a plan by Cambridge Seven Associates for a Master Plan for the Environmental Education Center, and directed the creation of the non-profit Sturgeon City of Jacksonville, Incorporated to assist in the project. The architectural firm of Carol R. Johnson and Associates was also selected to design Sturgeon City Park, the future site for the education center. The Sturgeon City Institute has also continued, with over 350 youths having participated since its inception. This fiscal year the Jacksonville-Onslow Volunteer Center received a \$51,000 grant from Burroughs-Wellcome to expand the Institute’s program, including a significant science curriculum.
- | **Downtown Redevelopment** – Riverwalk Crossing, the first municipal project in the downtown redevelopment, is almost complete. This is a landscaped park/trail that begins at the old train depot and ends at the New River Waterfront. It includes benches, decorative lighting, pedestrian/bicycle trails and walks.
- | **Street Rehabilitation** – 2.66 miles of major road reconstruction took place in the Northside/Foxhorn area of the City. This entailed recycling the old roadbed, building up the base, and laying down new pavement.
- | **Human Resources Compensation Initiative** – The City completed a comprehensive job study, and developed and recommended a broadband salary structure. When implemented the new structure will provide greater flexibility in meeting staffing needs more effectively and efficiently. In addition, the new structure will enhance the City’s recruitment and retention ability.
- | **Fire Station #4** – Jacksonville firefighters and county EMS personnel have waited for a new home for nearly two years. The Jacksonville Fire Department and Onslow County EMS personnel moved into Fire Station #4 on July 19, 2001. The \$2.1 million project, which is next to the Onslow County Emergency Operations Center at Jacksonville Commons, provides space for both the Fire Department and county Emergency Medical Services. The new location of the Commons Fire Station services the rapidly developing Western Boulevard and Jacksonville Commons area of the City.
- | **Citizen’s Disaster Preparedness Handbook** – The City of Jacksonville Fire Safety Advisory Board has prepared a workbook in conjunction with the Onslow County Chapter of the American Red Cross. It has been prepared for the residents and businesses of Jacksonville, N.C and is designed to assist you in developing personal plans to cope with unforeseen emergencies and disasters. This Handbook can be obtained on-line at ([ci.jacksonville.nc.us](http://ci.jacksonville.nc.us)) on the Fire Department’s web site, City Hall at Water Billing or at the Jacksonville Fire Department.
- | **Technical Advisory Group** – In response to a request from City Council, the Technical Advisory Group (TAG) completed a review of the City’s information technology (IT) capabilities and prepared a report of recommendations to improve the use of IT resources. The TAG was composed of highly respected members of the technical community, business operators and technical administration professionals from the military, local government, education, business, utilities and communications. Some of the recommendations which were enacted include consolidating the City’s IT resources, reorganizing the IT division into a department-level function, imposing best management practices into the operation, and implementing a life-cycle management program for computer equipment.

- | **Neighborhood Meetings** – Prior to the budget deliberations, City staff completed a series of Neighborhood Meetings to hear from City residents and get their feedback on the activities of the City Government, as well as offer the opportunity to ask questions. The meetings dealt with redistricting the City wards, neighborhood protection policies, traffic and safety issues, the City’s website, youth programs, neighborhood concerns, police protection and fire safety and the City’s quality of life initiatives. Approximately 400 people attended the seven sessions held around the City.
  
- | **Census 2000** – The City aggressively dealt with the issues of the 2000 U.S. Census. The Onslow Civic Affairs Committee was designated as the official Complete Count committee for the City and with the assistance of City staff, special efforts were made to have citizens fill out their census information even after the official Census Day (in FY 2000). The City worked with Census staff to ensure that all areas of the City were covered and streets and place names were accurately recorded, and assisted with publicity and awareness efforts. The City took the lead in the release to elected officials and the public of the initial data and its impact on the City.
  
- | **Public Transportation** – The City, in conjunction with the Onslow United Transit Service (OUTS) and with funding from both the City and the NC Department of Transportation, initiated a Transportation Demonstration Project. This project uses existing OUTS vans for an experiment in providing public transportation. City Council pursued this initiative as a result of citizen requests during the Neighborhood Meetings.
  
- | **Community Development** – The Community Development Division provided \$103,871 through the Affordable Home Ownership Program to assist eight families in purchasing homes. Through the same program, reconstruction was completed on eight houses. The Division closed out its lead-based paint grant program after testing 44 homes and conducting lead abatement on 26 of those units. In cooperation with the Building Inspection Division and the Fire Department, 26 structures were demolished throughout the City.

**FOR THE FUTURE.** The Citizens of Jacksonville can look forward to continued improvement in the quality of life and atmosphere of the City. Environmental clean-up and recreation are focal points in many of the projects for the coming year.

- | **Rails to Trails** – The design of a 5.2 mile, 10-foot-wide bicycle/pedestrian trail between U.S. 17 and the main gate of Camp Lejeune is underway. It will include a paved trail, a pedestrian bridge over Lejeune Boulevard and the renovation of a railroad trestle bridge over Northeast Creek as a bicycle/pedestrian bridge, and will link the existing Chaney Creek section of the trail with several large neighborhoods as well as the trail system aboard the Marine Corps Base. Grant assistance for property acquisition, project design and construction was received from the NC Department of Transportation through the Transportation Enhancement Program. This project is expected to be completed in 2003.
  
- | **Public Services/Fleet Maintenance Complex** – An architect has been selected and is currently beginning the design of a new public services/fleet maintenance garage complex on land purchased by the City last year. The design is expected to take approximately six months and construction approximately one year.
  
- | **City Hall Renovation** – The City is negotiating to purchase the adjacent First Citizens Bank building. Accordingly, the City has selected an architect to design the joining of the two buildings into a new City Hall that will provide a visual anchor for the new downtown redevelopment.

- | **Branchwood Area Emergency Access Road** – In 1999, the Fire Department cited a need to improve response times into the Branchwood area of the City. It was noted during the last ISO inspection that the response access study for the Branchwood, Long Acres, and Sharon Hills subdivisions needed improvement. After extensive research was done by the Fire Department and the information was presented to City Council, the Council approved the Branchwood access road connection that will be used for emergency vehicles only. Barriers at each end of the gravel road section will restrict use from regular traffic.
  
- | **Fire Master Plan Project** - City Council requested that the Fire Department and the Fire Safety Advisory Board undertake the mission of putting together a Fire Master Plan. The staff is using an in-house self-assessment process through the National Fire Service Accreditation Program to accomplish this feat. The self-assessment process focuses on the evaluation of the activities and services an agency provides to protect life and property. It provides a standard toward which all members of the fire service can work. This set of criteria is designed to be credible, realistic, useable, and achievable. The Fire Master Plan will be used by both fire departments and city administrators to evaluate community fire risks using modern practices in order to develop policies to reduce fire risks, resulting in improved delivery of services in those communities. It must bundle the strategies that will work in the long run for the unique community in which it will be implemented.
  
- | **Civic Center** – The City has selected The Mesirov Stein Team as master developer for the Civic Center Project, and has taken action towards securing a site for the project.
  
- | **Jacksonville ETJ Expansion** – Current Planning staff have been gathering information for a study to extend the City’s Extraterritorial Jurisdiction. The study will provide the City Council with options to extend the planning limits beyond one mile and in certain transportation corridors out to three miles from the City’s corporate limits.

**DEPARTMENT FOCUS.** Each year the City selects a department to highlight for its efforts and accomplishments. In 2001, the Recreation Department has been selected for review.

The Department manages the planning, programming and supervision of leisure programs in the areas of sports, special events, youth development and enrichment, and senior programs, as well as traditional recreation programs. These programs promote the positive use of leisure time while contributing to the physical, mental and social well being of Jacksonville residents and visitors.

**The mission of the Recreation and Parks Department is “To provide Jacksonville residents with leisure services in a wide range of activities for adults and youth.”** To achieve this mission, the Department offers opportunities to improve fitness, social, and competitive skills through exercise and sports, to stimulate the mind through education and cultural experiences, and to inspire civic pride through community-based activities, citywide celebrations, and volunteer operations for all ages.

Below are some of the programs of the Recreation and Parks Department. Registration fees, entry fees and sponsorship fees acquired for each program offset the cost of the programs offered by the Recreation Department. In addition, for FY 2001 the department received grants totaling \$2,902. All programs offered by the Department allow children to receive financial assistance or aid to participate.

## RECREATION PROGRAMS

- | **Time for Tots Program** – This program uses unstructured simple games, arts and crafts, and social activities to educate and inspire children up to five years old. With the assistance of a parent or adult family member, this program helps the children improve motor skills such as hand and eye coordination, as well as establish fun and creative ways to learn and remember numbers, colors, and shapes. Approximately 70 children participated in the spring and fall programs last year.
  
- | **After-School Program** - Jacksonville Commons, Jack Amyette, Northwoods and Kerr Street recreation centers offer free supervised activities and homework assistance for children in grades K-12. Hours of operation are Monday through Friday 2:30-5:30 P.M. During Onslow County School Holidays, hours of operation at Jacksonville Commons are 7:30 A.M. to 5:30 P.M., and the other recreation centers' hours are 9:00 A.M. to 5:00 P.M.
  
- | **After-School Arts & Crafts and Home Schooling Arts & Crafts Programs**– The After-School program educates children in grades K-12 in utilizing pointillism, color mixing, clay, origami paper folding, felt and fun foam products, painting, coloring, and more. The Home Schooling program is designed to provide arts and crafts activities to home schooling groups with a focus on areas in art history, ceramics, clay, wood burning, calligraphy, drawing, painting, cross stitch, sewing, watercolor, and other cultural and seasonal craft interests.
  
- | **Saturday Free Play** – Kerr Street, Jack Amyette and Jacksonville Commons' recreation centers are open for supervised Free Play from 11:00 A.M. to 4:00 P.M. for children in grades K-12.
  
- | **Youth Nights** – This program offers activities such as board games, basketball, table games, trips, guest speakers, and special events for middle and high school students, age 13-19. Hours are Monday through Friday, 6-9:00 P.M. at the Jack Amyette Recreation Center.
  
- | **Summer Youth Program** – This is a structured, well-supervised, eight-week program with activities such as sports, games, crafts, tours, swimming, bowling, and skating for children ages 6-12. The program is offered during June and July at Kerr Street, Jack Amyette, Jacksonville Commons and Northwoods recreation centers, as well as various school sites around Jacksonville. Some sites also offer “Before and After Care” for working parents. A “Counselor in Training” (CIT) program is also offered during the summer program for 15-year-olds. These teenagers become an integral part of the program by assisting the staff and participating in the activities offered.
  
- | **Celebrate The Outdoors Adventures** - This program offers four camping trips for children ages 10-15 to locations such as the Appalachian Mountains, NC; Charleston, SC; Myrtle Beach, SC; Outer Banks, NC; and West Virginia. During the summer of 2001, 79 children participated and 14 of the children were able to participate through the Department Financial Assistance/Campership program.
  
- | **Holiday Adventures** – This program is modeled after the “Celebrate the Outdoor Adventures” camp program. The differences are the lengths of trips, which are for one-two nights, and the campers reside in dormitories, hotels or outdoors on a campground. Trips are scheduled to take place during teacher workdays and school holidays for ages 10-18.
  
- | **Great Escapes** - This program offers two- to six-day trips for adults and/or families. Some trip itineraries may be designed specifically for participants age 21 and older. The trips may consist of camping, cruises, sporting events, holiday shows, musicals and plays.

## YOUTH ATHLETIC PROGRAMS

The youth athletic programs provide fun while teaching sportsmanship and teamwork. The Department and coaches stress the importance of players' self esteem, positive outlook and pride in oneself. Several special events are also offered throughout the year, including the NFL/Gatorade Punt, Pass and Kick, NBA 2Ball, and the Jacksonville Recreation and Parks Department Night at the Kinston Indians for youth baseball/softball participants and their families.

- | **Youth Baseball, Basketball and Softball** – These programs are designed to help youth between the ages of 7-17 develop skill levels and knowledge of baseball, basketball and softball, and to teach the participants the value of teamwork, hustle, good sportsmanship, and the importance of accepting the umpire's decision. In the Fall 2000 baseball season, which was the second year the program was offered, there were 12 teams with over 150 participants. Last year, the youth basketball program had 37 teams with almost 300 participants in 6 leagues. Tryouts and drafts were conducted for the Minor Girls, Midget Boys, Termite Boys and Junior Boys leagues, and skill assessments were held for the Pee Wee Boys and Girls leagues. The youth baseball/softball program for ages 7-15 had 55 teams with over 700 participants. It is the Athletic Division's largest program and continues to grow each year. Tryouts and drafts were held for Midget Baseball, Little League, Junior Baseball, Minor Girls Softball and Junior Girls Softball, while skill assessments were used for Pee Wee Baseball and Softball to place players.
- | **Athletic Camps** – Each summer, the Athletic Division offers baseball, soccer, basketball, volleyball, tennis, softball, cheerleading and football camps to area youth between 7-17 years of age. The Athletic Division recruits local coaches, club professionals and enthusiasts to instruct these camps, which are designed to provide instruction in the various sports and to promote its interest in the Jacksonville area.

## ADULT ATHLETIC PROGRAMS

The adult athletic programs provide a competitive, structured and safe environment for participants to enjoy activities that promote sportsmanship, teamwork and educational interaction through sporting competition. Softball and basketball programs are available for adults 16 years and older. Open Play Basketball is available for players in two age groups: 19 to 34, and 35 and older. Over 70 participants play on Monday nights. The Adult Basketball Program had over 200 participants last year, with 24 teams divided into four divisions based on skill level. The Adult Softball Program offers three seasons of play—two seasons of men's and women's softball and one season of co-ed softball. In Summer 2000, there were six women's teams and 23 men's teams in five divisions. The Fall 2000 season saw seven co-ed teams participate, and in Spring 2001 there were seven women's teams and 24 men's teams in five divisions.

## SENIOR CITIZENS PROGRAMS

The Senior Program offers a wide variety of non-fitness weekly activities for patrons age 50 and older to provide mental and creative stimulation. The Senior Program is open to City of Jacksonville residents; however, non-residents are accepted on a space available basis. Available activities include bridge, mahjong, sewing group, craft club, Brown Bag Bingo, cards/games, crochet group, shuffle board, horse shoes, billiards and darts, typewriter skills, computer/Internet access, book exchange, cable television, and classes for seniors.

The Seniors Program also offers an expansive variety of wellness-related recreational opportunities. Some examples are hearing screenings, eye glass repairs and check-ups, diabetes screenings, fitness room, walking in the Commons Gymnasium, Tai Chi, Anyone Can Exercise (ACE) and table tennis.

On a monthly basis, the Senior Program offers a variety of special interest activities and trips. The program may offer one special meal including a breakfast or dinner event and up to three day trips per month. Other activities may include dances, socials, or matinees at the senior center. All meals are priced below similar meals served in restaurants. Trips are priced at the cost of the trip plus a small travel fee. Day trips are taken on the Recreation Departments 2-15 passenger vans. For larger trips, Onslow County School buses or private chartered buses may be used. Some examples of Senior trips and events are Cape Lookout Tour, North Carolina State Fair, Duplin Winery Trips, Senior Breakfasts, and Senior Halloween Dance.

#### OTHER PROGRAMS AND EVENTS

- | **Jacksonville Commons Skate Park** – The Jacksonville Commons Skate Park opened in the spring of 2000. Since it opened, the Skate Park has had over 1150 different visitors. Average attendance is over 180 participants per month.
- | **Trails and Greenways Annual 5k Road Race**– This program is designed to bring exposure to the City’s trails and greenways system and promote health and fitness for all ages. There were over one hundred participants in this year’s event.
- | **Classes for Adults** – Classes are offered in activities such as basketweaving, Kendo (Japanese fencing), PACE (Persons with Arthritis Can Exercise), “Santa” School, swing dancing, Tae Kwon Do and quilting.
- | **Disability Day Program**– This program is designed to meet the needs of physically and mentally disabled adult patrons of various ages as they participate in arts and craft activities with the assistance of their care providers.
- | **Family Fun Days** – Three of these events are held during the year with carnival games, prizes, arts and crafts, pony rides and hayrides sponsored by the Parks and Recreation Department, community groups, and local businesses. Approximately 1,100 people attended the Springtime Family Fun Day, 3,000 participated in the Fall event, and 3,800 attended the Holiday Family Fun Day in December, 2000.
- | **Parks** – From a secluded picnic site beside the waterfront, to a large corporate picnic or family reunion for several hundred, the local parks are designed to cater to the needs of the citizens in Jacksonville, as well as visitors. Most of the parks have individual picnic sites with tables and grills, tennis courts, outdoor basketball courts, ball fields, nature trails, and many other amenities. Parks can be reserved by groups or individuals, many at no cost. Over 16,000 people visited the parks during the fiscal year.
- | **Ballfield/Court/Facility Rentals** – When there are no league or sponsored activities scheduled, the City’s athletic fields and outdoor basketball and tennis courts may be reserved for a fee on an hourly basis. The Jack Amyette complex, Jacksonville Commons complex, Kerr Street Recreation center and Northwood’s Recreation center are available to be rented by the public for a fee. These facilities may be rented for birthday parties, class reunions, dances, fundraisers, receptions, weddings and many more events, and have been used in the past for the American Cancer Society Relay for Life, East Coast Invitational Teen Basketball Camp, Taste of the Town, White Oak High School’s Basketball Jubilee, and the Onslow County Job Fair.

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## FINANCIAL INFORMATION

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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.

**Single Audit.** 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 to achieve these objectives.

As a part of the City's single audit, described earlier, tests are made 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, 2001 provided no instances of material weakness in internal control and no material instances of noncompliance with applicable laws and regulations.

**Budgeting Controls.** In accordance with state law, the City's budget is prepared on the modified accrual basis, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental fund types, such as the City's General Fund, Special Revenue Funds and Capital Project Funds are reported on the modified accrual basis. The City's Enterprise Funds, Internal Service Funds, Pension Trust Fund, and Revolving Loan Nonexpendable Trust Fund are reported on the accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Special Revenue Fund and Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by functional level within an individual fund, except for the Capital Projects Fund which is the fund level. The City Manager is authorized by the budget ordinance to transfer appropriations between department levels within a fund up to \$5,000; however any revisions that exceed \$5,000 at the functional level of the General Fund, Special Revenue Fund, Enterprise Funds and the fund level of the Capital Projects Funds or revisions that alter total expenditures of any fund must be approved by the City Council. For internal accounting purposes, budgetary control is maintained by object class (line item account). The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered amounts lapse at year end, except for encumbrances outstanding at June 30, 2001, which are reported as reservations of fund balances.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following paragraphs analyze the activities of the City's major funds. General Fund revenues totaled \$25,995,986, an increase of 9.07 percent from the prior year. Revenues by source were as follows:

Revenue	Amount	Percent of Total	Increase (Decrease)	Percent of Increase (Decrease)
Ad valorem taxes	\$ 10,049,040	38.66	\$ 1,844,178	22.48
Other taxes and licenses	9,671,876	37.21	605,027	6.67
Intergovernmental	4,610,368	17.73	(170,878)	(3.57)
Licenses, permits & fees	379,442	1.46	(80,936)	(17.58)
Sales and services	342,856	1.32	57,718	20.24
Investment earnings	803,343	3.09	193,283	31.68
Miscellaneous	139,061	.53	(91,348)	(39.65)
Totals	\$ 25,995,986	100.00	\$ 2,357,044	9.07

Ad valorem taxes continued to represent a major revenue source providing 38.66% of total revenues. Current collections remain high at 97.03%, and the City's tax rate of \$0.59 per \$100 is well below the State's legal limit of \$1.50. Additional information concerning tax collection activity can be found in the statistical section of this report.

Other taxes and licenses provided 37.21% of total revenues and are comprised of local option sales taxes, intangibles tax, privilege license taxes and cable TV franchise taxes. Cable TV franchise taxes, local option sales taxes, and the new gross receipt tax on short term lease vehicles accounted for the growth in this revenue source in the past year, a reflection of increased economic activity in the City.

Intergovernmental revenues provided 17.73% of total revenues. The utility franchise tax and the Powell Bill street aid allocation represent 79.30% of this category. Increasing pressure to reduce costs of government at all levels will intensify management's search for creative revenue sources at the local level.

General Fund expenditures were \$23,211,635, up 4.76% over the preceding year. Broken down by major function, expenditures were as follows:

Expenditures	Amount	Percent of Total	Increase (Decrease)	Percent of Increase (Decrease)
General government	\$ 4,793,350	20.65	\$ (592,183)	(11.00)
Public works	4,098,451	17.66	775,745	23.35
Public safety	9,672,133	41.67	404,478	4.36
Environmental protection	2,179,002	9.39	107,094	5.17
Culture and recreation	1,230,189	5.30	167,384	15.75
Debt service	1,238,510	5.33	242,458	24.34
Totals	\$23,211,635	100.00	\$ 1,104,976	4.76

The 23.35% increase in Public Works expenditures is due to increases in salaries and benefits caused by adding one new position and reclassifying two positions. They also had an increase in capital outlay for the purchase of several vehicles and equipment.

The 11.00% decrease in General Government is due to no hurricanes making landfall on the North Carolina coast; therefore, no expenditures were incurred.



The 15.75% increase in Cultural and Recreational expenditures is largely due to an increase in purchase of needed supplies and equipment, and an increase of salaries and benefits due to reclassifying.

The 24.34% increase in debt service expenditures is due to the additional indebtedness related to the installation of sewer lines in the recently annexed Sunset Acres and Country Club Acres subdivisions, and purchase of police vehicles and equipment.

**General Fund Balance.** Fund balance "unreserved/undesignated-available for appropriation" portion of fund balance represents 22% of expenditures (including operating transfers) which is consistent with recommendations of audit guidelines of the Local Government Commission. This provides the City with 80 working days of expenditures.

**Enterprise Operations.** The City's enterprise operations are comprised of two separate and distinct activities: the Water and Sewer System, and Solid Waste Disposal. Charges generated through water and sewer usage and tap fees decreased by \$134,937 (2.4%) from the preceding year due to a slight reduction in construction.

**Fiduciary Fund.** The City has a Pension Trust Fund to finance the Law Enforcement Officers' Special Separation Allowance enacted by the State legislature and effective on January 1, 1987. An actuarial study determined the funding required by the City to meet its future benefit obligations. At December 31, 2000, the total estimated actuarial accrued liability was \$1,151,766. One method of assessing the financial strength of a pension fund is to compute the percentage of the actuarial accrued liability that has been funded. This percentage at December 31, 2000 is 28.24%.

**Debt Administration.** Under current State Statutes, the City's net debt may not exceed 8% of total assessed value of real and personal property as certified by the county tax assessor. This provision when compared to the net debt of the City (\$5,101,970) is approximately .30 percent, and provides a legal debt margin of \$129,948,155. Debt per capita is \$76.

The long-term debt obligations of the City consist of the following:

	<u>Water/Sewer Fund</u>	<u>General Fund</u>	<u>Fleet Maintenance Fund</u>	<u>E-911 Fund</u>
Authorized and unissued bonds	\$20,000,000	\$	\$	\$
Installment purchases	11,497,987	3,878,981	16,437	1,206,552
Loans	<u>20,109,608</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Gross issued and unissued debt	51,607,595	3,878,981	16,437	1,206,552
Less Authorized and unissued	<u>(20,000,000)</u>	<u>0</u>	<u>0</u>	<u>                    </u>
Gross issued debt	<u>\$31,607,595</u>	<u>\$ 3,878,981</u>	<u>\$ 16,437</u>	<u>\$ 1,206,552</u>

The \$31.6 million is being retired with revenues of the Water and Sewer Fund. The \$5.1 million of other debt service requirements of the City are adequately funded and anticipated increases in requirements have been identified with additional funding already programmed into future annual budgets.

**Cash Management.** Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, and commercial paper. The average yield on investments was 5.62 percent. The rate of return on the City's investment performance mirrors the average yield rates of 5.30 percent for U.S. Treasury bills in 2001. The City earned interest revenue of \$2,182,711 on all investments for the year ended June 30, 2001.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City, its agent or a financial institution's trust

department in the City's name. All investments were held in the City's name by the City's agent. Most investments held by the City during the year and at June 30, 2001, are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

**Risk Management.** In recent years changes in the insurance industry have pushed the City out of the commercial insurance market and into two self-funded risk financing insurance pools administered by the North Carolina League of Municipalities. These pools provide coverage for property damage, general liability (including auto and law enforcement officers), and workers' compensation. Employee health and accident coverage is still provided by a commercial insurer. Major policies and their limits of coverage include: public officials (\$3 million) and law enforcement officers' liability (\$3 million), vehicle liability (\$2 million), public employee scheduled and blanket bonds (\$400,000), boiler and machinery (\$5 million), general liability (\$2 million), builders risk (\$435,623), municipal, and computer equipment (\$2.5 million), and real and personal property (\$49.8 million).

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## OTHER INFORMATION

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**Independent Audit.** State statute requires an annual audit by independent certified public accountants. The accounting firm of McGladrey & Pullen, LLP, was selected by the City Council. In addition to meeting the requirements set forth in State Statute, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-133. The auditors' report on the general purpose financial statements and combining and individual fund and account group statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the compliance section.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Jacksonville has received a Certificate of Achievement for the last ten consecutive years (fiscal years ended 1990-1991 through 1999-2000). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**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 who assisted and contributed to its preparation, and our independent auditors, McGladrey & Pullen, 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.

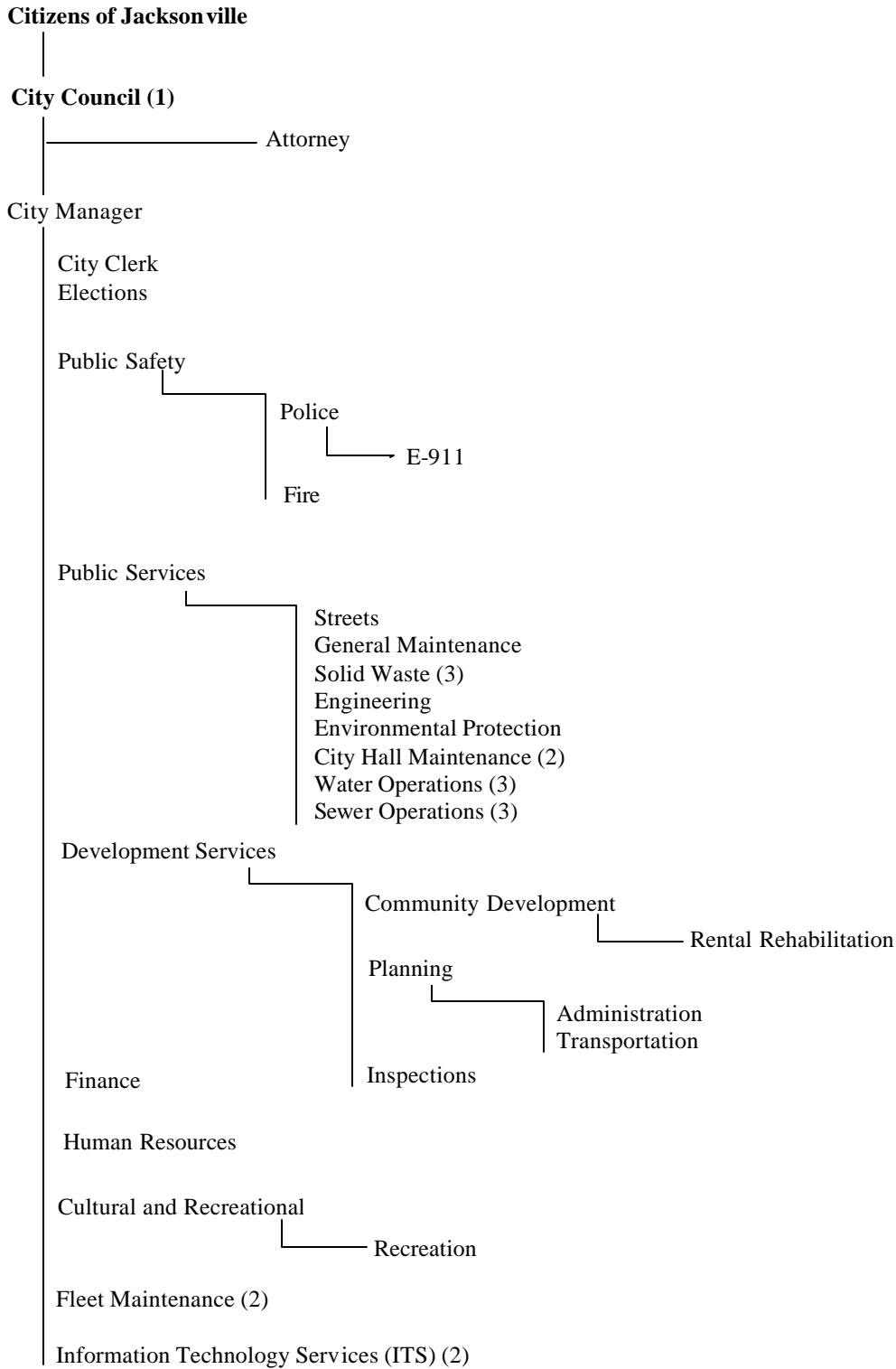
Sincerely,

Ken Hagan  
City Manager

Debra H. Bailey  
Finance Director

## Certificate of Achievement

# City of Jacksonville Organizational Chart



**Legend:**  
 (1) Elected Officials  
 (2) Internal Service Fund  
 (3) Enterprise Fund

City of Jacksonville  
List of Principal Officials  
June 30, 2001

Title	Name
Mayor	George Jones
Mayor, Pro-tem	Ron Ellen
Council Member	Elsie P. Smith
Council Member	Jerome Willingham
Council Member	Robert K. Sandy
Council Member	Horace Mann
Council Member	Fannie Coleman
City Manager	Ken Hagan
Attorney	John T. Carter
City Clerk	Carmen K. Miracle
Development Services Director	Tom Cassell
Finance Director	Debra H. Bailey
Fire Chief	Richard McIntyre
Human Resources Director	Connie Hammond
Information Technology Services	Earl Bunting
Police Chief	Ken Bumgarner
Public Services Director	Grant Sparks
Recreation Director	Michael Carter

# FINANCIAL SECTION

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- \* Report of Independent Auditors
- \* General Purpose Financial Statements  
(Combined Statements - Overview)
- \* Notes to the Financial Statements
- \* Required Supplemental Financial Data
- \* Combining and Individual Fund and Account  
Group - Statements and Schedules
- \* Additional Financial Data

## Independent Auditors' Report

Independent Auditors' Report (continued)



# **GENERAL PURPOSE FINANCIAL STATEMENTS**

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The General Purpose Financial Statements provide a summary overview of the financial position of all funds and account groups 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  
 Combined Balance Sheet - All Fund Types and Account Groups  
 June 30, 2001

	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
<b>Assets and Other Debit</b>					
Cash and investments	\$10,317,858	\$ 436,374	\$ 9,912,785	\$ 9,445,729	\$ 506,461
Taxes receivable (net)	648,439				
Accounts receivable (net)	3,227,385	165,870	187,738	1,448,193	
Notes receivable					
Due from other funds				3,803	
Interfund receivable	51,472	11,990	384,766	4,997	1,332
Inventories	2,402			152,101	62,521
Prepaid items	1,405	435			
Restricted cash and investments	743,403	71,730	2,156,340	4,594,984	
Fixed Assets (net, where applicable, of accumulated depreciation)				63,734,511	393,777
Amount to be provided for the retirement of general long-term debt					
<b>Total assets and other debits</b>	<b>\$14,992,364</b>	<b>\$ 686,399</b>	<b>\$12,641,629</b>	<b>\$79,384,318</b>	<b>\$ 964,091</b>

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

Fiduciary Fund Type ----- Trust -----	Account Groups -----		Totals (Memorandum Only) -----
	General Fixed Assets -----	General Long-Term Debt -----	
\$ 441,876	\$	\$	\$ 31,061,083
820			648,439
879,361			5,030,006
			879,361
			3,803
79,185			533,742
			217,024
			1,840
			7,566,457
	27,868,337		91,996,625
		5,844,754	5,844,754
----- \$1,401,242 -----	----- \$27,868,337 -----	----- \$5,844,754 -----	----- \$143,783,134 -----

Continued on next page.

City of Jacksonville, North Carolina  
 Combined Balance Sheet - All Fund Types and Account Groups  
 June 30, 2001

	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
<b>Liabilities, Equity and Other Credits</b>					
Accounts payable and accrued liabilities	\$ 1,089,150	\$ 117,922	\$ 506,374	\$ 643,602	\$ 30,220
Installment purchases payable-current				737,561	4,673
Loans payable-current				1,363,249	
Due to other funds	2,832	158	239	95	479
Interfund payable	87,323	32,054	413,585		
Liabilities payable from restricted assets			54,101		
Compensated absences payable	354,090			93,309	27,175
Customer deposits	52,001			302,536	
Installment purchases payable-noncurrent				10,759,426	11,764
Loans payable- noncurrent				18,746,359	
Deferred revenues	1,249,441	1,258		124,231	
<b>Total liabilities</b>	<b>2,834,837</b>	<b>151,392</b>	<b>974,299</b>	<b>32,770,368</b>	<b>74,311</b>
<b>Equity and other credits:</b>					
Investment in general fixed assets					
Contributed capital (net)				22,252,824	438,072
Retained earnings unreserved				24,361,126	451,708
<b>Fund balances:</b>					
Reserved by state statute	2,761,933				
Reserved by grantor					
Reserved for compensating balance	52,000				
Reserved for encumbrances	497,168	133,831	1,651,743		
Reserved for inventories	2,402				
Reserved for installment purchase	244,866	71,730			
Reserved for Powell Bill	305,470		1,688,992		
Reserved for prepaid items	1,405	435			
Reserved for drug enforcement	130,526				
Reserved for employees' pension benefit					
<b>Unreserved:</b>					
Designated for insurance	344,684				
Designated for subsequent year's expenditures	2,015,869	337,081	9,120,156		
Unreserved, undesignated (deficit)	5,801,204	(8,070)	(793,561)		
<b>Total equity and other credits</b>	<b>12,157,527</b>	<b>535,007</b>	<b>11,667,330</b>	<b>46,613,950</b>	<b>889,780</b>
<b>Total liabilities, equity and other credits</b>	<b>\$14,992,364</b>	<b>\$ 686,399</b>	<b>\$12,641,629</b>	<b>\$79,384,318</b>	<b>\$ 964,091</b>

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

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Trust			
\$ 922,785	\$	\$ 1,072,767	\$ 3,310,053
			1,815,001
			1,363,249
			3,803
780			533,742
			54,101
		759,221	1,233,795
			354,537
		4,012,766	14,783,956
			18,746,359
			1,374,930
923,565		5,844,754	43,573,526
	27,868,337		27,868,337
			22,690,896
			24,812,834
106,508			2,761,933
			106,508
			52,000
			2,282,742
			2,402
			316,596
			2,024,462
			1,840
			130,526
371,169			371,169
			344,684
			11,443,106
			4,999,573
477,677	27,868,337		100,209,608
\$1,401,242	\$27,868,337	\$5,844,754	\$143,783,134

City of Jacksonville, North Carolina  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types**  
For the Fiscal Year Ended June 30, 2001

Exhibit B

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Revenues:</b>				
Ad valorem taxes	\$10,049,040	\$	\$	\$10,049,040
Other taxes and licenses	9,671,876			9,671,876
Unrestricted intergovernmental revenues	2,241,270			2,241,270
Restricted intergovernmental revenues	2,369,098	1,419,088	77,510	3,865,696
Permits and fees	379,442			379,442
Sales and services	342,856			342,856
Investment earnings	803,343	24,697	616,069	1,444,109
Miscellaneous	139,061	274,881	70,669	484,611
<b>Total revenues</b>	<b>25,995,986</b>	<b>1,718,666</b>	<b>764,248</b>	<b>28,478,900</b>
<b>Expenditures:</b>				
Current:				
General government	4,793,350			4,793,350
Public works	4,098,451			4,098,451
Public safety	9,672,133	2,203,662		11,875,795
Environmental protection	2,179,002			2,179,002
Cultural and recreational	1,230,189			1,230,189
Economic and physical development		787,254		787,254
Capital outlay			3,309,082	3,309,082
Debt service:				
Principal retirement	1,033,562	48,240		1,081,802
Interest and fees	204,948	39,262		244,210
<b>Total expenditures</b>	<b>23,211,635</b>	<b>3,078,418</b>	<b>3,309,082</b>	<b>29,599,135</b>
<b>Revenues over (under) expenditures</b>	<b>2,784,351</b>	<b>(1,359,752)</b>	<b>(2,544,834)</b>	<b>(1,120,235)</b>
<b>Other financing sources (uses):</b>				
Proceeds from borrowing	1,009,068	1,254,792		2,263,860
Sales of fixed assets	120,286			120,286
Operating transfers in	455,137	387,014	2,756,088	3,598,239
Operating transfers (out)	(3,143,103)	(70,309)	(384,827)	(3,598,239)
<b>Total other financing sources (uses)</b>	<b>(1,558,612)</b>	<b>1,571,497</b>	<b>2,371,261</b>	<b>2,384,146</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>1,225,739</b>	<b>211,745</b>	<b>(173,573)</b>	<b>1,263,911</b>
<b>Fund balances:</b>				
Beginning of year, July 1	11,046,334	311,656	11,500,903	22,858,893
Residual equity transfers in (out)	(114,546)	11,606	340,000	237,060
<b>End of year, June 30</b>	<b>\$12,157,527</b>	<b>\$ 535,007</b>	<b>\$11,667,330</b>	<b>\$24,359,864</b>

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

City of Jacksonville, North Carolina Exhibit C  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
For the Fiscal Year Ended June 30, 2001

General Fund			
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Ad valorem taxes	\$ 9,832,103	\$10,049,040	\$ 216,937
Other taxes and licenses	9,625,034	9,671,876	46,842
Unrestricted intergovernmental revenues	1,961,471	2,241,270	279,799
Restricted intergovernmental revenues	2,416,562	2,369,098	(47,464)
Permits and fees	408,528	379,442	(29,086)
Sales and services	304,929	342,856	37,927
Investment earnings	555,245	803,343	248,098
Miscellaneous	132,260	139,061	6,801
Total revenues	25,236,132	25,995,986	759,854
<b>Expenditures:</b>			
Current:			
General government	5,603,250	4,793,350	809,900
Public works	4,642,154	4,098,451	543,703
Public safety	10,622,536	9,672,133	950,403
Environmental protection	2,306,883	2,179,002	127,881
Cultural and recreational	1,477,395	1,230,189	247,206
Debt service:			
Principal retirement	1,373,424	1,033,562	339,862
Interest and fees	915,703	204,948	710,755
Total expenditures	26,941,345	23,211,635	3,729,710
Revenues over (under) expenditures	(1,705,213)	2,784,351	4,489,564
<b>Other financing sources (uses):</b>			
Appropriated fund balance	2,382,404		(2,382,404)
Proceeds from borrowing	1,042,100	1,009,068	(33,032)
Sales of general fixed assets	119,710	120,286	576
Operating transfers in	1,418,733	455,137	(963,596)
Operating transfers (out)	(3,143,188)	(3,143,103)	85
Total other financing sources (uses)	1,819,759	(1,558,612)	(3,378,371)
Excess of revenues and other sources over expenditures and other uses	114,546	1,225,739	\$ 1,111,193
<b>Fund balances:</b>			
Beginning of year, July 1		11,046,334	
Residual equity transfer (out)	(114,546)	(114,546)	
End of year, June 30	\$ 0	\$12,157,527	

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

City of Jacksonville, North Carolina Exhibit D  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances**  
**All Proprietary Fund Types and Nonexpendable Trust Fund**  
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
<b>Operating revenues:</b>				
Charges for services	\$10,444,171	\$ 1,437,569	\$	\$11,881,740
Other operating revenues		8,357		8,357
Total operating revenues	10,444,171	1,445,926		11,890,097
<b>Operating expenses:</b>				
Solid Waste Fund	1,382,489			1,382,489
Water/Sewer Administration	726,291			726,291
Water/Sewer Engineering	258,979			258,979
Water/Sewer Metering	280,823			280,823
Water/Sewer Lines Maintenance	769,414			769,414
Water Supply	562,075			562,075
Wastewater Treatment	1,357,722			1,357,722
Information Technology Services		527,252		527,252
City Hall Maintenance		74,336		74,336
Fleet Maintenance		747,030		747,030
Depreciation	3,790,760	245,799		4,036,559
Total operating expenses	9,128,553	1,594,417		10,722,970
Operating income (loss)	1,315,618	(148,491)		1,167,127
<b>Nonoperating revenues (expenses):</b>				
Interest earned on investments	692,198	28,773		720,971
State Clean Water Bond grant	271,556			271,556
Assessments collected	847			847
Interest collected on assessments	680			680
Gain on sale of fixed assets	7,277	3,853		11,130
Interest on long-term debt	(1,243,147)	(862)		(1,244,009)
Total nonoperating revenues (expenses)	(270,589)	31,764		(238,825)
Income before capital contributions	1,045,029	(116,727)		928,302
Capital contributions	363,645			363,645
Net income (loss)	1,408,674	(116,727)		1,291,947
Add depreciation on contributed capital	430,734			430,734
Increase (decrease) in retained earnings	1,839,408	(116,727)		1,722,681
Retained earnings/fund balances, July 1	22,865,393	568,435	118,114	23,551,942
Residual equity transfers (out)	(343,675)		(11,606)	(355,281)
Retained earnings/fund balances, June 30	\$24,361,126	\$ 451,708	\$ 106,508	\$24,919,342

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 and Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 2001

Exhibit E

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$10,218,181	\$	\$	\$ 10,218,181
Cash receipts from quasi-external operating transactions		1,445,926	17,749	1,463,675
Cash payments for quasi-external operating transactions		(1,337,230)		(1,337,230)
Cash paid for goods and services	(2,919,878)			(2,919,878)
Cash paid to employees	(2,264,627)			(2,264,627)
Customer deposits	20,094			20,094
	-----	-----	-----	-----
Net cash provided by operating activities	5,053,770	108,696	17,749	5,180,215
	-----	-----	-----	-----
<b>Cash flows from noncapital financing activities:</b>				
Contributions	270,727			270,727
Residual equity transfer (out)	(343,675)		(11,606)	(355,281)
	-----	-----	-----	-----
Net cash used for noncapital financing activities	(72,948)		(11,606)	(84,554)
	-----	-----	-----	-----
<b>Cash flows from capital and related financing activities:</b>				
Principal paid on long-term debt	(2,055,430)	(4,463)		(2,059,893)
Interest paid on long-term debt	(1,243,147)	(862)		(1,244,009)
Contributed capital		118,222		118,222
Proceeds from borrowing	5,823,000			5,823,000
Purchase of capital assets	(2,041,015)	(97,697)		(2,138,712)
Proceeds from sale of assets	7,277	3,853		11,130
Assessments collected	847			847
Interest collected on assessments	680			680
	-----	-----	-----	-----
Net cash provided by capital and related financing activities	492,212	19,053		511,265
	-----	-----	-----	-----
<b>Cash flows from investing activities:</b>				
Interest earned on investment	692,198	28,773		720,971
	-----	-----	-----	-----
Net cash provided by investing activities	692,198	28,773		720,971
	-----	-----	-----	-----
Net increase in cash and cash equivalents	6,165,232	156,522	6,143	6,327,897
Cash and cash equivalents, July 1	7,875,481	349,939	140,736	8,366,156
	-----	-----	-----	-----
Cash and cash equivalents, June 30	\$14,040,713	\$ 506,461	\$ 146,879	\$14,694,053
	-----	-----	-----	-----
<b>Reconciliation to Exhibit A-</b>				
<b>Fiduciary Fund Types:</b>				
Cash and investments				
Nonexpendable Trust Fund	\$ 146,879			\$ 9,445,729
Pension Trust	294,997			4,594,984
	-----			-----
Total	\$ 441,876			\$ 14,040,713
	-----			-----
<b>Enterprise Fund:</b>				
Cash and investments				
Restricted cash and investments				

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

Continued on next page.

City of Jacksonville, North Carolina  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 2001

Exhibit E,  
 continued.

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 1,315,618	\$ (148,491)	\$	\$ 1,167,127
<b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b>				
Depreciation	3,790,760	245,799		4,036,559
Bad debt expense	77,921			77,921
Change in assets and liabilities:				
Increase (Decrease) in accrued vacation pay	(6,589)	9,940		3,351
(Increase) Decrease in prepaid expenses		150		150
Increase (Decrease) in accounts payable	93,553	3,136	(32,425)	64,264
(Increase) Decrease in inventories	(6,735)	(3,239)		(9,974)
Increase (Decrease) in due to other funds	135	540	(710)	(35)
Increase (Decrease) in deferred revenues	(6,416)			(6,416)
Increase (Decrease) in customer deposits	20,094			20,094
(Increase) Decrease in accounts receivable	(229,007)		40	(228,967)
(Increase) Decrease in due from other funds	9,433			9,433
(Increase) Decrease in notes receivable			50,844	50,844
(Increase) Decrease in interfund receivables	(4,997)	861		(4,136)
Total adjustments	3,738,152	257,187	17,749	4,013,088
Net cash provided by operating activities	\$ 5,053,770	\$ 108,696	\$ 17,749	\$ 5,180,215
<b>Non-Cash Supplemental Disclosure</b>				
Capital contributed by developers	\$ 363,645	\$ 0	\$ 0	\$ 363,645

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

**City of Jacksonville, North Carolina** **Exhibit F**  
**Law Enforcement Officers' Special Separation Allowance**  
**Statement of Changes in Plan Net Assets**  
**For the Fiscal Year Ended June 30, 2001**

**Additions:**

Employer contributions	\$	79,185
Interest		17,631
		-----
Total additions		96,816
		-----

**Deductions:**

Benefits		72,136
		-----
Total deductions		72,136
		-----
Net decrease		24,680

**Fund balance reserved for employees' pension benefit:**

Beginning of year		346,489
		-----
End of year	\$	371,169
		-----

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, 2001

**Note 1. Summary of Significant Accounting Policies**

The financial statements of City of Jacksonville have been prepared in conformity with generally accepted accounting principles (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 is a municipal corporation governed by an elected mayor and a six-member council. As required by generally accepted accounting principles, these financial statements present the government and any component units for which the government is considered to be financially accountable. Based on this criteria no other entities have been included.

**B. Basis of Presentation - Fund Accounting**

The accounts of the City are organized and operated on the basis of funds and account groups. 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 are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the Governmental funds not recorded directly in those funds.

The City has the following fund categories (further divided by fund type) and account groups.

**Governmental Funds** are used to account for the City's general governmental activities. Governmental Funds include the following fund types:

**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, sanitation, parks and recreation, streets and highways, and general government services.

**Special Revenue Funds** - Special Revenue Funds are used to account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City maintains twelve Special Revenue funds: the Community Development Grant Fund, the Law Enforcement Block Grant Fund, the COPS Grant Fund, the School Resource Officer Grant Fund, the E-911 Fund, the Highway Safety Fund, the HUD Disaster Recovery Grant Fund, the Affordable Home Ownership Grant Fund, the Lead

Based Paint Grant Fund, the Emergency Relief Fund, the Governor's Highway Grant Fund, and the Bulletproof Vest Grant Fund.

**Capital Project Funds** - Capital Project Funds are 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 trust funds). The City has 33 Capital Projects within the Governmental Fund types: Northeast Creek Park, Multi-Purpose Recreation Community Complex, Street Improvements, Fire Station #4, Trails and Greenways, Demolition, Country Club Park, Richard Ray All America Park, Downtown Trail, Chaney Creek Power Line Trail, Skateboard Park, Kerr Street Park, Wilson Bay Park Phase I, Northeast Creek Park Phase II, Woodlands Park, Civic Facility, Downtown Riverfront Development, Rails to Trails, Northwoods Playground, Local Government Complex, Sturgeon City, City Compost, Citywide Landscaping, Jacksonville Business Park, Sherwood Forest Park, Non-Powell Bill, Police Remodeling, Sturgeon City Park, Northeast Creek Boardwalk Park III, Riverwalk Crossing, Brook Valley Park, Phillips Park, and the Capital Reserve Fund.

**Proprietary Funds** include the following fund types:

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises (where the intent of the governing body is that the costs--expenses, including depreciation--of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges); or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. City of Jacksonville has two Enterprise Funds: the Water and Sewer Fund, and the Solid Waste Disposal Fund. The Water Capital Projects Fund, 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.

**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. City of Jacksonville has three Internal Service Funds: the Fleet Maintenance Fund, the City Hall Maintenance Fund and the Management Information Systems Fund. The Management Information Systems Capital Project Fund is consolidated with the Management Information Fund for financial reporting purposes.

**Fiduciary Funds** account for the assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary Funds include the following funds:

**Pension Trust Fund** - The City has a Pension Trust Fund, the Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

**Nonexpendable Trust Fund** - The Nonexpendable Trust Fund accounts for the North Carolina Housing Finance Agency's Rental Rehabilitation Revolving Loan Fund and the Community Development loan program. The Community Development Grant Project Fund reflects transfers to and from the Nonexpendable Trust Fund in carrying out its loan program. As the loans funded in part by Community Development are repaid to the Nonexpendable Trust Fund, the money is paid to the Community Development Grant Project Fund and recorded as program income. In

turn, as Community Development Grant Project loans are made the money is paid to the Nonexpendable Trust Fund to account for the repayments over the term of the loan. Interest earned in the Nonexpendable Trust Fund is not considered revenue, rather, it is reflected as interest payable to either the North Carolina Housing Finance Agency or the Community Development Grant Project Fund.

### ***Account Groups***

**General Fixed Assets Account Group** - This group is established to account for all fixed assets of the City other than those accounted for in the Proprietary or Trust Funds.

**General Long-Term Debt Account Group** - This group is established to account for all of the City's long-term obligations except those accounted for in the Proprietary or Trust Funds.

## **C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Funds, Nonexpendable Trust Fund, and Pension Trust Fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity of proprietary funds (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for these funds present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

Basis of accounting determines when revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

All funds of the City are accounted for during the year on the modified accrual basis of accounting in accordance with North Carolina General Statutes. The governmental fund types are presented in the financial statements on this same basis. Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., when they are measurable and available) to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the related fund liabilities are incurred, if measurable, except for unmatured principal and interest on general long-term debt which are recognized when due and certain compensated absences and claims and judgments that are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The City recognizes assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis of accounting when they are measurable and available. Nonexchange transactions occur when one government

provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. The City generally considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Therefore, the net receivable amount is offset by a deferred revenue. Also, as of January 1, 1993, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Onslow County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the county. For those motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March, 2000 through February, 2001 apply to the fiscal year ended June 30, 2001. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. Those taxes for vehicles registered from March 1 through the fiscal year-end apply to the fiscal year 2001-2002 and are not shown as receivables at June 30, 2001. For those motor vehicles registered under the annual system, taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date upon which the interest begins to accrue both were prior to June 30. The taxes for vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2001 because they are intended to finance the City's operations during the 2001-2002 fiscal year.

Those revenues susceptible to accrual are sales taxes, collected and held by the State at year-end on behalf of the City, sales and services and investment earnings. 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.

The Proprietary Funds, Nonexpendable Trust Fund, and Pension Trust Fund are presented in the financial statements on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period when incurred. As permitted by generally accepted accounting principles, the City has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations, Nonexpendable Trust Fund and Pension Trust Fund.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues 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 revenue is removed from the combined balance sheet and revenue is recognized.

## D. Budgetary Data

The City's budgets are adopted as required by State Statute. 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 Special Revenue Fund and project ordinances are adopted for the Capital Projects Fund and, as such, are not included on Exhibit C. The City's Internal Service Funds operate under an approved financial plan and not a budget ordinance. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions.

Expenditures may not legally exceed appropriations at the functional level for the General Fund, Special Revenue Fund, Enterprise Funds, and at the fund level for the 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 the \$5,000 at the functional level of the General Fund, Special Revenue 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 North Carolina General Statutes, Chapter 159, Section 26(d) [hereinafter references to the North Carolina General Statutes will be cited as G.S.], the City maintains encumbrance accounts that are considered to be "budgetary accounts." Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reported as "reserved for encumbrances" in the fund balance section of the balance sheet and will be charged against the subsequent year's budget.

Also as required by State law, the City's Internal Service Fund operates 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. During the year, several changes to the original financial plan were necessary, the effects of which were not material.



## ***Deficit Fund Balances in Individual Funds***

The City has fund balance deficits in individual funds as of June 30, 2001 as following:

### Capital Project Funds:

Civic Facility	\$ 44,086
Local Government Complex	161,298
Sturgeon City Project	174,326

The fund deficits will be eliminated in the Fiscal Year 2001-2002 through future revenues.

## **E. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust, an SEC registered (2a-7) money market mutual fund.

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. The NCCMT cash portfolio's securities are valued at fair value, which is the NCCMT's share price. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

## **F. Cash and Cash Equivalents**

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

## **G. Restricted Assets**

The unexpended Powell Bill and E-911 revenue is classified as restricted assets in governmental funds because its use is completely 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.

## H. Ad Valorem Taxes Receivable and Deferred Revenues

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 2000 tax levy is based on the assessed values as of January 1, 2000.

Privilege licenses collected prior to the fiscal year to which they apply are recorded as deferred revenues. Also, the noncurrent portion of special assessments receivable is recorded as a deferred revenue because the amount is not considered to be available at the end of the fiscal year.

## I. Allowances for Doubtful Accounts

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

## J. Inventory

The inventories of the City's General Fund are valued at cost, using the average cost method. The inventory of the General Fund consists of fuel held for consumption. The cost is recorded as an expenditure when the inventory is consumed. The General Fund inventory reported on the Combined Balance Sheet is offset by a fund balance reserve 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 Fund and Internal Service Fund are valued at the lower of cost, using the first-in, first-out method, or market. The inventory consists of materials and supplies held for consumption. The cost is recorded as an expense when the inventory is consumed.

## K. Fixed Assets

The City's general fixed assets that are purchased or constructed are recorded at original cost. Donated assets are listed at market value at the time of donation. Public domain or infrastructure general fixed assets are not capitalized because such assets are immovable and are of value only to the City.

Enterprise Fund fixed assets are recorded at original cost at the time of acquisition. Plant assets are depreciated on a straight-line basis. The value of asset additions acquired with grant funds has been recorded in the appropriate contributed capital account of the Enterprise Funds. Estimated useful lives for the major classifications of depreciable assets are as follows:

Buildings	10 to 40 years
Improvements Other than Buildings	10 to 40 years
Equipment	3 to 10 years
Heavy Equipment	5 to 10 years
Vehicles	2 to 10 years

Internal Service Fund fixed assets are recorded at original cost at the time of acquisition. Plant assets are depreciated on a straight-line basis. Estimated useful lives for the major classifications of depreciable assets are as follows:

Buildings	10 to 40 years
Equipment	3 to 10 years
Vehicles	2 to 10 years

## L. Long-Term Debt

Long-term debt for water and sewer and internal service activity purposes is carried in the Water and Sewer Enterprise Fund and Management Information Systems Internal Service Fund rather than the General Long-Term Debt Account Group. The debt service requirements are being met by water and sewer and management information system revenues, but the City's taxing power is pledged to make these payments if those revenues should be insufficient. Long-term debt for general purposes is included in the General Long-Term Debt Account Group (e.g. general obligation bonds, installment-purchase agreements). The debt service requirements for these obligations are appropriated annually in the General Fund.

## M. Fund Equity

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as these amounts stand at the close of the fiscal year preceding the budget year.

The Governmental Fund types classify fund balances as follows:

### Reserved

**Reserved by State statute** - portion of fund balance, in addition to reserves for encumbrances and reserves for prepaids and inventories, which is not available for appropriation under State law [G.S. 159-13(b)(16)]. This amount is usually comprised of the receivable balances that are not offset by deferred revenues.

**Reserved by grantor** - portion of total fund balance reserved to pay for grant eligible activities.

**Reserved for compensating balance** - portion of fund balance not available for appropriation because it is part of an agreement for banking services in lieu of fees.

**Reserved for encumbrances** - portion of fund balance available to pay for commitments related to purchase orders and contracts that remained unperformed at year-end.

**Reserved for inventories** - portion of fund balance not available for appropriation because it represents the year-end balance of ending inventories, which are not expendable available resources.

**Reserved for installment purchase** - portion of fund balance available for appropriation that has been reserved for installment purchases not completed at year-end.

**Reserved for Powell Bill** - portion of total fund balance reserved to pay for street improvements.

**Reserved for prepaid items** - portion of total fund balance that indicates that prepaid items do not represent expendable available financial resources even though they are a component of net current assets.

**Reserved for drug enforcement** - portion of total fund balance available for appropriation that has been reserved for drug enforcement.

**Reserved for employee's pension benefit** - portion of total fund balance available for appropriation to pay retirement benefits when due.

## **Unreserved**

**Designated for insurance** - portion of total fund balance available for appropriation that has been designated for health insurance contingencies. This is based upon projections as calculated by the carrier.

**Designated for subsequent year's expenditures** - portion of total fund balance available for appropriation that has been designated for the adopted 2001-2002 budget ordinance.

**Undesignated** - portion of total fund balance available for appropriation that is uncommitted at year-end.

## **N. Other Resources**

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Operating transfers out" in the General Fund and "Operating transfers in" in the receiving fund.

## **O. 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. The current portion of the accumulated vacation pay and salary-related payments has been reported in the City's governmental funds. The liability for accumulated earned vacation pay and the salary-related payments not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. Vacation pay and salary-related payments are accrued when incurred in the proprietary funds and reported as a fund liability. The City's holiday leave policy for public safety employees provides for the unlimited accumulation of earned holiday leave with such leave being fully vested when earned. The current portion of the

accumulated holiday leave and salary-related payments has been reported in the City's governmental funds. The liability for accumulated earned holiday pay and the salary-related payments not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group.

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.

## **P. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfer of resources to provide services. The internal service funds record charges for service to all City departments and funds as operating revenue. Both governmental and proprietary funds record these payments to the internal service funds as operating expenses/expenditures. The General Fund provides administrative services to the enterprise funds. The amounts charged to a fund for these services are determined by the City Council at the time of the budget process and are treated as a reduction of expenditures in the General Fund and as an operating expense in the serviced fund.

## **Q. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables." All other outstanding balances between funds are reported as "due to/from other funds."

## **R. Totals (Memorandum Only) Columns**

The totals columns on the accompanying financial statements are captioned as "Totals (Memorandum Only)" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

## **S. Comparative Data and Reclassification**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the City's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

## Note 2. 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. Depositors 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 enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At year-end, the City's deposits had a carrying amount of \$1,822,430 which includes a \$52,000 compensating balance, and a bank balance of \$2,430,622. Of the bank balance, \$352,000 was covered by federal depository insurance and \$2,078,622 in interest-bearing deposits were covered by collateral held under the Pooling Method.

### Investments

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

The fair values as reflected below were determined from information provided to the City by an investment banker.

	A	B	C	Reported Value	Fair Value
Commercial Paper	\$7,965,968	\$	\$	\$ 7,965,968	\$ 7,990,000
U.S. Government Securities	4,742	1,586,050		1,590,792	1,590,792
	<u>\$7,970,710</u>	<u>\$ 1,586,050</u>	<u>\$ 0</u>	<u>9,556,760</u>	<u>9,580,792</u>
North Carolina Capital Management Trust				<u>27,244,587</u>	<u>27,244,587</u>
				<u>\$ 36,801,347</u>	<u>\$ 36,825,379</u>

## Note 3. Receivables

### A. Allowances for Doubtful Accounts

The amounts shown in Exhibit A for receivables are net of the following allowances for doubtful accounts:

Funds	2001
General Fund	
Taxes	\$ 35,052
Accounts receivable	551,394
Water and Sewer Fund	370,861
Solid Waste Fund	45,222
Total	<u>\$1,002,529</u>

The allowance for doubtful accounts in the General Fund accounts receivable arises from the probable uncollectibility of a claim against a former employee. The statute of limitations expired and the City filed a judgment; however, the perpetrator claims to own no property and have a limited income. Therefore the probability of recovering any of the funds is remote.

## Note 4. Fixed Assets

### A. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	General Fixed Assets June 30, 2000	Additions	Retirements	Transfers	General Fixed Assets June 30, 2001
Land	\$ 1,763,742	\$	\$	\$	\$ 1,763,742
Buildings	9,026,370	712,898	7,671	658,947	10,390,544
Equipment	3,325,761	1,719,908	75,182		4,970,487
Heavy Equipment	889,226	7,054	56,063		840,217
Vehicles	6,890,482	1,082,618	539,343	22,966	7,456,723
Construction in progress	1,557,160	1,568,287	20,250	(815,792)	2,289,405
Improvements other than buildings	13,485	9,855		133,879	157,219
Total	\$ 23,466,226	\$ 5,100,620	\$ 698,509	\$ 0	\$ 27,868,337

By function	General Fixed Assets June 30, 2000	Additions	Retirements	Transfers	General Fixed Assets June 30, 2001
General Government	\$ 3,276,696	\$ 67,161	\$ 36,647	\$ 45,465	\$ 3,352,675
Public Works	2,332,473	464,574	116,692	(35,143)	2,645,212
Public Safety	8,254,815	2,669,424	402,649	600,628	11,122,218
Environmental Protection	1,622,203	191,496	103,682		1,710,017
Cultural and Recreational	6,311,304	137,950	18,589	206,721	6,637,386
Economic Development	111,575	1,728		(1,879)	111,424
Construction in Progress	1,557,160	1,568,287	20,250	(815,792)	2,289,405
Total	\$ 23,466,226	\$ 5,100,620	\$ 698,509	\$ 0	\$ 27,868,337

#### Reconciliation of additions

Capital outlay expenditures	\$ 2,793,873
Capital projects (Exhibit "B")	3,309,082
Less infrastructure capital projects	(1,017,651)
Donated, court awarded property	15,316
Total	\$ 5,100,620

## B. Proprietary Fund Assets

The fixed assets of the proprietary funds at June 30, 2001, are as follows:

<b>Water and Sewer Fund</b>	<b>Fixed Assets</b>	<b>Accumulated Depreciation</b>	<b>Net</b>
Land	\$ 170,725	\$	\$ 170,725
Buildings	62,900,416	15,208,048	47,692,368
Equipment	715,437	504,366	211,071
Heavy Equipment	306,627	187,654	118,973
Vehicles	576,093	450,741	125,352
Construction in progress	1,959,963		1,959,963
Improvements other than buildings	<u>33,259,884</u>	<u>19,803,825</u>	<u>13,456,059</u>
Totals	<u>\$99,889,145</u>	<u>\$36,154,634</u>	<u>\$ 63,734,511</u>
	<b>Fixed Assets</b>	<b>Accumulated Depreciation</b>	<b>Net</b>
<b>Fleet Maintenance</b>			
Land	\$ 2,758	\$	\$ 2,758
Buildings	244,312	139,251	105,061
Equipment	135,145	81,984	53,161
Vehicles	67,814	46,317	21,497
Totals	<u>\$ 450,029</u>	<u>\$ 267,552</u>	<u>\$ 182,477</u>
	<b>Fixed Assets</b>	<b>Accumulated Depreciation</b>	<b>Net</b>
<b>City Hall Maintenance</b>			
Buildings	\$ 2,650	\$ 2,650	\$ 0
Totals	<u>\$ 2,650</u>	<u>\$ 2,650</u>	<u>\$ 0</u>
	<b>Fixed Assets</b>	<b>Accumulated Depreciation</b>	<b>Net</b>
<b>Management Information Systems</b>			
Vehicles	\$ 17,877	\$ 8,938	\$ 8,939
Equipment	1,380,024	1,177,663	202,361
Totals	<u>\$ 1,397,901</u>	<u>\$ 1,186,601</u>	<u>\$ 211,300</u>

## Note 5. Pension Plan Obligation

### A. Local Governmental Employees' Retirement System

**Plan Description.** City of Jacksonville contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local 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, or by calling (919) 981-5454.

**Funding Policy.** Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 4.94% and 4.63%, respectively, of annual covered payroll. The contribution requirements of members



of the City of Jacksonville are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2001, 2000, and 1999 were \$591,499, \$575,600, and \$565,506, respectively. The contributions made by the City equaled the required contributions for each year.

**B. Law Enforcement Officers' Special Separation Allowance**

**Plan Description**

City of Jacksonville administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the City's report as a pension trust fund and no stand-alone financial report is issued.

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2000, the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>113</u>
Total	<u>120</u>

**Summary of Significant Accounting Policies:**

**Basis of Accounting.** Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments.** Investments are reported at fair value.

**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 by making contributions based on actuarial valuations. For the current year, the City contributed \$79,185, or 2.3% of annual covered payroll. 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 annual required contribution for the current year was determined as part of the December 31, 2000 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases ranging from 5.9% to 9.8% per year. Item (b) included an inflation component of 3.75%. The

assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2000 was 30 years.

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

Annual required contribution	\$ 79,185
Interest on net pension obligation	0
Adjustment to annual required contribution	<u>0</u>
Annual pension cost	79,185
Contributions made	<u>(79,185)</u>
Increase in net pension obligation	0
Net pension obligation beginning of year	<u>0</u>
Net pension obligation end of year	<u><u>\$ 0</u></u>

**Three-Year Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/99	\$ 68,946	106%	\$ (49,435)
6/30/00	\$ 73,690	33%	\$ -0-
6/30/01	\$ 79,185	100%	\$ -0-

**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.

**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, 2001 were \$252,890, which consisted of \$174,643 from the City and \$78,247 from the law enforcement officers.

**Note 6. Post-Employment Benefits**

At retirement, all employees have the option to purchase basic medical insurance at the City's group rate. The entire cost of this insurance is borne by the employees.

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 State administered plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of

contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to his/her death, but the benefit may not exceed \$20,000. 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. For the fiscal year ended June 30, 2001, the City made contributions to the State for death benefits of \$17,568. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers each represented .14% of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount.

## **Note 7. Commitments**

At June 30, 2001, the City had contractual commitments of approximately \$1,618,501 for construction of additional water and sewer treatment facilities, \$30,424 for acquisition of data processing equipment and \$3,393 for fleet maintenance services.

## **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. City of Jacksonville is a participant in (i.e. 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 (\$3 million) and law enforcement liability (\$3 million), vehicle liability (\$2 million), public employee scheduled and blanket bonds (\$400,000), boiler and machinery (\$5 million), general liability (\$2 million), builders risk (\$435,623), and municipal and computer equipment (\$2.5 million), and property (\$49.8 million). The other pool (NCRIMA) provides workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 for general liability and property damage, and single occurrence losses of \$300,000 for workers' compensation.

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 \$70,000 for each individual claim.

The City purchases commercial insurance for individual claims in excess of \$70,000 and aggregate claims in excess of the total of the products of (a) expected net paid claims multiplied by (b) the actual number of contract types during the contract period multiplied by 125%. 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 catastrophe 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 \$229,020 reported in the General Fund at June 30, 2001 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, 1995 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
1995-1996	\$ 13,712	\$ 771,447	\$ 785,159	\$ -0-
1996-1997	-0-	1,215,353	1,142,493	72,860
1997-1998	72,860	899,775	1,041,786	69,151
1998-1999	69,151	1,043,337	1,079,565	32,923
1999-2000	32,923	1,277,966	1,107,989	202,900
2000-2001	202,900	1,461,322	1,435,202	229,020

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

## Note 9. Claims and Judgments

At June 30, 2001, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

## Note 10. Long-Term Obligations

### A. Installment Purchases

The City finances various property acquisitions under installment purchase agreements. Under these agreements, the assets acquired collateralize the debt. The financing contracts require principal payments with interest rates ranging from 3.97% to 5.75%. The installment purchase contracts payable at June 30, 2001, are comprised of the following individual contracts:

#### Serviced by the General Fund:

	<u>Principal Balance June 30, 2001</u>
\$1,400,000 installment agreement - for the construction of the multi-purpose community recreation center with Southern Bank & Trust dated March 3, 1995; remaining balance payable in 105 monthly payments of \$11,570 including interest at 5.75%.	\$ 957,479
\$312,444 installment agreement - for vehicles and equipment with Centura Municipal Finance dated November 17, 1997; remaining balance payable in 16 monthly payments of \$5,927 including interest at 4.60%.	91,580

	<u>Principal Balance</u> <u>June 30, 2001</u>
\$196,164 installment agreement - for vehicles with BB&T dated January 21, 1999; remaining balance payable in 29 monthly payments of \$3,658 including interest at 4.03%.	\$ 100,928
\$531,726 installment agreement - for vehicles with BB&T dated April 26, 1999; remaining balance payable in 9 monthly payments of \$15,640 including interest at 3.97%.	138,458
\$440,802 installment agreement - for a fire truck with BB&T dated May 25, 1999 ; remaining balance payable in 33 monthly payments of \$8,225 including interest at 4.05%.	256,433
\$374,400 installment agreement - for vehicles with BB&T dated December 15, 1999; remaining balance payable in 40 monthly payments of \$7,074 including interest at 4.58%.	261,937
\$311,547 installment agreement - for police vehicles with BB&T dated December 15, 1999; remaining balance payable in 17 monthly payments of \$9,243 including interest at 4.58%.	151,869
\$1,331,866 installment agreement - for a fire station with BB&T dated March 8, 2000; remaining balance payable in 8 annual payments of \$133,187 principal plus interest at 5.43%.	1,065,493
\$690,168 installment agreement - for vehicles with BB&T dated November 27, 2000; remaining balance payable in 51 monthly payments of \$13,173 including interest at 5.03%.	603,732
\$318,900 installment agreement - for police vehicles with BB&T dated November 27, 2000; remaining balance payable in 28 monthly payments of \$9,522 including interest at 5.03%.	<u>251,072</u>
Total	<u>\$ 3,878,981</u>

The future minimum payments of the installment purchases payable as of June 30, 2001, including \$653,249 of interest, are as follows:

<u>Year Ending June 30</u>	<u>General Long-Term Debt</u>
2002	\$ 1,152,552
2003	892,191
2004	688,823
2005	494,572
2006	340,477
Thereafter	<u>963,615</u>
Total	<u>\$ 4,532,230</u>

**Serviced by the Water and Sewer Fund:**

	<u>Principal Balance</u> <u>June 30, 2001</u>
\$8,000,000 installment agreement - for construction of waste water treatment facilities with Branch Banking & Trust Leasing Corporation dated June 17, 1996; due in semi-annual installments of \$380,042 November 1, 1996 to May 1, 2011; interest ranging from 4.39 to 8.89%.	\$ 5,706,748
	<u>Principal Balance</u> <u>June 30, 2001</u>
\$105,600 installment agreement - for vehicles with BB&T dated December 15, 1999; due in 40 monthly installments of \$1,996 including interest at 4.58%.	\$ 73,885
\$5,823,000 installment agreement - for construction of sewer lines with Bank of America dated December 8, 2000; due in 198 monthly payments of \$43,660 including interest at 5.39%.	<u>5,716,354</u>
Total	<u>\$ 11,496,987</u>

The future minimum payments of the installment purchases payable as of June 30, 2001, including \$4,828,468 of interest, are as follows:

<u>Year Ending June 30</u>	
2002	\$ 1,307,976
2003	1,307,997
2004	1,308,018
2005	1,292,033
2006	1,283,998
Thereafter	<u>9,825,433</u>
Total	<u>\$16,325,455</u>

**Serviced by the Fleet Maintenance Fund:**

	<u>Principal Balance</u> <u>June 30, 2001</u>
\$23,500 installment agreement - for a vehicle with BB&T dated December 15, 1999; remaining balance payable in 40 monthly payments of \$444 including interest at 4.58%	<u>\$ 16,437</u>

The future minimum payments of the installment purchases payable as of June 30, 2001, including \$1,328 of interest, are as follows:

<u>Year Ending June 30</u>	
2002	\$ 5,334
2003	5,333
2004	5,334
2005	<u>1,764</u>
Total	<u>\$17,765</u>

For all installment agreements, the items purchased serve as collateral for the debt.

**Serviced by the E-911 Fund:**

**Principal Balance**  
**June 30, 2001**

\$1,254,792 installment agreement - for 800 MHz communication equipment with Bank of America dated December 8, 2000; remaining balance payable in monthly payments of \$13,520 including interest at 5.34%.	\$ <u>1,206,552</u>
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The future minimum payments of the installment purchases payable as of June 30, 2001, including \$341,804 of interest, are as follows:

<u>Year Ending June 30</u>	
2002	\$ 162,237
2003	162,238
2004	162,237
2005	162,238
2006	162,237
Thereafter	<u>737,169</u>
Total	<u>\$1,548,356</u>

**B. Bonds Payable**

The general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system were paid in full on May 1, 2001.

The City has \$20,000,000 of authorized but unissued general obligation debt for sewer purposes at June 30, 2001.

The City had a legal debt margin of \$129,948,155.

**C. Loans Payable**

**Water and Sewer Fund:**

**Principal Balance**  
**June 30, 2001**

\$15,000,000 State Revolving Fund Loan due in annual installments of \$750,000 May 1, 2002 to May 1, 2017; interest at 3.57%	\$ 11,250,000
\$5,000,000 State Bond Loan due in annual installments of \$250,000 May 1, 2002 to May 1, 2017; interest at 5.85%	3,750,000
\$2,836,415 Sanitary Sewer Revolving Loan due in annual installments of \$141,820.75 May 1, 2002 to May 1, 2017; interest at 3.035%	2,269,132
\$3,000,000 Sanitary Sewer Revolving Loan due in annual installments of \$150,000 May 1, 2002 to May 1, 2017; interest at 3.035%	2,400,000

\$500,000 Jones-Onslow EMC loan - for development and infrastructure facilities dated March 5, 1999; due in 74 monthly payments of \$5,592.38 beginning on September 13, 2000 with no interest.

440,476

Total

\$ 20,109,608

The future minimum payments of the loans payable as of June 30, 2001, including \$6,005,934 of interest, are as follows:

<u>Year Ending June 30</u>	
2002	\$ 2,114,751
2003	2,064,273
2004	2,014,395
2005	1,964,466
2006	1,913,610
Thereafter	<u>16,044,047</u>
Total	<u>\$26,115,542</u>

#### D. Changes in General Long-Term Debt

The following is a summary of changes in general long-term debt for the year ended June 30, 2001:

	<u>General Long- Term Debt June 30, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>General Long- Term Debt June 30, 2001</u>
Installment Purchases	\$3,903,475	\$2,263,860	\$1,081,802	\$ 5,085,533
Vacation pay	739,663	19,558		759,221
Total	<u>\$4,643,138</u>	<u>\$2,283,418</u>	<u>\$1,081,802</u>	<u>\$ 5,844,754</u>

	<u>General Long- Term Debt June 30, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>General Long- Term Debt June 30, 2001</u>
<b>By purpose</b>				
Fire equipment	\$1,541,514	\$ 271,006	\$ 253,529	\$ 1,558,991
Police equipment	692,833	1,573,692	518,583	1,747,942
Recreation	1,039,361		81,881	957,480
Streets	119,096	237,150	55,111	301,135
Sanitation equipment	510,671	182,012	172,698	519,985
Vacation pay	739,663	19,558		759,221
Total	<u>\$4,643,138</u>	<u>\$2,283,418</u>	<u>\$1,081,802</u>	<u>\$ 5,844,754</u>

#### Reconciliation

Current portion	\$ 1,072,767
Subsequent years	4,771,987
	<u>\$ 5,844,754</u>

### Note 11. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2001, is as follows:

#### Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water/Sewer Fund	General	\$ 2,253



Water/Sewer Fund	Community Development	158
Water/Sewer Fund	Capital Projects	239
Water/Sewer Fund	Fleet Maintenance	126
Water/Sewer Fund	City Hall Maintenance	227
Solid Waste	Water/Sewer	95
Solid Waste	General	579
Solid Waste	Fleet Maintenance	120
Solid Waste	City Hall Maintenance	6
		-----
	Total	\$ 3,803
		-----

**Interfund receivable/payable :**

Receivable Fund	Payable Fund	Amount
General	Law Enforcement Grants	\$ 9,833
General	Community Development	2,378
General	Affordable Home Ownership	9,923
General	Lead Based Paint	519
General	Capital Projects	28,819
Law Enforcement Grants	General	1,428
Community Development	General	381
Community Development	Revolving Loan Fund	780
HUD - DRI	Community Development	9,401
Capital Reserve	Capital Projects	384,766
Water/Sewer Fund	General	4,997
Fleet Maintenance	General	666
City Hall Maintenance	General	95
Information Technology Services	General	571
Separation Allowance	General	79,185
	Total	\$ 533,742

**Note 12. Deferred Revenues**

The balance in deferred revenues at year-end is composed of the following elements:

	General Fund	Special Revenue	Enterprise Fund
Prepaid taxes not yet earned	\$ 80,418	\$	\$
Taxes receivable (net)	648,439		
Special assessments receivable			103,679
Recreation fees not yet earned	1,517		
Tree fund donations not yet earned, included in restricted assets	7,162		
Beirut memorial donations not yet earned, included in restricted assets	3,379		
PILOT revenues not yet earned			18,802
Prepaid privilege license not yet earned	128,785		
Other advances not yet earned	3,372		1,750
Other receivables		1,258	
Utility Franchise Tax receivable	305,419		
Beer/Wine Tax receivable	70,950		
	\$1,249,441	\$ 1,258	\$ 124,231

**Note 13. Proprietary Funds Contributed Capital**

Grants, entitlements, and shared revenues restricted for the acquisition or construction of capital assets are recorded as contributed capital prior to the implementation of GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions. As required by GASB Statement 33, the City has begun recognizing capital contribution from external sources as revenue in the current year rather than as contributed capital. Due to this accounting change, \$363,645 was recognized as revenue. The City utilizes an option allowed under NCGA Statement 2 for the Combined Statement of Revenues, Expenses, and Changes in

Retained Earnings/Fund Balances (Exhibit D) whereby it closes and/or charges depreciation recognized on assets acquired or constructed through grants, entitlements, or shared revenues to the contributed capital account rather than to retained earnings. The following is a summary of changes in contributed capital for the year ended June 30, 2001:

	Federal	State	Local	Total
	-----	-----	-----	-----
Contributed Capital 7/1/00	\$ 2,968,618	\$ 2,792,294	\$ 17,242,497	\$ 23,003,409
Add: Residual equity transfer receipts restricted for Internal Service projects			118,221	118,221
Less: Amortization	(90,542)	(15,091)	(325,101)	(430,734)
Contributed Capital 6/30/01	\$ 2,878,076	\$ 2,777,203	\$ 17,035,617	\$ 22,690,896

## Note 14. Segment Information - Proprietary Funds

The accompanying combined financial statements include two Enterprise Funds which provide water and sewer, and solid waste revenues. The City also maintains three Internal Service Funds which provide central garage services, building maintenance and information technology services.

Segment information for the year ended June 30, 2001 is as follows:

<u>Enterprise Funds</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Operating revenues	\$ 8,905,514	\$ 1,538,657	\$ 10,444,171
Depreciation	3,790,760		3,790,760
Operating income	1,159,450	156,168	1,315,618
Operating grants	271,556		271,556
Residual equity transfers (out)	(343,675)		(343,675)
Capital assets additions	2,404,660		2,404,660
Net income	1,232,350	176,324	1,408,674
Capital contributions (net)	(67,089)		(67,089)
Fixed assets - net	63,734,511		63,734,511
Net working capital	7,923,404	386,912	8,310,316
Total assets	78,878,778	505,540	79,384,318
Bonds and other long-term liabilities	30,025,861		30,025,861
Total equity	46,227,038	386,912	46,613,950

<u>Internal Service Funds</u>	<u>Fleet Maintenance Fund</u>	<u>City Hall Maintenance Fund</u>	<u>Information Technology Services Fund</u>	<u>Total</u>
Operating revenues	\$ 759,562	\$ 79,265	\$ 607,099	\$ 1,445,926
Depreciation	24,141	109	221,549	245,799
Operating income (loss)	(11,609)	4,820	(141,702)	(148,491)
Purchase of capital assets	13,164		84,533	97,697
Net income (loss)	(397)	11,159	(127,489)	(116,727)
Capital contributions			118,221	118,221
Fixed assets - net	182,477		211,300	393,777
Net working capital	163,524	96,992	274,426	534,942
Total assets	361,425	98,121	504,545	964,091
Bonds and other long-term liabilities	15,948	1,435	21,556	38,939
Total equity	330,053	95,557	464,170	889,780

## Note 15. Intergovernmental Assistance Programs

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 16. 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 nonoperating revenues (expenses) in the Proprietary funds. Transfers within fund types have been eliminated.

Interfund transfers for the year ended June 30, 2001 are as follows:

	Transfers	
	From	To
General		
Capital Projects	\$ 384,827	\$ 2,756,089
Special Revenue	70,309	387,014
Special Revenue		
General	387,014	70,309
Capital Projects		
General	2,756,089	384,827
	<u>\$ 3,598,239</u>	<u>\$ 3,598,239</u>

## Note 17. Jointly Governed Organizations

The City, in conjunction with Camp Lejeune Marine Corps Base, 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 all 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 five municipalities. Each member paid a prorated setup fee based on population. The City's portion was \$1,742. The ONWASA received a \$125,000 planning grant and is using these funds to conduct a feasibility study. Any further obligations will be determined if the results of the study are adopted by the City.

The City in conjunction with Onslow County established the Jacksonville-Onslow Sports Commission. The purpose of the Commission is to coordinate all sporting events and tournaments in the County, striving to reduce scheduling major events on the same weekend. The City and County will each fund one-half of the cost for this organization. The City's share is estimated to be \$61,000 per year.

## Note 18. Summary Disclosure of Significant Contingencies

### Audits of Federal and State Grants

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 19. Pending GASB Statements

At June 30, 2001, the Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by City of Jacksonville. The Statements which might have a significant effect on the City are as follows:

No. 34 as amended by No. 37, "Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments," issued June, 1999 and June, 2001 respectively, were the culmination of many years of study and deliberation by the GASB. Due to the significance of these statements, an extended disclosure is included below.

For the first time, financial managers will be required to share their insights in a management's discussion and analysis (MD&A) that gives readers an analysis of the government's overall financial position and results of the previous year's operations.

Financial statements will be presented under a government-wide perspective (new) and a fund level perspective. For the first time, the annual report will include government-wide financial statements prepared using *full accrual* accounting for *all of the government's activities*, not just those that cover costs by charging a fee for services, as was previously required. Governments will report all capital assets, including infrastructure, in a government-wide *statement of net assets* and will report depreciation expense--the cost of "using up" capital assets--in the statement of activities. Infrastructure assets will be reported, but may not be required to be depreciated under certain circumstances. The net assets of a government will be broken down into three categories: *invested in capital assets, net of related debt; restricted; and unrestricted*. A *statement of activities* will be presented in at least the same level of detail provided in the governmental fund statements--generally, expenses and program revenues by function. Program expenses will include all direct expenses; governments that allocate overhead and other indirect expenses to individual programs will show the allocation in a separate column. *Special and extraordinary* items will be reported separately from other revenues and expenses. This way, users will see if the government's conventional, recurring revenues and expenses balanced.

Statement 34 requires governments to continue to present fund level financial statements with information about funds. The focus of these fund-based statements has been changed, however, by requiring governments to report information about their most important or *major* funds (those whose revenues, expenditures/expenses, assets, or liabilities are at least ten (10%) percent of the total for their fund category or type (governmental or enterprise) and at least five (5%) percent of the aggregate amount for all governmental and enterprise funds), including a government's general fund. Fund-based statements for governmental activities (generally, those supported by tax revenues) will continue to report the flow of *current financial resources* (generally, cash and other assets that can easily be converted to cash).

To help users understand and assess the relationship between fund-based and government-wide financial statements, governments will present a summary reconciliation that will show the interplay between the two types of statements.

Governments will continue to provide budgetary comparison information in their annual reports as required supplementary information. An important change, however, is a requirement to add the government's *original budget* to the current comparison of final budget and actual results.

The requirements of Statements 34 and 37 are effective for City of Jacksonville beginning with fiscal years ending after June 15, 2003.

# **Required Supplemental Financial Data**

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

**Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance**

**Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance**

**Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance**

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

Exhibit F-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a/c))
12/31/94	\$227,862	\$ 371,767	\$143,905	61.29%	\$2,369,419	6.07%
12/31/95	234,628	446,733	212,105	52.52	2,446,787	8.67
12/31/96	264,687	519,331	254,694	50.97	2,527,502	10.07
12/31/97	288,909	674,134	385,225	42.87	2,872,507	13.41
12/31/98	322,942	730,303	407,361	44.22	2,880,521	14.14
12/31/99	351,546	767,213	415,667	45.82	3,211,861	12.94
12/31/00	325,298	1,151,766	826,468	28.24	3,447,476	23.97



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

Exhibit F-2

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
1992	\$26,541	100%
1993	33,350	126
1994	32,620	98
1995	36,489	112
1996	47,468	130
1997	47,468	111
1998	52,850	129
1999	68,184	107
2000	72,776	33
2001	79,185	100

**Notes to the Required Schedules:**

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

Valuation date	12/31/00
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount closed
Remaining amortization period	30 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases *	Ranging from 5.9% to 9.8%
* Includes inflation at	3.75%
Cost-of-living adjustments	None

# The General Fund

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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, 2001 and 2000

Statement 1

	2001	2000
<b>Assets</b>		
Current Assets:		
Cash and investments	\$10,317,858	\$ 9,435,305
Taxes receivable (net)	648,439	551,110
Accounts receivable (net)	3,227,385	2,701,420
Due from other funds		153,717
Interfund receivables	51,472	
Inventories	2,402	2,119
Prepaid items	1,405	5,400
Total Current Assets	14,248,961	12,849,071
Restricted Assets:		
Cash and investments	743,403	701,797
Total Restricted Assets	743,403	701,797
Total Assets	\$14,992,364	\$13,550,868
<b>Liabilities and Fund Balances</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,089,150	\$ 1,333,533
Due to other funds	2,832	116,818
Interfund payable	87,323	
Compensated absences payable	354,090	273,969
Total Current Liabilities	1,533,395	1,724,320
Noncurrent Liabilities:		
Customer deposits	52,001	7,149
Deferred revenue	1,249,441	773,065
Total Noncurrent Liabilities	1,301,442	780,214
Total Liabilities	2,834,837	2,504,534
Fund Balances:		
Fund Balance - Reserved:		
Reserved by state statute	2,761,933	2,855,138
Reserved for compensating balance	52,000	52,000
Reserved for encumbrances	497,168	519,276
Reserved for inventory	2,402	2,119
Reserved for installment purchase	244,866	365,008
Reserved for Powell Bill	305,470	163,231
Reserved for prepaid items	1,405	5,400
Reserved for drug enforcement	130,526	106,651
Total Reserved	3,995,770	4,068,823
Fund Balance - Unreserved/Designated:		
Designated for insurance	344,684	322,877
Designated for subsequent year's expenditures	2,015,869	1,924,332
Total Unreserved/designated	2,360,553	2,247,209
Undesignated	5,801,204	4,730,302
Total Fund Balances	12,157,527	11,046,334
Total Liabilities and Fund Balances	\$14,992,364	\$13,550,868

City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 1 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
<b>Revenues</b>				
Ad valorem taxes:				
Current year (net of discounts)	\$ 9,641,499	\$ 9,840,869	\$ 199,370	\$ 8,015,753
Prior years	159,604	161,396	1,792	145,583
Penalties and interest	31,000	46,775	15,775	43,526
Total	9,832,103	10,049,040	216,937	8,204,862
Other taxes and licenses:				
CATV franchise tax	250,000	293,925	43,925	258,925
Privilege licenses	372,561	382,817	10,256	104,425
Intangibles tax	186,153	186,155	2	186,665
Local option sales tax	3,228,020	3,307,478	79,458	3,149,399
One-half cent sales tax (1983)	2,778,458	2,728,630	(49,828)	2,694,813
One-half cent sales tax (1986)	2,755,878	2,705,385	(50,493)	2,672,622
Gross receipt on short term vehicle tax	53,964	67,486	13,522	
Total	9,625,034	9,671,876	46,842	9,066,849
Unrestricted intergovernmental revenues:				
Inventory tax reimbursement	140,554	281,107	140,553	283,596
Senior citizens exemption	7,157	7,157		7,157
Utility franchise tax	1,438,920	1,552,650	113,730	1,498,650
Beer and wine tax	309,728	322,315	12,587	318,243
Food stamp tax reimbursement	36,775	36,911	136	37,067
Payment in lieu of taxes (PILOT)	1,870	3,119	1,249	2,420
State Owned Buildings Fire Protection	967	967		967
ABC revenue	25,500	37,044	11,544	20,480
Total	1,961,471	2,241,270	279,799	2,168,580
Restricted intergovernmental revenues:				
State - mosquito control grant	12,000		(12,000)	
State - street-aid allocation	2,103,552	2,103,552		2,031,253
State - C.A.M.A. Permits	310	190	(120)	300
State - 104F transportation grant	240,000	155,080	(84,920)	126,597
State - Hurricane Bonnie (FEMA)				60,873
State - Hurricane Fran (FEMA)		31,366	31,366	15,570
State - Hurricane Dennis (FEMA)				27,717
State - Hurricane Floyd (FEMA)				221,540
State - Section 5305 grant	20,000	33,377	13,377	
State - GHSP 2000 grant				35,592
State - Bureau of Justice Vest grant	5,000	1,966	(3,034)	5,860
State - Wellness Incentive grant	3,000	3,000		6,000
State - Arts Council	1,700	1,700		
Local - juvenile transportation	2,000	1,381	(619)	2,113
Local - joint drug task force	25,000	33,496	8,496	25,798
Local - Dept of Social Serv Food				134
Local - City of Greenville				42,825
Local - Town of North Topsail				3,708
Local - EAP ongoing grant	3,000	3,000		2,100
Local - Eastern Carolina Council				4,686
Local - NCLM Safety grant	1,000	990	(10)	
Total	2,416,562	2,369,098	(47,464)	2,612,666

City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 2 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Permits and fees:				
Taxi permits	\$ 5,330	\$ 8,706	\$ 3,376	\$ 8,601
Development Review fees	35,000	27,346	(7,654)	35,676
Inspection fees	368,198	343,390	(24,808)	416,101
Total	408,528	379,442	(29,086)	460,378
Sales and services:				
Utility patching service	46,464	46,464		38,064
Utility service fees	8,277	8,277		8,300
Refuse collection fees	37,050	47,979	10,929	41,655
Space rent	15,345	15,345		15,345
Recreation fees	186,200	201,542	15,342	170,111
Recreation concession	3,439	14,776	11,337	2,755
Xerox copy and map sales	8,154	8,473	319	8,908
Total	304,929	342,856	37,927	285,138
Investment earnings:				
Investment earnings	511,616	747,199	235,583	579,900
Investment earnings - drug enforcement	2,593	5,213	2,620	3,429
Investment earnings - Powell Bill	41,036	50,931	9,895	26,731
Total	555,245	803,343	248,098	610,060
Miscellaneous:				
Police court fees	23,766	37,850	14,084	44,280
Parking fines	1,002	390	(612)	326
Program income - Powell Bill	6,395	6,339	(56)	14,236
Miscellaneous	91,097	88,120	(2,977)	113,513
ICMA		10	10	14,451
Worker's compensation	10,000	6,352	(3,648)	43,603
Total	132,260	139,061	6,801	230,409
Total revenues	25,236,132	25,995,986	759,854	23,638,942
<b>Expenditures</b>				
General government				
Mayor and council				
Salaries and employee benefits		31,951		32,955
Operating expenses		42,228		40,441
Total		74,179		73,396
City manager				
Salaries and employee benefits		275,758		322,596
Operating expenses		40,777		41,170
Maintenance and repair		232		70
Contracted services		373		3,654
Other departmental expenses		27,583		
Total		344,723		367,490

City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 3 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Personnel				
Salaries and employee benefits	\$	\$ 168,445	\$	\$ 109,136
Operating expenses		105,237		87,204
Contracted services		6,550		
Other departmental expenses		15,852		5,674
Capital outlay		3,476		1,623
Total		299,560		203,637
City clerk				
Salaries and employee benefits		32,422		59,091
Operating expenses		16,365		15,771
Maintenance and repair				70
Contracted services				3,347
Other departmental expenses		7,898		
Total		56,685		78,279
Elections				
Operating expenses				6,701
Total				6,701
Finance				
Salaries and employee benefits		337,225		317,654
Operating expenses		74,651		74,207
Maintenance and repairs		118		798
Contracted services		152,757		142,048
Other departmental expenses		51,560		231,852
Capital outlay		11,974		21,766
Total		628,285		788,325
Legal				
Operating expenses		6,038		6,006
Contracted services		40,846		72,487
Total		46,884		78,493
Planning				
Salaries and employee benefits		241,824		266,749
Operating expenses		29,821		26,389
Contracted services		3,504		1,385
Other departmental expenses		37,647		
Capital outlay		8,640		2,048
Total		321,436		296,571
Transportation				
Salaries and employee benefits		83,964		72,578
Operating expenses		6,565		5,465
Contracted services		135,507		34,615
Other departmental expenses		7,898		
Capital outlay		4,344		1,875
Total		238,278		114,533

City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 4 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001			2000
	Budget	Actual	Variable Favorable (Unfavorable)	Actual
Hurricane Irene				
Salaries and employee benefits	\$	\$	\$	\$ 10,917
Operating expenses				134
Total				11,051
Hurricane Dennis				
Salaries and employee benefits				25,584
Operating expenses				1,785
Maintenance and repair				19
Other department expenses				1,930
Total				29,318
Hurricane Floyd				
Salaries and employee benefits				123,533
Operating expenses				13,336
Maintenance and repair				37,030
Other department expenses				140,852
Total				314,751
Mutual Aide				
Salaries and employee benefits				53,739
Operating expenses				1,062
Other department expenses				21
Total				54,822
Non-departmental				
Salaries and employee benefits				16,585
Operating expenses		151,880		160,272
Maintenance and repair		2,249		12,228
Contracted service		5,900		4,683
Other departmental expenses		11,771		
Reserve for insurance deductible		226,576		234,685
Miscellaneous payments		302,945		311,615
Payment to Onslow County		2,073,256		2,214,879
Capital outlay		8,743		13,219
Total		2,783,320		2,968,166
Total general government	5,603,250	4,793,350	809,900	5,385,533
Public works				
Inspections				
Salaries and employee benefits		473,925		398,985
Operating expenses		55,824		48,751
Contracted services		56		229
Other departmental expenses		39,487		
Capital outlay		19,477		31,510
Total		588,769		479,475

City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 5 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Administration				
Salaries and employee benefits	\$	\$ 60,111	\$	\$ 78,165
Operating expenses		8,133		10,122
Other departmental expenses		7,898		
Capital outlay		3,476		
Total		79,618		88,287
Engineering				
Salaries and employee benefits		177,939		70,442
Operating expenses		8,265		10,056
Contracted services		27,908		7,564
Other departmental expenses		11,846		
Street lighting		292,548		
Capital outlay		5,032		
Total		523,538		88,062
Maintenance				
Salaries and employee benefits		642,400		560,267
Operating expenses		116,814		95,308
Utilities		10,166		8,490
Maintenance and repair		9,776		10,130
Contracted services		20,640		3,360
Other departmental expenses		8,914		
Capital outlay		63,479		106,729
Total		872,189		784,284
Streets - Powell Bill				
Salaries and employee benefits		590,864		734,095
Operating expenses		389,345		337,919
Maintenance and repair		13,099		17,685
Contracted services		27,373		415
Capital outlay		7,974		67,736
Total		1,028,655		1,157,850
Streets - non-Powell Bill				
Salaries and employee benefits		404,672		271,348
Operating expenses		135,646		112,967
Utilities		13,556		7,846
Maintenance and repair		2,579		810
Contracted services		40,448		36,218
Other departmental expenses		21,210		
Mosquito control		22,437		15,622
Street lighting				273,289
Capital outlay		365,134		6,648
Total		1,005,682		724,748
Total public works	4,642,154	4,098,451	543,703	3,322,706



City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 6 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Public safety				
Police				
Salaries and employee benefits	\$	\$ 4,779,644	\$	\$ 4,430,962
Employer contribution to separation allowance trust fund		79,185		24,255
Operating expenses		608,181		587,171
Utilities		26,319		27,448
Maintenance and repair		24,759		22,470
Contracted services		25,028		17,399
Other departmental expenses		185,736		
Drug enforcement		14,834		25,850
Capital outlay		432,907		943,512
Total		6,176,593		6,079,067
Animal control				
Salaries and employee benefits				2,807
Operating expenses		401		1,091
Utilities				323
Total		401		4,221
Fire				
Salaries and employee benefits		3,022,707		2,821,567
Operating expenses		200,157		204,176
Utilities		35,397		35,696
Maintenance and repair		12,522		46,896
Contracted services		20,006		22,305
Other departmental expenses		42,988		
Capital outlay		161,362		53,727
Total		3,495,139		3,184,367
Total public safety	10,622,536	9,672,133	950,403	9,267,655
Environmental protection				
Sanitation				
Salaries and employee benefits		1,048,043		1,010,907
Operating expenses		259,221		244,764
Utilities		3,692		3,522
Maintenance and repair		1,517		7,503
Contracted services		666,668		669,749
Other departmental expenses		13,992		
Capital outlay		185,869		135,463
Total environmental protection	2,306,883	2,179,002	127,881	2,071,908
Cultural and recreational				
Recreation				
Salaries and employee benefits		713,789		673,100
Operating expenses		216,699		197,108
Utilities		126,734		114,212
Maintenance and repair		44,823		63,234
Contracted services		12,863		5,871
Other departmental expenses		43,492		
Capital outlay		71,789		9,280
Total cultural and recreational	1,477,395	1,230,189	247,206	1,062,805

City of Jacksonville, North Carolina  
General Fund

Statement 2  
Page 7 of 7

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Debt service				
Principal retirements	1,373,424	1,033,562	339,862	828,932
Interest and fees	915,703	204,948	710,755	167,120
Total debt service	2,289,127	1,238,510	1,050,617	996,052
Total expenditures	26,941,345	23,211,635	3,729,710	22,106,659
Revenues over (under) expenditures	(1,705,213)	2,784,351	4,489,564	1,532,283
Other financing sources (uses):				
Proceeds from borrowing	\$ 1,042,100	\$ 1,009,068	\$ (33,032)	\$ 685,947
Appropriated fund balance	2,382,404		(2,382,404)	
Sales of general fixed assets	119,710	116,136	(3,574)	89,024
Sales of fixed assets Powell Bill		4,150	4,150	4,200
Operating transfers in--				
From Special Revenue Fund	70,313	70,310	(3)	71,068
From Capital Project Fund	194,827	194,827		398,000
From Capital Reserve Fund	1,129,425	190,000	(939,425)	
From Enterprise Funds	24,168		(24,168)	
Operating transfers (out)--				
To Capital Projects Fund	(2,756,089)	(2,756,089)		(2,637,534)
To Special Revenue Fund	(387,099)	(387,014)	85	(265,396)
Total other financing sources (uses)	1,819,759	(1,558,612)	(3,378,371)	(1,654,691)
Excess of revenues and other sources over (under) expenditures and other uses	114,546	1,225,739	\$ 1,111,193	(122,408)
Fund balance:				
Beginning of year, July 1	0	11,046,334		11,168,742
Residual equity transfer (out)--	(114,546)	(114,546)		
End of year, June 30	\$ 0	\$ 12,157,527		\$ 11,046,334

# Special Revenue Funds

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Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to expenditure for specific purposes.

## Individual Fund Descriptions:

**Community Development Grant Fund** - accounts for the revenues and expenditures of Community Development Block Grant programs.

**COPS Grant Fund** - accounts for the revenues and expenditures of the COPS Grant Program.

**School Resource Officer Grant Fund** - accounts for the revenues and expenditures of the School Resource Officer Program.

**E-911 Fund** - accounts for the revenues and expenditures of the Enhanced E-911 Operation.

**Lead Based Paint Grant Fund** - accounts for the revenues and expenditures of the Lead Based Paint Grant Program.

**Emergency Relief Grant Fund** – accounts for the revenues and expenditures of the Emergency Relief Grant Program.

**HUD Disaster Recovery Grant (DRI) Fund** - accounts for the revenues and expenditures of the HUD Disaster Recovery Grant Program.

**Bulletproof Vest Grant Fund** - accounts for the revenues and expenditures of the Bulletproof Vest Grant Program.

**Affordable Home Ownership Grant Fund** - accounts for the revenues and expenditures of the Affordable Home Ownership Grant Program.

**Law Enforcement Block Grant Fund** - accounts for the revenues and expenditures of the Law Enforcement Block Grant Program.

**Highway Safety Grant Fund** – accounts for the revenues and expenditures of the Governor's Highway Safety Grant Program.

**Governor's Highway Grant Fund** - accounts for the revenues and expenditures of the Governor's Highway Grant Program.

City of Jacksonville, North Carolina  
Special Revenue Fund  
Combining Balance Sheet  
June 30, 2001  
With Comparative Totals for June 30, 2000

	Community Development Fund	COPS Grant Fund	School Resource Officer Program Fund	E-911 Fund	Lead Based Paint Grant Fund
	-----	-----	-----	-----	-----
<b>Assets</b>					
Cash and investments	\$ 73,466	\$	\$ 52,609	\$ 286,329	\$
Accounts receivable	1,258	45,873	518	20,594	519
Interfund receivables	1,161	952	476		
Prepaid items	435				
	-----	-----	-----	-----	-----
Total Current Assets	76,320	46,825	53,603	306,923	519
	-----	-----	-----	-----	-----
<b>Restricted Assets</b>					
Cash and investments				71,730	
	-----	-----	-----	-----	-----
Total Restricted Assets				71,730	
	-----	-----	-----	-----	-----
Total Assets	\$ 76,320	\$ 46,825	\$ 53,603	\$ 378,653	\$ 519
	-----	-----	-----	-----	-----
<b>Liabilities and Fund Balances</b>					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 6,914	\$ 11,708	\$ 6,544	\$ 11,283	\$
Due to other funds	158				
Interfund payable	11,779	9,833			519
	-----	-----	-----	-----	-----
Total Current Liabilities	18,851	21,541	6,544	11,283	519
	-----	-----	-----	-----	-----
Noncurrent Liabilities:					
Deferred revenue	1,258				
	-----	-----	-----	-----	-----
Total Noncurrent Liabilities	1,258				
	-----	-----	-----	-----	-----
Total Liabilities	20,109	21,541	6,544	11,283	519
	-----	-----	-----	-----	-----
Fund Balance - Reserved:					
Reserved for encumbrances	37,971			69,985	
Reserved for prepaid items	435				
Reserved for installment purchase				71,730	
	-----	-----	-----	-----	-----
Total Reserved	38,406			141,715	
Unreserved/Designated					
Designated for subsequent year's expenditures		25,284	47,059	225,655	
Unreserved, undesignated	17,805				
	-----	-----	-----	-----	-----
Total Fund Balance	56,211	25,284	47,059	367,370	
	-----	-----	-----	-----	-----
Total Liabilities and Fund Balances	\$ 76,320	\$ 46,825	\$ 53,603	\$ 378,653	\$ 519
	-----	-----	-----	-----	-----

Emergency Relief	HUD Disaster Recovery Grant Fund	Bullet Proof Vest Fund	Affordable Home Ownership Fund	Totals	
				June 30, 2001	June 30, 2000
\$ 762	\$ 81,908 9,401	\$ 13,188	\$ 10,020 15,200	\$ 436,374 165,870 11,990 435	\$ 367,455 154,825 5,748 5,280
762	91,309	13,188	25,220	614,669	533,308
				71,730	
				71,730	
\$ 762	\$ 91,309	\$ 13,188	\$ 25,220	\$ 686,399	\$ 533,308
\$	\$ 81,386 9,923	\$	\$ 87	\$ 117,922 158 32,054	\$ 67,935 153,717
	91,309		87	150,134	221,652
				1,258	
				1,258	
	91,309		87	151,392	221,652
	25,875			133,831 435 71,730	137,407 5,280
	25,875			205,996	142,687
762	(25,875)	13,188	25,133	337,081 (8,070)	295,674 (126,705)
762		13,188	25,133	535,007	311,656
\$ 762	\$ 91,309	\$ 13,188	\$ 25,220	\$ 686,399	\$ 533,308

City of Jacksonville, North Carolina  
Special Revenue Fund  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

	Community Development Fund	COPS Grant Fund	School Resource Officer Program Fund	E-911 Fund	Lead Based Paint Fund
	-----	-----	-----	-----	-----
<b>Revenues:</b>					
Interest earned on investments	\$ 108	\$ 4,075	\$ 3,168	\$ 16,832	\$
Entitlement grant 1997					
Entitlement grant 1998					
Entitlement grant 1999	266,454				
Lead based paint grant					144,494
Law enforcement block grant					
Governor's crime commission program					
COPS universal hiring grant		168,035			
Onslow county board of education			169,149		
Emergency relief					
Phone surcharge fee				247,080	
HUD disaster recovery grant					
Home ownership assistance					
Miscellaneous					
Program income	199,464			67,417	
	-----	-----	-----	-----	-----
Total revenues	466,026	172,110	172,317	331,329	144,494
	-----	-----	-----	-----	-----
<b>Expenditures:</b>					
Entitlement 1997	\$	\$	\$	\$	\$
Entitlement 1998					
Entitlement 1999	421,421				
Law enforcement block grant					
Governor's crime commission program					
COPS grant project		343,537			
School resource officer program			222,065		
Emergency relief					
E-911				1,338,676	
HUD disaster recovery grant					
Home ownership assistance					
Lead based paint program					144,494
Debt Service					
Principal retirements				48,240	
Interest and fees				39,262	
	-----	-----	-----	-----	-----
Total expenditures	421,421	343,537	222,065	1,426,178	144,494
	-----	-----	-----	-----	-----
Revenues over (under) expenditures	44,605	(171,427)	(49,748)	(1,094,849)	
	-----	-----	-----	-----	-----
<b>Other financing sources (uses):</b>					
Installment purchase proceeds				1,254,792	
Operating transfers in		225,665	94,493		
Operating transfers (out)		(28,954)	(36,189)		
	-----	-----	-----	-----	-----
Total other financing sources (uses)		196,711	58,304	1,254,792	
	-----	-----	-----	-----	-----
Excess of revenues and other sources over (under) expenditures and other uses	44,605	25,284	8,556	159,943	
	-----	-----	-----	-----	-----
<b>Fund balances:</b>					
Beginning of year, July 1			38,503	207,427	
Residual equity transfer in	11,606				
	-----	-----	-----	-----	-----
End of year, June 30	\$ 56,211	\$ 25,284	\$ 47,059	\$ 367,370	\$ 0
	-----	-----	-----	-----	-----

Statement 4

Emergency Relief Fund	HUD Disaster Recovery Grant Fund	Bulletproof Vest Grant Fund	Affordable Home Ownership Fund	Law Enforcement Block Grant Fund	Highway Safety Grant Fund	Governor's Highway Grant Fund
\$	\$	\$	\$ 320	\$ 104	\$ 90	\$
				70,452	89,750	60,000
50	94,168		109,456			
			8,000			
50	94,168		117,776	70,556	89,840	60,000
\$	\$	\$	\$	\$	\$	\$
				107,515	109,989	81,880
31	94,168		127,140			
31	94,168		127,140	107,515	109,989	81,880
19			(9,364)	(36,959)	(20,149)	(21,880)
		13,188		31,788 (4,050)	(1,116)	21,880
		13,188		27,738	(1,116)	21,880
19		13,188	(9,364)	(9,221)	(21,265)	
743			34,497	9,221	21,265	
\$ 762	\$ 0	\$ 13,188	\$ 25,133	\$ 0	\$ 0	\$ 0

Continued on next page.

City of Jacksonville, North Carolina  
Special Revenue Fund  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

Statement 4,  
continued.

	<u>Totals</u>	
	<u>June 30,</u> <u>2001</u>	<u>June 30,</u> <u>2000</u>
	-----	-----
<b>Revenues:</b>		
Interest earned on investments	\$ 24,697	\$ 20,210
Entitlement grant 1997		200,009
Entitlement grant 1998		533,000
Entitlement grant 1999	266,454	14,776
Lead based paint grant	144,494	116,506
Law enforcement block grant	70,452	159,177
Governor's crime commission program	149,750	
COPS universal hiring grant	168,035	235,100
Onslow county board of education	169,149	200,000
Emergency relief	50	4,473
Phone surcharge fee	247,080	199,956
HUD disaster recovery grant	94,168	1,940
Home ownership assistance	109,456	72,378
Miscellaneous		1,015
Program income	274,881	112,411
	-----	-----
Total revenues	1,718,666	1,870,951
	-----	-----
<b>Expenditures:</b>		
Entitlement 1997	\$	\$ 213,763
Entitlement 1998		631,513
Entitlement 1999	421,421	15,844
Law enforcement block grant	107,515	206,236
Governor's crime commission program	191,869	
COPS grant project	343,537	375,835
School resource officer program	222,065	210,970
Emergency relief	31	3,730
E-911	1,338,676	257,245
HUD disaster recovery grant	94,168	1,940
Home ownership assistance	127,140	79,293
Lead based paint program	144,494	123,469
Debt Service		
Principal retirements	48,240	
Interest and fees	39,262	
	-----	-----
Total expenditures	3,078,418	2,119,838
	-----	-----
Revenues over (under) expenditures	(1,359,752)	(248,887)
	-----	-----
<b>Other financing sources (uses):</b>		
Installment purchase proceeds	1,254,792	
Operating transfers in	387,014	271,969
Operating transfers (out)	(70,309)	(80,137)
	-----	-----
Total other financing sources (uses)	1,571,497	191,832
	-----	-----
Excess of revenues and other sources over (under) expenditures and other uses	211,745	(57,055)
	-----	-----
<b>Fund balances:</b>		
Beginning of year, July 1	311,656	350,609
Residual equity transfer in	11,606	18,102
	-----	-----
End of year, June 30	\$ 535,007	\$ 311,656
	-----	-----



City of Jacksonville, North Carolina  
Special Revenue Fund  
Community Development Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 5

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
<b>Entitlement Grant 1999</b>				
Entitlement Grant 1999	537,000	14,776	266,454	281,230
Program income	147,094		199,464	199,464
Investment earnings			108	108
Total	684,094	14,776	466,026	480,802
<b>Entitlement Grant 2000</b>				
Entitlement Grant 2000	527,000			
Program income	124,356			
Investment earnings	1,045			
Total	652,401			
Total revenues	1,336,495	14,776	466,026	480,802
<b>Expenditures:</b>				
<b>Entitlement Grant 1999</b>				
Administration	122,427	976	111,948	112,924
Housing rehabilitation	73,316		14,437	14,437
Neighborhood facility	90,000		450	450
Clearance	102,848		98,977	98,977
Water sewer improvements	758			
Acquisition of property	32,759		270	270
City school project	147,750	14,793	108,948	123,741
Rehabilitation planning	110,036	75	86,391	86,466
Total	679,894	15,844	421,421	437,265
<b>Entitlement Grant 2000</b>				
Administration	132,803			
Housing rehabilitation	129,557			
Affordable housing	205,000			
Clearance	76,236			
Acquisition of property	12,000			
Rehabilitation planning	96,805			
Total	652,401			
Total expenditures	1,332,295	15,844	421,421	437,265
Excess of revenues over (under) expenditures	4,200	(1,068)	44,605	43,537
Other financing (uses):				
Operating transfers (out)-- To Information Technology capital project	(4,200)			
Total other financing (uses)	(4,200)			
Excess of revenues over (under) expenditures and other uses	\$ 0	\$ (1,068)	44,605	\$ 43,537
Fund balances:				
Residual equity transfer in-- From Nonexpendable Trust Fund		1,068	11,606	12,674
End of year, June 30		\$ 0	\$ 56,211	\$ 56,211

City of Jacksonville, North Carolina  
Special Revenue Fund  
COPS Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 6

	Project Authorization	Prior Years	Actual Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
<b>COPS</b>				
COPS universal hiring grant	\$ 873,172	\$ 320,174	\$ 168,035	\$ 488,209
Investment earnings	12,800	6,467	4,075	10,542
	-----	-----	-----	-----
Total	885,972	326,641	172,110	498,751
	-----	-----	-----	-----
<b>Troops to Cops</b>				
Troops to Cops grant	67,697	66,616		66,616
	-----	-----	-----	-----
Total	67,697	66,616		66,616
	-----	-----	-----	-----
Total revenues	953,669	393,257	172,110	565,367
	-----	-----	-----	-----
<b>Expenditures:</b>				
<b>COPS</b>				
Salaries and employee benefits		517,439	312,082	829,521
Operating expenditures		70,055	31,455	101,510
Capital outlay		251,312		251,312
	-----	-----	-----	-----
Total	1,590,341	838,806	343,537	1,182,343
	-----	-----	-----	-----
<b>Troops to Cops</b>				
Operating expenditures		48,030		48,030
Capital outlay		18,586		18,586
	-----	-----	-----	-----
Total	67,697	66,616		66,616
	-----	-----	-----	-----
Total expenditures	1,658,038	905,422	343,537	1,248,959
	-----	-----	-----	-----
Excess of revenues (under) expenditures	(704,369)	(512,165)	(171,427)	(683,592)
	-----	-----	-----	-----
Other financing sources (uses):				
Installment purchase proceeds	220,286	200,574		200,574
Operating transfers in--				
From General Fund	600,427	374,762	225,665	600,427
Operating transfers (out)--				
To General Fund	(116,344)	(63,171)	(28,954)	(92,125)
	-----	-----	-----	-----
Total other financing sources	704,369	512,165	196,711	708,876
	-----	-----	-----	-----
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 0	25,284	\$ 25,284
	-----	-----	-----	-----
Fund balances:				
Beginning of year, July 1				-----
End of year, June 30			\$ 25,284	-----

City of Jacksonville, North Carolina  
Special Revenue Fund  
School Resource Officer Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 7

	Project Authorization	Prior Years	Actual Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Onslow county board of education	\$ 639,366	\$ 470,216	\$ 169,149	\$ 639,365
Investment earnings	7,415	4,208	3,168	7,376
	-----	-----	-----	-----
Total revenues	646,781	474,424	172,317	646,741
	-----	-----	-----	-----
<b>Expenditures:</b>				
Salaries and employee benefits		396,386	212,563	608,949
Operating expenditures		23,736	9,502	33,238
Capital outlay		2,280		2,280
	-----	-----	-----	-----
Total expenditures	691,184	422,402	222,065	644,467
	-----	-----	-----	-----
Excess of revenues over (under) expenditures	(44,403)	52,022	(49,748)	2,274
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From General Fund	159,938	65,445	94,493	159,938
Operating transfers (out)--				
To General Fund	(115,535)	(78,964)	(36,189)	(115,153)
	-----	-----	-----	-----
Total other financing sources (uses)	44,403	(13,519)	58,304	44,785
	-----	-----	-----	-----
Excess of revenues and other sources over expenditures and other uses	\$ 0	38,503	8,556	\$ 47,059
	-----	-----	-----	-----
Fund balances:				
Beginning of year, July 1			38,503	
		-----	-----	
End of year, June 30		\$ 38,503	\$ 47,059	
		-----	-----	

City of Jacksonville, North Carolina  
Special Revenue Fund  
E-911

Schedule 8

Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Interest earned on investments	\$ 52,083	\$ 37,337	\$ 16,832	\$ 54,169
Phone surcharge fee	835,611	590,031	247,080	837,111
Miscellaneous	9,228	9,228		9,228
Contribution Onslow County	67,416		67,417	67,417
	-----	-----	-----	-----
Total revenues	964,338	636,596	331,329	967,925
	-----	-----	-----	-----
<b>Expenditures:</b>				
Other departmental expenditures		431,503	141,507	573,010
Debt service			87,502	87,502
Capital outlay		28,158	1,197,169	1,225,327
	-----	-----	-----	-----
Total expenditures	2,053,973	459,661	1,426,178	1,885,839
	-----	-----	-----	-----
Excess of revenues over (under) expenditures	(1,089,635)	176,935	(1,094,849)	(917,914)
	-----	-----	-----	-----
Other financing sources (uses):				
Appropriated fund balance	23,979			
Installment purchase proceeds	1,254,792		1,254,792	1,254,792
Operating transfers (out)-- To General Fund	(141,178)	(141,178)		(141,178)
	-----	-----	-----	-----
Total other financing sources (uses)	1,089,635	(141,178)	1,254,792	1,113,614
	-----	-----	-----	-----
Excess of revenues and other sources over expenditures and other uses	\$ 0	35,757	159,943	\$ 195,700
	-----	-----	-----	-----
Fund balances:				
Beginning of year, July 1			207,427	
Residual equity transfer in		171,670		171,670
	-----	-----	-----	-----
End of year, June 30		\$ 207,427	\$ 367,370	\$ 367,370
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Special Revenue Fund  
Lead Base Paint Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 9

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Lead base paint grant	\$ 261,000	\$ 116,506	\$ 144,494	\$ 261,000
Miscellaneous	390	390		390
Total revenues	261,390	116,896	144,494	261,390
<b>Expenditures:</b>				
Lead base paint program		132,959	144,494	277,453
Capital outlay		2,537		2,537
Total expenditures	279,990	135,496	144,494	279,990
Excess of revenues (under) expenditures	(18,600)	(18,600)		(18,600)
Other financing sources:				
Operating transfers in-- From Community Development Grant	18,600	18,600		18,600
Total other financing sources	18,600	18,600		18,600
Excess of revenues and other sources over expenditures	\$ 0	\$ 0	\$ 0	\$ 0

City of Jacksonville, North Carolina  
Special Revenue Fund  
Emergency Relief

Schedule 10

Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Emergency relief	\$ 10,000	\$ 4,473	\$ 50	\$ 4,523
Total revenues	10,000	4,473	50	4,523
<b>Expenditures:</b>				
Salaries and employee benefits		3,730	31	3,761
Total expenditures	10,000	3,730	31	3,761
Excess of revenues over expenditures	\$ 0	743	19	\$ 762
Fund balances:				
Beginning of year, July 1			743	
End of year, June 30		\$ 743	\$ 762	

City of Jacksonville, North Carolina  
Special Revenue Fund

Schedule 11

HUD Disaster Recovery Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2001

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
HUD disaster recovery grant	\$ 308,188	\$ 3,233	\$ 94,168	\$ 97,401
Total revenues	308,188	3,233	94,168	97,401
<b>Expenditures:</b>				
Administration		1,293	3,489	4,782
Clearance		1,640		1,640
Housing rehabilitation		300	90,679	90,979
Total expenditures	308,188	3,233	94,168	97,401
Excess of revenues over expenditures	\$ 0	\$ 0	\$ 0	\$ 0

City of Jacksonville, North Carolina  
Special Revenue Fund  
Bulletproof Vest Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 12

	Project	Actual		Total to Date
	Authorization	Prior Years	Current Year	
	-----	-----	-----	-----
<b>Revenues:</b>				
Bureau of Justice grant	\$ 9,064	\$	\$	\$
NCLM Bulletproof grant	2,500			
	-----	-----	-----	-----
Total revenues	11,564			
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay				
	-----	-----	-----	-----
Total expenditures	24,752			
	-----	-----	-----	-----
Excess of revenues (under) expenditures	(13,188)			
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	13,188		13,188	13,188
	-----	-----	-----	-----
Total other financing sources	13,188		13,188	13,188
	-----	-----	-----	-----
Excess of revenues and other sources over expenditures	\$ 0	\$ 0	\$ 13,188	\$ 13,188
	-----	-----	-----	-----



City of Jacksonville, North Carolina  
Special Revenue Fund  
Affordable Home Ownership Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 13

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
<b>Home HM9901</b>				
Interest earned on investments	\$ 3,670	\$ 2,856	\$ 290	\$ 3,146
Program Income	25,648	17,648	8,000	25,648
Home ownership assistance	152,025	137,109	14,916	152,025
Total	181,343	157,613	23,206	180,819
<b>Home HM0001</b>				
Home ownership assistance	150,000		94,540	94,540
Interest earned on investments			30	30
Total	150,000		94,570	94,570
Total revenues	331,343	157,613	117,776	275,389
<b>Expenditures:</b>				
<b>Home HM9901</b>				
Administration		21,534	5,685	27,219
Home ownership assistance		157,501	11,975	169,476
Total	197,220	179,035	17,660	196,695
<b>Home HM0001</b>				
Administration			3,366	3,366
Home ownership assistance			106,114	106,114
Total	190,043		109,480	109,480
Total expenditures	387,263	179,035	127,140	306,175
Excess of revenues (under) expenditures	(55,920)	(21,422)	(9,364)	(30,786)
Other financing sources:				
Operating transfers in--				
From General Fund	37,500	37,500		37,500
From Home Program Grant	7,052	7,051		7,051
From Home Buyer Assistance Grant	11,368	11,368		11,368
Total other financing sources	55,920	55,919		55,919
Excess of revenues and other sources over (under) expenditures	\$ 0	34,497	(9,364)	\$ 25,133
Fund balances:				
Beginning of year, July 1			34,497	
End of year, June 30		\$ 34,497	\$ 25,133	

City of Jacksonville, North Carolina  
Special Revenue Fund  
Law Enforcement Block Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 14

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues :</b>				
<b>1998 Grant PD9901</b>				
Law Enforcement Block Grant	\$ 77,782	\$ 77,782	\$	\$ 77,782
Investment earnings	1,723	1,667	56	1,723
Total	79,505	79,449	56	79,505
<b>1999 Grant PD0003</b>				
Law Enforcement Block Grant	75,697	75,697		75,697
Investment earnings	358	354	4	358
Total	76,055	76,051	4	76,055
<b>2000 Grant PD0104</b>				
Law Enforcement Block Grant	70,452		70,452	70,452
Investment earnings	0		44	44
Total	70,452		70,496	70,496
Total revenues	226,012	155,500	70,556	226,056
<b>Expenditures:</b>				
<b>1998 Grant PD9901</b>				
Capital outlay		83,263	4,766	88,029
Total	88,147	83,263	4,766	88,029
<b>1999 Grant PD0003</b>				
Capital outlay		83,950	464	84,414
Total	84,466	83,950	464	84,414
<b>2000 Grant PD0104</b>				
Operating expenditures			23,000	23,000
Capital outlay			79,285	79,285
Total	102,325		102,285	102,285
Total expenditures	274,938	167,213	107,515	274,728
Excess of revenues (under) expenditures	(48,926)	(11,713)	(36,959)	(48,672)
<b>Other financing sources (uses):</b>				
Operating transfers in--				
From General Fund	48,926	20,934	31,788	52,722
Operating transfers (out)--				
To General Fund			(4,050)	(4,050)
Total other financing sources	48,926	20,934	27,738	48,672
Excess of revenues and other sources over (under) expenditures and other uses	\$ 0	\$ 9,221	(9,221)	\$ 0
<b>Fund balances:</b>				
Beginning of year, July 1			9,221	
End of year, June 30		\$ 9,221	\$ 0	

City of Jacksonville, North Carolina  
Special Revenue Fund  
Highway Safety Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 15

	Project Authorization	Prior Years	Actual Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Highway Safety grant	\$ 118,550	\$ 24,688	\$ 89,750	\$ 114,438
Investment earnings	440		90	90
	-----	-----	-----	-----
Total revenues	118,990	24,688	89,840	114,528
	-----	-----	-----	-----
<b>Expenditures:</b>				
Operating expenditures		20,296	18,773	39,069
Capital outlay		17,977	91,216	109,193
	-----	-----	-----	-----
Total expenditures	152,724	38,273	109,989	148,262
	-----	-----	-----	-----
Excess of revenues (under) expenditures	(33,734)	(13,585)	(20,149)	(33,734)
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From General Fund	34,850	34,850		34,850
Operating transfers (out)--				
To General Fund	(1,116)		(1,116)	(1,116)
	-----	-----	-----	-----
Total other financing sources (uses)	33,734	34,850	(1,116)	33,734
	-----	-----	-----	-----
Excess of revenues and other sources over (under) expenditures and other uses	\$ 0	21,265	(21,265)	\$ 0
	-----	-----	-----	-----
Fund balances:				
Beginning of year, July 1			21,265	
	-----	-----	-----	-----
End of year, June 30		\$ 21,265	\$ 0	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Special Revenue Fund  
Governor's Highway Grant Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 16

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Governor's Crime Commission	\$ 60,000	\$	\$ 60,000	\$ 60,000
	-----	-----	-----	-----
Total revenues	60,000		60,000	60,000
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay			81,880	81,880
	-----	-----	-----	-----
Total expenditures	81,880		81,880	81,880
	-----	-----	-----	-----
Excess of revenues (under)				
expenditures	(21,880)		(21,880)	(21,880)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	21,880		21,880	21,880
	-----	-----	-----	-----
Total other financing sources	21,880		21,880	21,880
	-----	-----	-----	-----
Excess of revenues and other sources				
over expenditures	\$ 0	\$ 0	\$ 0	\$ 0
	-----	-----	-----	-----

# Capital Project Funds

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Capital Project Funds account for funds to be used for the acquisition or construction of major capital facilities.

## **Individual Fund Descriptions:**

**Northeast Creek Park Phase II Capital Project** - accounts for funds used in Phase II of the construction of Northeast Creek Park.

**Multi-Purpose Community Recreation Complex Capital Project** - accounts for funds used in the construction of the Community Center.

**Street Improvements Capital Project** - accounts for funds used in the rehabilitation of streets primarily funded by Powell Bill revenues.

**Fire Station #4 Capital Project** - accounts for funds used in the construction of Fire Station #4.

**Trails and Greenways Capital Project** - accounts for funds used in the construction of trails throughout the City.

**Demolition Capital Project** - accounts for funds dedicated for the demolition of unsuitable housing.

**Country Club Park Capital Project** - accounts for funds used in the construction of the Country Club Park.

**Richard Ray All America Park Capital Project** - accounts for funds used in the construction of the Richard Ray All America Park.

**Sherwood Forest Park Capital Project** - accounts for funds used in the construction of Sherwood Forest Park.

**Civic Facility Capital Project** - accounts for funds used in the construction of the Civic Facility.

**Woodlands Park Capital Project** - accounts for funds used in the construction of the Woodlands Park.

**Kerr Street Park Capital Project** - accounts for funds used in the construction of the Kerr Street Park.

# Capital Project Funds

(Continued)

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**Wilson Bay Park Phase I Capital Project** - accounts for funds used in the construction of the Wilson Bay Park.

**Skateboard Park Capital Project** - accounts for funds used in the construction of the Skateboard Park.

**Downtown Riverfront Development Capital Project** - accounts for funds used in the revitalization of the downtown area.

**Phillips Park Capital Project** - accounts for funds used in the construction of Phillips Park.

**Rails to Trails Capital Project** - accounts for funds used in the conversion of railroad tracks to recreation trails.

**Northwoods Playground Capital Project** - accounts for funds used in the construction of the Northwoods Playground.

**Local Government Complex Capital Project** - accounts for funds used in the design and construction of the joint City/County Local Government Complex.

**Sturgeon City Capital Project** - accounts for funds used in the construction of Sturgeon City.

**Brook Valley Park Capital Project** - accounts for funds used in the construction of Brook Valley Park.

**Jacksonville Business Park Capital Project** - accounts for funds used in the development of the Jacksonville Business Park.

**Riverwalk Crossing Capital Project** - accounts for funds used in the construction of Riverwalk Crossing.

**Northeast Creek Boardwalk Park III Capital Project** - accounts for funds used in the construction of Phase III of the Northeast Creek Boardwalk.

**Sturgeon City Park Capital Project** - accounts for funds used in the construction of Sturgeon City Park.

# Capital Project Funds

(Continued)

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**Police Remodeling Capital Project** - accounts for funds used in the remodeling of the Police Station.

**Non-Powell Bill Capital Project** - accounts for funds used for non-Powell Bill projects.

**Northeast Creek Park Capital Project** - accounts for funds used in the construction of Northeast Creek Park.

**Downtown Trail Capital Project** - accounts for funds used in the construction of the Downtown Trail.

**Chaney Creek Power Line Trail Capital Project** - accounts for funds used in the construction of the Chaney Creek Power Line Trail.

**City Compost Capital Project** - accounts for funds used in the construction of the City compost facility.

**Citywide Landscaping Capital Project** - accounts for funds used in Citywide landscaping projects.

**Capital Reserve** - accounts for funds to be used for future capital needs.

City of Jacksonville, North Carolina  
 Capital Project Funds  
 Combining Balance Sheet  
 June 30, 2001  
 With Comparative Totals for June 30, 2000

	Northeast Creek Park II	Multi- Purpose Recreation Community Complex	Street Improvements	Fire Station #4	Trails and Greenways	Demolition
<b>Assets</b>						
Current Assets:						
Cash and investments	\$ 48,984	\$ 755	\$ 7,060	\$	\$ 802	\$ 112,076
Accounts receivable				127,948		492
Due from other funds						
Interfund receivables						
<b>Total Current Assets</b>	<b>48,984</b>	<b>755</b>	<b>7,060</b>	<b>127,948</b>	<b>802</b>	<b>112,568</b>
Restricted Assets:						
Cash and investments			1,528,540	423,790		
<b>Total Restricted Assets</b>			<b>1,528,540</b>	<b>423,790</b>		
<b>Total Assets</b>	<b>\$ 48,984</b>	<b>\$ 755</b>	<b>\$ 1,535,600</b>	<b>\$ 551,738</b>	<b>\$ 802</b>	<b>\$ 112,568</b>
<b>Liabilities and Fund Balances</b>						
Current Liabilities:						
Accounts payable	\$ 9,530	\$	\$	\$ 152,279	\$	\$ 240
Due to other funds				239		
Interfund Payable				28,819		
<b>Total Current Liabilities</b>	<b>9,530</b>			<b>181,337</b>		<b>240</b>
Current Liabilities to be paid from restricted assets:						
Accounts payable			54,101			
<b>Total Restricted Liabilities</b>			<b>54,101</b>			
<b>Total Liabilities</b>	<b>9,530</b>		<b>54,101</b>	<b>181,337</b>		<b>240</b>
Fund Balances:						
Reserved for encumbrances	35,609			241,165		18,019
Reserved for Powell Bill			1,481,499			
Unreserved, designated for subsequent year's expenditures	3,845	755		129,236	802	94,309
Unreserved, undesignated						
<b>Total Fund Balances</b>	<b>39,454</b>	<b>755</b>	<b>1,481,499</b>	<b>370,401</b>	<b>802</b>	<b>112,328</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 48,984</b>	<b>\$ 755</b>	<b>\$ 1,535,600</b>	<b>\$ 551,738</b>	<b>\$ 802</b>	<b>\$ 112,568</b>



Statement 17

Country Club Park	Richard Ray All America Park	Sherwood Forest Park	Civic Facility	Woodlands Park	Kerr Street Park	Wilson Bay Park Phase I	Skateboard Park
\$ 75,000	\$ 115,089	\$ 2,181	\$ 6,325	\$ 13,672	\$ 617	\$ 12,689	\$ 1,237
75,000	115,089	2,181	6,325	13,672	617	12,689	1,237
\$ 75,000	\$ 115,089	\$ 2,181	\$ 6,325	\$ 13,672	\$ 617	\$ 12,689	\$ 1,237
\$	\$ 1,214	\$	\$ 688	\$ 4,443	\$	\$	\$
			49,723				
	1,214		50,411	4,443			
	1,214		50,411	4,443			
	21,809	2,100	11,788	10,782		3,565	
75,000	92,066	81	(55,874)	(1,553)	617	9,124	1,237
75,000	113,875	2,181	(44,086)	9,229	617	12,689	1,237
\$ 75,000	\$ 115,089	\$ 2,181	\$ 6,325	\$ 13,672	\$ 617	\$ 12,689	\$ 1,237

Continued on next page.

City of Jacksonville, North Carolina  
 Capital Project Funds  
 Combining Balance Sheet (Continued)  
 June 30, 2001  
 With Comparative Totals for June 30, 2000

	Downtown Riverfront Development	Phillips Park	Rails to Trails	Northwoods Playground	Local Govt Complex	Sturgeon City Project
	-----	-----	-----	-----	-----	-----
<b>Assets</b>						
Current Assets:						
Cash and investments	\$ 5,451	\$ 22,989	\$ 717,529	\$ 1,157	\$	\$
Accounts receivable			50,271			
Due from other funds						
Interfund receivables						
Total Current Assets	5,451	22,989	767,800	1,157		
Restricted Assets:						
Cash and investments						
Total Restricted Assets						
Total Assets	\$ 5,451	\$ 22,989	\$ 767,800	\$ 1,157	\$	\$
<b>Liabilities and Fund Balances</b>						
Current Liabilities:						
Accounts payable	\$	\$	\$	\$	\$	\$ 581
Due to other funds						
Interfund payable					161,298	173,745
Total Current Liabilities					161,298	174,326
Current Liabilities to be paid from restricted assets:						
Accounts payable						
Total Restricted Liabilities						
Total Liabilities					161,298	174,326
Fund Balances:						
Reserved for encumbrances	5,451	20,416	72,350		324,598	77,465
Reserved for Powell Bill						
Unreserved, designated for subsequent year's expenditures		2,573	695,450	1,157		
Unreserved, undesignated					(485,896)	(251,791)
Total Fund Balances	5,451	22,989	767,800	1,157	(161,298)	(174,326)
Total Liabilities and Fund Balances	\$ 5,451	\$ 22,989	\$ 767,800	\$ 1,157	\$ 0	\$ 0

Brook Valley Park	Jacksonville Business Park	Riverwalk Crossing	Northeast Creek Boardwalk Park III	Sturgeon City Park	Police Remodeling	Non-Powell Bill Projects
\$ 3,271	\$ 3,483	\$ 1,367,111	\$ 24,800 200	\$ 226,670 2,502	\$ 50,000	\$ 30,000
3,271	3,483	1,367,111	25,000	229,172	50,000	30,000
	5,538	198,472				
	5,538	198,472				
\$ 3,271	\$ 9,021	\$ 1,565,583	\$ 25,000	\$ 229,172	\$ 50,000	\$ 30,000
\$	\$	\$ 337,399	\$	\$	\$	\$
		337,399				
		337,399				
2,306	9,021	782,976 198,472		21,344		
965		246,736	25,000	207,828	50,000	30,000
3,271	9,021	1,228,184	25,000	229,172	50,000	30,000
\$ 3,271	\$ 9,021	\$ 1,565,583	\$ 25,000	\$ 229,172	\$ 50,000	\$ 30,000

Continued on next page.

City of Jacksonville, North Carolina  
 Capital Project Funds  
 Combining Balance Sheet (Continued)  
 June 30, 2001  
 With Comparative Totals for June 30, 2000

Statement 17,  
 continued.

	Capital Reserve Fund	Totals	
		June 30, 2001	June 30, 2000
<b>Assets</b>			
Current Assets:			
Cash and investments	\$ 7,070,162	\$ 9,912,785	\$ 8,943,121
Accounts receivable		187,738	62,703
Due from other funds			98,919
Interfund receivables	384,766	384,766	
Total Current Assets	7,454,928	10,485,289	9,104,743
Restricted Assets:			
Cash and investments		2,156,340	2,751,299
Total Restricted Assets		2,156,340	2,751,299
Total Assets	\$ 7,454,928	\$ 12,641,629	\$ 11,856,042
<b>Liabilities and Fund Balances</b>			
Current Liabilities:			
Accounts payable	\$	\$ 506,374	\$ 119,341
Due to other funds		239	98,919
Interfund payable		413,585	
Total Current Liabilities		920,198	218,260
Current Liabilities to be paid from restricted assets:			
Accounts payable		54,101	136,879
Total Restricted Liabilities		54,101	136,879
Total Liabilities		974,299	355,139
Fund Balances:			
Reserved for encumbrances		1,651,743	1,471,774
Reserved for Powell Bill		1,688,992	1,735,406
Unreserved, designated for subsequent year's expenditures	7,454,928	9,120,156	8,924,771
Unreserved, undesignated		(793,561)	(631,048)
Total Fund Balances	7,454,928	11,667,330	11,500,903
Total Liabilities and Fund Balances	\$ 7,454,928	\$ 12,641,629	\$ 11,856,042

City of Jacksonville, North Carolina  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

	Northeast Creek Park Phase II	Multi-Purpose Community Recreation Complex	Street Improvements	Fire Station #4	Trails and Greenways	Demolition
<b>Revenues:</b>						
Investment earnings	\$	\$	\$ 104,415	\$ 45,419	\$	\$
DENR National Trail grant						
Water Access grant						
Historic Waterfront grant						
NC Transp Enhancement grant						
LWCF grant						
Contribution						
Miscellaneous revenues					102	
<b>Total revenues</b>			104,415	45,419	102	
<b>Expenditures:</b>						
Capital outlay:						
Other improvements	63,859	56,306	671,680	626,998	9,779	13,671
<b>Total expenditures</b>	63,859	56,306	671,680	626,998	9,779	13,671
Revenues over (under) expenditures	(63,859)	(56,306)	(567,265)	(581,579)	(9,677)	(13,671)
Other financing sources:						
Proceeds from borrowing						
Operating transfers in	80,000		716,991		694	120,000
Operating transfers (out)			(178,633)			
<b>Total other financing sources (uses)</b>	80,000		538,358		694	120,000
Excess of revenues and other sources over (under) expenditures and other uses	16,141	(56,306)	(28,907)	(581,579)	(8,983)	106,329
Fund balances:						
Beginning of year, July 1	23,313	57,061	1,510,406	951,980	9,785	5,999
Residual equity transfers in						
<b>End of year, June 30</b>	\$ 39,454	\$ 755	\$ 1,481,499	\$ 370,401	\$ 802	\$ 112,328

Note: Reconciliation of Operating Transfers in (out) to Exhibit B.

Operating Transfers in --	\$ 5,556,828	Operating Transfers (out) --	\$ 3,185,567
Less Transfers within the Capital Project Funds	(2,800,740)	Less Transfers within the Capital Project Funds	(2,800,740)
Operating Transfers in Exhibit B	\$ 2,756,088	Operating Transfers (out) Exhibit B	\$ 384,827

Statement 18

Country Club Park	Richard Ray All America Park	Sherwood Forest	Civic Facility	Woodlands Park	Kerr Street Park	Wilson Bay Park Phase I	Skateboard Park	Downtown Riverfront Development
\$	\$	\$	\$	\$	\$	\$	\$	\$
								24,535
			43,106			550		
			43,106			550		24,535
	196,981	22,819	82,130	37,295	9,855	62,270	1,419	29,984
	196,981	22,819	82,130	37,295	9,855	62,270	1,419	29,984
	(196,981)	(22,819)	(39,024)	(37,295)	(9,855)	(61,720)	(1,419)	(5,449)
		25,000		30,000 (4,000)	(2,500)	50,000	(3,000)	
		25,000		26,000	(2,500)	50,000	(3,000)	
	(196,981)	2,181	(39,024)	(11,295)	(12,355)	(11,720)	(4,419)	(5,449)
75,000	310,856		(5,062)	20,524	12,972	24,409	5,656	10,900
\$ 75,000	\$ 113,875	\$ 2,181	\$ (44,086)	\$ 9,229	\$ 617	\$ 12,689	\$ 1,237	\$ 5,451

Continued on next page.

City of Jacksonville, North Carolina  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (Continued)  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

	Phillips Park	Rails to Trails	Northwoods Playground	Local Govt Complex	Sturgeon City	Brook Valley Park
<b>Revenues:</b>						
Investment earnings	\$	\$ 28,751	\$	\$	\$	\$
DENR National Trail grant						
Water Access grant						
Historic Waterfront grant						
NC Transp Enhancement grant		50,272				
LWCF grant						
Contribution				10,308		
Miscellaneous revenues						
<b>Total revenues</b>		<b>79,023</b>		<b>10,308</b>		
<b>Expenditures:</b>						
Capital outlay:						
Other improvements	42,511	62,840	3,777	113,909	149,783	21,729
<b>Total expenditures</b>	<b>42,511</b>	<b>62,840</b>	<b>3,777</b>	<b>113,909</b>	<b>149,783</b>	<b>21,729</b>
Revenues over (under) expenditures	(42,511)	16,183	(3,777)	(103,601)	(149,783)	(21,729)
Other financing sources (uses):						
Proceeds from borrowing						
Operating transfers in	65,500	419,791				25,000
Operating transfers (out)						
<b>Total other financing sources (uses)</b>	<b>65,500</b>	<b>419,791</b>				<b>25,000</b>
Excess of revenues and other sources over (under) expenditures and other uses	22,989	435,974	(3,777)	(103,601)	(149,783)	3,271
Fund balances:						
Beginning of year, July 1		331,826	4,934	(57,697)	(24,543)	
Residual equity transfers in						
<b>End of year, June 30</b>	<b>\$ 22,989</b>	<b>\$ 767,800</b>	<b>\$ 1,157</b>	<b>\$ (161,298)</b>	<b>\$ (174,326)</b>	<b>\$ 3,271</b>

Jacksonville Business Park	Riverwalk Crossing	Northeast Creek Boardwalk Park III	Sturgeon City Park	Police Remodeling	Non-Powell Bill	Northeast Creek Park	Downtown Trail
\$ 5,538	\$	\$	\$	\$	\$	\$	\$
		200					
			2,503				
5,538		200	2,503				
221,517	764,601	200	5,007				
221,517	764,601	200	5,007				
(215,979)	(764,601)						
	1,992,785	25,000	231,676	50,000	30,000	(546)	(2,042)
	1,992,785	25,000	231,676	50,000	30,000	(546)	(2,042)
(215,979)	1,228,184	25,000	229,172	50,000	30,000	(546)	(2,042)
225,000						546	2,042
\$ 9,021	\$ 1,228,184	\$ 25,000	\$ 229,172	\$ 50,000	\$ 30,000	\$ 0	\$ 0

Continued on next page.



City of Jacksonville, North Carolina  
 Capital Projects Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances (Continued)  
 For the Fiscal Year Ended June 30, 2001  
 With Comparative Totals for the Fiscal Year Ended June 30, 2000

Statement 18,  
 continued.

	Chaney Creek			Capital Reserve Fund	Totals	
	Power Line Trail	City Compost	Citywide Landscaping		June 30, 2001	June 30, 2000
<b>Revenues:</b>						
Investment earnings	\$	\$	\$	\$ 431,946	\$ 616,069	\$ 544,129
DENR National Trail grant						30,000
Water Access grant					200	52,500
Historic Waterfront grant					24,535	25,465
NC Transp Enhancement grant					50,272	
LWCF grant					2,503	
Contribution				16,603	70,567	5,507
Miscellaneous revenues					102	12,074
<b>Total revenues</b>				<b>448,549</b>	<b>764,248</b>	<b>669,675</b>
<b>Expenditures:</b>						
Capital outlay:						
Other improvements	3,662		34,500		3,309,082	2,477,422
<b>Total expenditures</b>	<b>3,662</b>		<b>34,500</b>		<b>3,309,082</b>	<b>2,477,422</b>
Revenues over (under) expenditures	(3,662)		(34,500)	448,549	(2,544,834)	(1,807,747)
<b>Other financing sources (uses):</b>						
Proceeds from borrowing						1,331,866
Operating transfers in				1,694,391	5,556,828	3,027,574
Operating transfers (out)	(6,694)	(140,000)		(2,848,152)	(3,185,567)	(785,544)
<b>Total other financing sources (uses)</b>	<b>(6,694)</b>	<b>(140,000)</b>		<b>(1,153,761)</b>	<b>2,371,261</b>	<b>3,573,896</b>
Excess of revenues and other sources over (under) expenditures and other uses	(10,356)	(140,000)	(34,500)	(705,212)	(173,573)	1,766,149
<b>Fund balances:</b>						
Beginning of year, July 1	10,356	140,000	34,500	7,820,140	11,500,903	6,299,408
Residual equity transfers in				340,000	340,000	3,435,346
<b>End of year, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,454,928</b>	<b>\$11,667,330</b>	<b>\$11,500,903</b>

City of Jacksonville, North Carolina  
 Northeast Creek Park Phase II Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 19

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Contributions	\$ 949	\$ 950	\$	\$ 950
	-----	-----	-----	-----
Total revenues	949	950		950
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		37,637	63,859	101,496
	-----	-----	-----	-----
Total expenditures	140,949	37,637	63,859	101,496
	-----	-----	-----	-----
Revenues (under) expenditures	(140,000)	(36,687)	(63,859)	(100,546)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From Capital Reserve Fund	140,000	60,000	80,000	140,000
	-----	-----	-----	-----
Total other financing sources	140,000	60,000	80,000	140,000
	-----	-----	-----	-----
Increase in fund balance	\$ 0	23,313	16,141	\$ 39,454
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			23,313	
	-----	-----	-----	-----
End of year, June 30		\$ 23,313	\$ 39,454	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Multi-Purpose Community Recreation Complex Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 20

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ 271,786	\$ 271,786	\$	\$ 271,786
Contributions	25,220	25,220		25,220
Miscellaneous	1,995	1,995		1,995
<b>Total revenues</b>	<b>299,001</b>	<b>299,001</b>		<b>299,001</b>
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		4,058,422	56,306	4,114,728
<b>Total expenditures</b>	<b>4,115,483</b>	<b>4,058,422</b>	<b>56,306</b>	<b>4,114,728</b>
<b>Revenues (under) expenditures</b>	<b>(3,816,482)</b>	<b>(3,759,421)</b>	<b>(56,306)</b>	<b>(3,815,727)</b>
<b>Other financing sources (uses):</b>				
Proceeds from borrowing	1,400,000	1,400,000		1,400,000
Operating transfers in--				
From General Fund	1,470,000	1,470,000		1,470,000
From Capital Reserve Fund	994,102	994,102		994,102
Operating transfers (out)--				
To General Fund	(47,620)	(47,620)		(47,620)
<b>Total other financing sources</b>	<b>3,816,482</b>	<b>3,816,482</b>		<b>3,816,482</b>
<b>Increase (decrease) in fund balance</b>	<b>\$ 0</b>	<b>\$ 57,061</b>	<b>(56,306)</b>	<b>\$ 755</b>
<b>Fund Balance:</b>				
Beginning of year, July 1			57,061	
End of year, June 30		\$ 57,061	\$ 755	

City of Jacksonville, North Carolina  
Street Improvements Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 21

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Investment earnings	\$ 758,196	\$ 664,135	\$ 104,415	\$ 768,550
Contribution	321,000	321,000		321,000
Miscellaneous	8,741	8,741		8,741
	-----	-----	-----	-----
Total revenues	1,087,937	993,876	104,415	1,098,291
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		9,274,658	671,680	9,946,338
	-----	-----	-----	-----
Total expenditures	11,417,483	9,274,658	671,680	9,946,338
	-----	-----	-----	-----
Revenues (under) expenditures	(10,329,546)	(8,280,782)	(567,265)	(8,848,047)
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From General Fund	10,378,475	9,661,484	716,991	10,378,475
From Capital Reserve Fund	352,208	352,208		352,208
From Special Revenue Fund	2,496	2,496		2,496
Operating transfers (out)--				
To General Fund	(403,633)	(225,000)	(178,633)	(403,633)
	-----	-----	-----	-----
Total other financing sources	10,329,546	9,791,188	538,358	10,329,546
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	1,510,406	(28,907)	\$ 1,481,499
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			1,510,406	
		-----	-----	
End of year, June 30		\$ 1,510,406	\$ 1,481,499	
		-----	-----	

City of Jacksonville, North Carolina  
 Fire Station #4 Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 22

	Project Authorization	Actual		
	Prior Years	Current Year	Total to Date	
	-----	-----	-----	-----
<b>Revenues:</b>				
Investment earnings	\$ 90,000	\$ 43,824	\$ 45,419	\$ 89,243
Miscellaneous	6,244	6,244		6,244
	-----	-----	-----	-----
Total revenues	96,244	50,068	45,419	95,487
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		1,078,756	626,998	1,705,754
	-----	-----	-----	-----
Total expenditures	2,076,912	1,078,756	626,998	1,705,754
	-----	-----	-----	-----
Revenues (under) expenditures	(1,980,668)	(1,028,688)	(581,579)	(1,610,267)
	-----	-----	-----	-----
Other financing sources:				
Installment purchase proceeds	1,772,668	1,772,668		1,772,668
Operating transfers in--				
From Capital Reserve Fund	208,000	208,000		208,000
	-----	-----	-----	-----
Total other financing sources	1,980,668	1,980,668		1,980,668
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	\$ 951,980	(581,579)	\$ 370,401
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			951,980	
		-----	-----	
End of year, June 30		\$ 951,980	\$ 370,401	
		-----	-----	

City of Jacksonville, North Carolina  
Trails and Greenways Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 23

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Adopt a Trail grant	\$ 2,750	\$ 2,750	\$	\$ 2,750
DEHNR National Trail grant	14,831	14,831		14,831
Contribution	2,700	2,700		2,700
Miscellaneous	13,727	13,530	102	13,632
<b>Total revenues</b>	<b>34,008</b>	<b>33,811</b>	<b>102</b>	<b>33,913</b>
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		66,026	9,779	75,805
<b>Total expenditures</b>	<b>76,702</b>	<b>66,026</b>	<b>9,779</b>	<b>75,805</b>
Revenues (under) expenditures	(42,694)	(32,215)	(9,677)	(41,892)
Other financing sources (uses):				
Operating transfers in--				
From General Fund	24,694	24,000	694	24,694
From Western Blvd. Capital Project	26,000	26,000		26,000
Operating transfers (out)--				
To General Fund	(8,000)	(8,000)		(8,000)
<b>Total other financing sources</b>	<b>42,694</b>	<b>42,000</b>	<b>694</b>	<b>42,694</b>
Increase (decrease) in fund balance	\$ 0	9,785	(8,983)	\$ 802
Fund Balance:				
Beginning of year, July 1			9,785	
End of year, June 30		\$ 9,785	\$ 802	

City of Jacksonville, North Carolina  
Demolition Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 24

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Miscellaneous	\$ 2,420	\$ 2,420	\$	\$ 2,420
Total revenues	2,420	2,420		2,420
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		249,421	13,671	263,092
Total expenditures	375,420	249,421	13,671	263,092
Revenues (under) expenditures	(373,000)	(247,001)	(13,671)	(260,672)
Other financing sources:				
Operating transfers in--				
From General Fund	133,000	133,000		133,000
From Capital Reserve	240,000	120,000	120,000	240,000
Total other financing sources	373,000	253,000	120,000	373,000
Increase in fund balance	\$ 0	5,999	106,329	\$ 112,328
Fund Balance:				
Beginning of year, July 1			5,999	
End of year, June 30		\$ 5,999	\$ 112,328	

City of Jacksonville, North Carolina  
Country Club Park Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 25

		Actual		
Project	Project	Prior Years	Current Year	Total to Date
Authorization	Authorization	Prior Years	Current Year	Total to Date
-----	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
-----	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements	-----	-----	-----	-----
Total expenditures	75,000	-----	-----	-----
-----	-----	-----	-----	-----
Revenues (under) expenditures	(75,000)	-----	-----	-----
-----	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From Capital Reserve Fund	75,000	75,000	-----	75,000
-----	-----	-----	-----	-----
Total other financing sources	75,000	75,000	-----	75,000
-----	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 75,000	\$ 0	\$ 75,000
-----	-----	-----	-----	-----



City of Jacksonville, North Carolina  
 Richard Ray All America Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 26

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Recreation grant	\$ 250,000	\$ 250,000	\$	\$ 250,000
Contribution	50,000	49,585		49,585
Miscellaneous revenue	14,369	14,368		14,368
	-----	-----	-----	-----
Total revenues	314,369	313,953		313,953
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		253,097	196,981	450,078
	-----	-----	-----	-----
Total expenditures	564,369	253,097	196,981	450,078
	-----	-----	-----	-----
Revenues over (under) expenditures	(250,000)	60,856	(196,981)	(136,125)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	250,000	250,000		250,000
	-----	-----	-----	-----
Total other financing sources	250,000	250,000		250,000
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	310,856	(196,981)	\$ 113,875
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			310,856	
	-----	-----	-----	-----
End of year, June 30		\$ 310,856	\$ 113,875	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Sherwood Forest Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 27

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements			22,819	22,819
	-----	-----	-----	-----
Total expenditures	25,000		22,819	22,819
	-----	-----	-----	-----
Revenues (under) expenditures	(25,000)		(22,819)	(22,819)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From Capital Reserve	25,000		25,000	25,000
	-----	-----	-----	-----
Total other financing sources	25,000		25,000	25,000
	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 0	\$ 2,181	\$ 2,181
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Civic Facility Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 28

	Project Authorization	Actual		
	Prior Years	Current Year	Total to Date	
	-----	-----	-----	-----
<b>Revenues:</b>				
Contribution Onslow County	\$ 36,781	\$	\$ 43,106	\$ 43,106
	-----	-----	-----	-----
Total revenues	36,781		43,106	43,106
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		10,062	82,130	92,192
	-----	-----	-----	-----
Total expenditures	10,041,781	10,062	82,130	92,192
	-----	-----	-----	-----
Revenues (under) expenditures	(10,005,000)	(10,062)	(39,024)	(49,086)
	-----	-----	-----	-----
Other financing sources (uses):				
Installment purchase proceeds	10,000,000			
Operating transfers in--				
From General Fund	145,000	145,000		145,000
Operating transfers (out)--				
To General Fund	(140,000)	(140,000)		(140,000)
	-----	-----	-----	-----
Total other financing sources	10,005,000	5,000		5,000
	-----	-----	-----	-----
(Decrease) in fund balance	\$ 0	(5,062)	(39,024)	\$ (44,086)
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			(5,062)	
	-----	-----	-----	-----
End of year, June 30		\$ (5,062)	\$ (44,086)	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Woodlands Park Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 29

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		124,476	37,295	161,771
Total expenditures	171,000	124,476	37,295	161,771
Revenues (under) expenditures	(171,000)	(124,476)	(37,295)	(161,771)
Other financing sources (uses):				
Operating transfers in--				
From Capital Reserve Fund	175,000	145,000	30,000	175,000
Operating transfers (out)--				
To General Fund	(4,000)		(4,000)	(4,000)
Total other financing sources	171,000	145,000	26,000	171,000
Increase (decrease) in fund balance	\$ 0	20,524	(11,295)	\$ 9,229
Fund Balance:				
Beginning of year, July 1			20,524	
End of year, June 30		\$ 20,524	\$ 9,229	

City of Jacksonville, North Carolina  
 Kerr Street Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 30

	Project Authorization	Actual		
	-----	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	0	\$ 0	\$ 0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		133,879	9,855	143,734
	-----	-----	-----	-----
Total expenditures	144,351	133,879	9,855	143,734
	-----	-----	-----	-----
Revenues (under) expenditures	(144,351)	(133,879)	(9,855)	(143,734)
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From Capital Reserve Fund	146,851	146,851		146,851
Operating transfers (out)--				
To General Fund	(2,500)		(2,500)	(2,500)
	-----	-----	-----	-----
Total other financing sources (uses)	144,351	146,851	(2,500)	144,351
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	12,972	(12,355)	\$ 617
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			12,972	
	-----	-----	-----	-----
End of year, June 30		\$ 12,972	\$ 617	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Wilson Bay Park Phase I Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 31

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Contribution	\$	\$	\$ 550	\$ 550
Water Access grant	52,500	52,000		52,500
Total revenues	52,500	52,500	550	53,050
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		75,591	62,270	137,861
Total expenditures	150,000	75,591	62,270	137,861
Revenues (under) expenditures	(97,500)	(23,091)	(61,720)	(84,811)
Other financing sources:				
Operating transfers in--				
From Capital Reserve Fund	97,500	47,500	50,000	97,500
Total other financing sources	97,500	47,500	50,000	97,500
Increase (decrease) in fund balance	\$ 0	24,409	(11,720)	\$ 12,689
Fund Balance:				
Beginning of year, July 1			24,409	
End of year, June 30		\$ 24,409	\$ 12,689	

City of Jacksonville, North Carolina  
 Skateboard Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 32

	Project Authorization	Actual		
	-----	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		109,344	1,419	110,763
	-----	-----	-----	-----
Total expenditures	112,000	109,344	1,419	110,763
	-----	-----	-----	-----
Revenues (under) expenditures	(112,000)	(109,344)	(1,419)	(110,763)
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From Capital Reserve Fund	90,000	90,000		90,000
From General Fund	25,000	25,000		25,000
Operating transfers (out)--				
To General Fund	(3,000)		(3,000)	(3,000)
	-----	-----	-----	-----
Total other financing sources (uses)	112,000	115,000	(3,000)	112,000
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	5,656	(4,419)	\$ 1,237
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			5,656	
	-----	-----	-----	-----
End of year, June 30		\$ 5,656	\$ 1,237	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Downtown Riverfront Development Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 33

	Project Authorization	Actual		
	-----	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Historic Waterfront grant	\$ 50,000	\$ 25,465	\$ 24,535	\$ 50,000
	-----	-----	-----	-----
Total revenues	50,000	25,465	24,535	50,000
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		45,465	29,984	75,449
	-----	-----	-----	-----
Total expenditures	80,900	45,465	29,984	75,449
	-----	-----	-----	-----
Revenues (under) expenditures	(30,900)	(20,000)	(5,449)	(25,449)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	30,900	30,900		30,900
	-----	-----	-----	-----
Total other financing sources	30,900	30,900		30,900
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	10,900	(5,449)	\$ 5,451
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			10,900	
	-----	-----	-----	-----
End of year, June 30		\$ 10,900	\$ 5,451	
	-----	-----	-----	-----



City of Jacksonville, North Carolina  
Phillips Park Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 34

	Actual			
Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		42,511	42,511	
Total expenditures	65,500	42,511	42,511	
Revenues (under) expenditures	(65,500)	(42,511)	(42,511)	
<b>Other financing sources:</b>				
Operating transfers in--				
From General Fund	15,500	15,500	15,500	
From Capital Reserve	50,000	50,000	50,000	
Total other financing sources	65,500	65,500	65,500	
Increase in fund balance	\$ 0	\$ 0	\$ 22,989	\$ 22,989

City of Jacksonville, North Carolina  
 Rails to Trails Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 35

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
NC Transportation Enhancement grant	\$ 1,075,394	\$	\$ 50,272	\$ 50,272
Bike Pedestrian grant	400,000			
Investment earnings	38,728	15,826	28,751	44,577
<b>Total revenues</b>	<b>1,514,122</b>	<b>15,826</b>	<b>79,023</b>	<b>94,849</b>
<b>Expenditures:</b>				
Capital outlay:				
Other improvements			62,840	62,840
<b>Total expenditures</b>	<b>2,249,913</b>		<b>62,840</b>	<b>62,840</b>
<b>Revenues over (under) expenditures</b>	<b>(735,791)</b>	<b>15,826</b>	<b>16,183</b>	<b>32,009</b>
Other financing sources:				
Operating transfers in--				
From General Fund	316,000	316,000		316,000
From Capital Reserve	419,791		419,791	419,791
<b>Total other financing sources</b>	<b>735,791</b>	<b>316,000</b>	<b>419,791</b>	<b>735,791</b>
<b>Increase in fund balance</b>	<b>\$ 0</b>	<b>331,826</b>	<b>435,974</b>	<b>\$ 767,800</b>
<b>Fund Balance:</b>				
Beginning of year, July 1			331,826	
End of year, June 30		\$ 331,826	\$ 767,800	

City of Jacksonville, North Carolina  
 Northwoods Playground Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 36

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Contribution	\$ 4,000	\$ 4,000	\$	\$ 4,000
	-----	-----	-----	-----
Total revenues	4,000	4,000		4,000
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		24,066	3,777	27,843
	-----	-----	-----	-----
Total expenditures	29,000	24,066	3,777	27,843
	-----	-----	-----	-----
Revenues (under) expenditures	(25,000)	(20,066)	(3,777)	(23,843)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From Capital Reserve	25,000	25,000		25,000
	-----	-----	-----	-----
Total other financing sources	25,000	25,000		25,000
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	4,934	(3,777)	\$ 1,157
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			4,934	
	-----	-----	-----	-----
End of year, June 30		\$ 4,934	\$ 1,157	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Local Government Complex Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 37

	Project Authorization	Actual		
	-----	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Contribution - Onslow County	\$ 10,307	\$	\$ 10,308	\$ 10,308
	-----	-----	-----	-----
Total revenues	10,307		10,308	10,308
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		57,697	113,909	171,606
	-----	-----	-----	-----
Total expenditures	5,010,307	57,697	113,909	171,606
	-----	-----	-----	-----
Revenues (under) expenditures	(5,000,000)	(57,697)	(103,601)	(161,298)
	-----	-----	-----	-----
Other financing sources:				
Installment purchase proceeds	5,000,000			
	-----	-----	-----	-----
Total other financing sources	5,000,000			
	-----	-----	-----	-----
(Decrease) in fund balance	\$ 0	(57,697)	(103,601)	\$ (161,298)
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			(57,697)	
	-----	-----	-----	-----
End of year, June 30		\$ (57,697)	\$ (161,298)	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Sturgeon City Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 38

	Project Authorization	Actual		
	-----	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		24,543	149,783	174,326
	-----	-----	-----	-----
Total expenditures	4,000,000	24,543	149,783	174,326
	-----	-----	-----	-----
Revenues (under) expenditures	(4,000,000)	(24,543)	(149,783)	(174,326)
	-----	-----	-----	-----
Other financing sources:				
Installment purchase proceeds	4,000,000			
	-----	-----	-----	-----
Total other financing sources	4,000,000			
	-----	-----	-----	-----
(Decrease) in fund balance	\$ 0	(24,543)	(149,783)	\$ (174,326)
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			(24,543)	
	-----	-----	-----	-----
End of year, June 30		\$ (24,543)	\$ (174,326)	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Brook Valley Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 39

	Actual			
Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		21,729	21,729	
Total expenditures	25,000	21,729	21,729	
Revenues (under) expenditures	(25,000)	(21,729)	(21,729)	
<b>Other financing sources:</b>				
Operating transfers in--				
From Capital Reserve	25,000	25,000	25,000	
Total other financing sources	25,000	25,000	25,000	
Increase in fund balance	\$ 0	\$ 0	\$ 3,271	\$ 3,271

City of Jacksonville, North Carolina  
 Jacksonville Business Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 40

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Interest earned on investments	\$ 6,000	\$ 0	\$ 5,538	\$ 5,538
	-----	-----	-----	-----
Total revenues	6,000		5,538	5,538
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements			221,517	221,517
	-----	-----	-----	-----
Total expenditures	231,000		221,517	221,517
	-----	-----	-----	-----
Revenues (under) expenditures	(225,000)		(215,979)	(215,979)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	225,000	225,000		225,000
	-----	-----	-----	-----
Total other financing sources	225,000	225,000		225,000
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	\$ 225,000	\$ (215,979)	\$ 9,021
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			225,000	
	-----	-----	-----	-----
End of year, June 30		\$ 225,000	\$ 9,021	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Riverwalk Crossing Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 41

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
NC Transportation Enhancement grant	\$ 145,011	\$	\$	\$
	-----	-----	-----	-----
Total revenues	145,011			
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements			764,601	764,601
	-----	-----	-----	-----
Total expenditures	2,137,796		764,601	764,601
	-----	-----	-----	-----
Revenues over (under) expenditures	(1,992,785)		(764,601)	764,601
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	251,100		251,100	251,100
From Capital Reserve	1,741,685		1,741,685	1,741,685
	-----	-----	-----	-----
Total other financing sources	1,992,785		1,992,785	1,992,785
	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 0	\$ 1,228,184	\$ 1,228,184
	-----	-----	-----	-----



City of Jacksonville, North Carolina  
 Northeast Creek Boardwalk Park III Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 42

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Water Access grant	\$ 75,000	\$ 0	\$ 200	\$ 200
	-----	-----	-----	-----
Total revenues	75,000	0	200	200
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements			200	200
	-----	-----	-----	-----
Total expenditures	100,000		200	200
	-----	-----	-----	-----
Revenues (under) expenditures	(25,000)			
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From Capital Reserve	25,000		25,000	25,000
	-----	-----	-----	-----
Total other financing sources	25,000		25,000	25,000
	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 0	\$ 25,000	\$ 25,000
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Sturgeon City Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 43

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
LWCF Grant	\$ 231,676	\$	\$ 2,503	\$ 2,503
	-----	-----	-----	-----
Total revenues	231,676		2,503	2,503
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements			5,007	5,007
	-----	-----	-----	-----
Total expenditures	463,352		5,007	5,007
	-----	-----	-----	-----
Revenues (under) expenditures	(231,676)		(2,504)	(2,504)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From Capital Reserve	231,676		231,676	231,676
	-----	-----	-----	-----
Total other financing sources	231,676		231,676	231,676
	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 0	\$ 229,172	\$ 229,172
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Police Remodeling Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 44

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements				
Total expenditures	50,000			
	-----	-----	-----	-----
Revenues (under) expenditures	(50,000)			
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	50,000		50,000	50,000
	-----	-----	-----	-----
Total other financing sources	50,000		50,000	50,000
	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 0	\$ 50,000	\$ 50,000
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Non-Powell Bill Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 45

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements				
Total expenditures	30,000			
	-----	-----	-----	-----
Revenues (under) expenditures	(30,000)			
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	30,000		30,000	30,000
	-----	-----	-----	-----
Total other financing sources	30,000		30,000	30,000
	-----	-----	-----	-----
Increase in fund balance	\$ 0	\$ 0	\$ 30,000	\$ 30,000
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Northeast Creek Park Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 46

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Public Access grant	\$ 29,629	\$ 29,629	\$	\$ 29,629
Water Access grant	52,500	52,456		52,456
Contribution - Jaycees	17,922	17,923		17,923
	-----	-----	-----	-----
Total revenues	100,051	100,008		100,008
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		182,152		182,152
	-----	-----	-----	-----
Total expenditures	182,196	182,152		182,152
	-----	-----	-----	-----
Revenues (under) expenditures	(82,145)	(82,144)		(82,144)
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From General Fund	105,190	105,190		105,190
From Capital Reserve Fund	17,500	17,500		17,500
Operating transfers (out)--				
To Capital Reserve Fund	(40,545)	(40,000)	(546)	(40,546)
	-----	-----	-----	-----
Total other financing sources (uses)	82,145	82,690	(546)	82,144
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	\$ 546	(546)	\$ 0
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			546	
	-----	-----	-----	-----
End of year, June 30		\$ 546	\$ 0	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Downtown Trail Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 47

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
DEHNR National Trail grant	\$ 17,500	\$ 17,500	\$	\$ 17,500
	-----	-----	-----	-----
Total revenues	17,500	17,500		17,500
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		50,958		50,958
	-----	-----	-----	-----
Total expenditures	50,959	50,958		50,958
	-----	-----	-----	-----
Revenues (under) expenditures	(33,459)	(33,458)		(33,458)
	-----	-----	-----	-----
Other financing sources (uses):				
Operating transfers in--				
From General Fund	25,500	25,500		25,500
From Capital Reserve	10,000	10,000		10,000
Operating transfers (out)--				
To Capital Reserve	(2,041)		(2,042)	(2,042)
	-----	-----	-----	-----
Total other financing sources (uses)	33,459	35,500	(2,042)	33,458
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$ 0	2,042	(2,042)	\$ 0
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			2,042	
	-----	-----	-----	-----
End of year, June 30		\$ 2,042	\$ 0	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 Chaney Creek Power Line Trail Capital Project Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 48

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
DEHNR National trail grant	\$ 30,000	\$ 30,000	\$	\$ 30,000
Total revenues	30,000	30,000		30,000
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		39,644	3,662	43,306
Total expenditures	43,306	39,644	3,662	43,306
Revenues (under) expenditures	(13,306)	(9,644)	(3,662)	(13,306)
Other financing sources (uses):				
Operating transfers in--				
From General Fund	7,500	7,500		7,500
From Capital Reserve	12,500	12,500		12,500
Operating transfers (out)--				
To General Fund	(6,694)		(6,694)	(6,694)
Total other financing sources (uses)	13,306	20,000	(6,694)	13,306
Increase (decrease) in fund balance	\$ 0	10,356	(10,356)	\$ 0
Fund Balance:				
Beginning of year, July 1			10,356	
End of year, June 30		\$ 10,356	\$ 0	

City of Jacksonville, North Carolina  
City Compost Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 49

	Actual		
Project Authorization	Prior Years	Current Year	Total to Date
<b>Revenues:</b>			
Total revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Capital outlay:			
Other improvements			
Total expenditures			
Revenues (under) expenditures			
Other financing sources:			
Operating transfers in--			
From General Fund	140,000	140,000	140,000
Operating transfers (out)--			
To General Fund	(140,000)	(140,000)	(140,000)
Total other financing sources (uses)	140,000	(140,000)	
Increase (decrease) in fund balance	\$ 0	140,000	(140,000) \$ 0
<b>Fund Balance:</b>			
Beginning of year, July 1		140,000	
End of year, June 30	\$ 140,000	\$ 0	



City of Jacksonville, North Carolina  
Citywide Landscaping Capital Project Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2001

Schedule 50

	Project Authorization	Actual		
	-----	Prior Years	Current Year	Total to Date
	-----	-----	-----	-----
<b>Revenues:</b>				
Total revenues	\$          0	\$          0	\$          0	\$          0
	-----	-----	-----	-----
<b>Expenditures:</b>				
Capital outlay:				
Other improvements		8,000	34,500	42,500
	-----	-----	-----	-----
Total expenditures	42,500	8,000	34,500	42,500
	-----	-----	-----	-----
Revenues (under) expenditures	(42,500)	(8,000)	(34,500)	(42,500)
	-----	-----	-----	-----
Other financing sources:				
Operating transfers in--				
From General Fund	42,500	42,500		42,500
	-----	-----	-----	-----
Total other financing sources	42,500	42,500		42,500
	-----	-----	-----	-----
Increase (decrease) in fund balance	\$          0	34,500	(34,500)	\$          0
	-----	-----	-----	-----
Fund Balance:				
Beginning of year, July 1			34,500	
	-----	-----	-----	-----
End of year, June 30		\$ 34,500	\$          0	
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
 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, 2001

Schedule 51

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ 1,074,121	\$ 660,951	\$ 431,946	\$ 1,092,897
Investment earnings-Powell Bill	28,736	28,636		28,636
Contribution--				
Onslow County Board of Education	53,000	53,000		53,000
Developers	19,665	3,061	16,603	19,664
<b>Total revenues</b>	<b>1,175,522</b>	<b>745,648</b>	<b>448,549</b>	<b>1,194,197</b>
<b>Expenditures:</b>				
Initiatives FY '99	619,892			
Reserve for debt retirement	5,856,719			
Reserve for recreation	20,217			
<b>Total expenditures</b>	<b>6,496,828</b>			
Revenues over (under) expenditures	(5,321,306)	745,648	448,549	1,194,197
<b>Other financing sources (uses):</b>				
Operating transfers in--				
From General Fund	5,167,747	3,475,943	1,691,804	5,167,747
From Capital Project Funds	46,917	44,330	2,587	46,917
Operating transfers (out)--				
To General Fund	(1,140,733)	(151,308)	(50,000)	(201,308)
To Capital Projects Funds	(5,227,971)	(2,429,819)	(2,798,152)	(5,227,971)
Residual equity transfers in--				
From Water/Sewer Fund	5,435,346	5,435,346		5,435,346
From Water/Sewer Capital Projects	1,040,000	700,000	340,000	1,040,000
<b>Total other financing sources (uses)</b>	<b>5,321,306</b>	<b>7,074,492</b>	<b>(813,761)</b>	<b>6,260,731</b>
Increase (decrease) in fund balance	\$ 0	7,820,140	(365,212)	\$ 7,454,928
<b>Fund Balance:</b>				
Beginning of year, July 1			7,820,140	
End of year, June 30		\$ 7,820,140	\$ 7,454,928	

# Enterprise Funds

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The Enterprise Funds are used to account for operations in the City of Jacksonville that are financed through user charges.

## **Individual Fund Descriptions:**

**Water and Sewer Fund** - accounts for water and sewer operations.

**Solid Waste Fund** - accounts for solid waste disposal (county tipping fee) and recycling.

**Water Capital Projects Fund** - accounts for funds used in the construction of water facilities.

**Sewer Capital Projects Fund** - accounts for funds used in the construction of sewer facilities.

**Water and Sewer Capital Reserve Fund** - accounts for funds to be used for future capital needs.

City of Jacksonville, North Carolina  
Enterprise Funds  
Combining Balance Sheet  
June 30, 2001  
With Comparative Totals for June 30, 2000

Statement 52

	Water and Sewer Fund	Solid Waste Fund	Totals	
	-----	-----	June 30, 2001	June 30, 2000
	-----	-----	-----	-----
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 9,046,166	\$ 399,563	\$ 9,445,729	\$ 7,875,481
Accounts receivable (net)	1,343,016	105,177	1,448,193	1,297,107
Due from other funds	3,003	800	3,803	13,275
Interfund receivables	4,997		4,997	
Inventories	152,101		152,101	145,366
	-----	-----	-----	-----
Total Current Assets	10,549,283	505,540	11,054,823	9,331,229
	-----	-----	-----	-----
Restricted Assets:				
Cash and cash equivalents	4,594,984		4,594,984	
	-----	-----	-----	-----
Total Restricted Assets	4,594,984		4,594,984	
	-----	-----	-----	-----
Fixed Assets:				
Fixed assets (net)	63,734,511		63,734,511	65,119,782
	-----	-----	-----	-----
Total Assets	\$ 78,878,778	\$ 505,540	\$ 79,384,318	\$ 74,451,011
	-----	-----	-----	-----
<b>Liabilities and Fund Equity</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 524,974	\$ 118,628	\$ 643,602	\$ 550,048
Due to other funds	95		95	
Interfund payable				
General obligation bonds payable-current				100,000
Installment purchases payable-current	737,561		737,561	497,440
Loans payable-current	1,363,249		1,363,249	1,351,345
	-----	-----	-----	-----
Total Current Liabilities	2,625,879	118,628	2,744,507	2,498,833
	-----	-----	-----	-----
Noncurrent Liabilities:				
Compensated absences payable	93,309		93,309	99,898
Deferred revenue	124,231		124,231	130,647
Customer deposits	302,536		302,536	282,442
Installment purchases payable-noncurrent	10,759,426		10,759,426	5,780,632
Loans payable-noncurrent	18,746,359		18,746,359	20,109,608
	-----	-----	-----	-----
Total Noncurrent Liabilities	30,025,861		30,025,861	26,403,227
	-----	-----	-----	-----
Total Liabilities	32,651,740	118,628	32,770,368	28,902,060
	-----	-----	-----	-----
Fund Equity				
Contributed Capital:				
Local	16,598,796	230	16,599,026	16,924,127
Federal	2,878,075		2,878,075	2,968,618
State	2,775,723		2,775,723	2,790,813
	-----	-----	-----	-----
Total Contributed Capital	22,252,594	230	22,252,824	22,683,558
Retained earnings	23,974,444	386,682	24,361,126	22,865,393
	-----	-----	-----	-----
Total Fund Equity	46,227,038	386,912	46,613,950	45,548,951
	-----	-----	-----	-----
Total Liabilities and Fund Equity	\$ 78,878,778	\$ 505,540	\$ 79,384,318	\$ 74,451,011
	-----	-----	-----	-----

City of Jacksonville, North Carolina  
Enterprise Funds

Statement 53

Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

	Totals			
	Water and Sewer Fund	Solid Waste Fund	June 30, 2001	June 30, 2000
<b>Operating revenues:</b>				
Charges for services	\$ 8,905,514	\$ 1,538,657	\$ 10,444,171	\$ 10,274,711
Total operating revenues	8,905,514	1,538,657	10,444,171	10,274,711
<b>Operating expenses:</b>				
Solid Waste Fund		1,382,489	1,382,489	1,359,104
Water/Sewer Administration	726,291		726,291	1,142,160
Water/Sewer Engineering	258,979		258,979	132,024
Water/Sewer Metering	280,823		280,823	270,323
Water/Sewer Lines Maintenance	769,414		769,414	647,570
Water Supply	562,075		562,075	611,208
Water/Sewer Hurricane Irene				700
Water/Sewer Hurricane Dennis				7,032
Water/Sewer Hurricane Floyd				246,606
Wastewater Treatment	1,357,722		1,357,722	1,320,974
Depreciation	3,790,760		3,790,760	3,457,903
Total operating expenses	7,746,064	1,382,489	9,128,553	9,195,604
Operating income	1,159,450	156,168	1,315,618	1,079,107
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	672,042	20,156	692,198	438,067
FEMA				247,080
ICMA				1,380
Assessments collected	847		847	11,299
Interest collected on assessments	680		680	1,755
Gain on sale of fixed assets	7,277		7,277	8,859
State Clean Water Bond grant	271,556		271,556	
Interest on long-term debt	(1,243,147)		(1,243,147)	(1,156,202)
Total nonoperating revenues (expenses)	(290,745)	20,156	(270,589)	(447,762)
Capital contributions	363,645		363,645	
Net income	1,232,350	176,324	1,408,674	631,345
Add depreciation on contributed capital	430,734		430,734	120,722
Increase in retained earnings	1,663,084	176,324	1,839,408	752,067
Retained earnings:				
Beginning of year, July 1	22,655,035	210,358	22,865,393	25,548,672
Residual equity transfers (out)	(343,675)		(343,675)	(3,435,346)
End of year, June 30	\$ 23,974,444	\$ 386,682	\$ 24,361,126	\$ 22,865,393

City of Jacksonville, North Carolina  
Enterprise Funds

Statement 54

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2001

With Comparative Totals for the Fiscal Year Ended June 30, 2000

	Water and Sewer Fund	Solid Waste Fund	Totals	
			June 30, 2001	June 30, 2000
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 8,702,415	\$ 1,515,766	\$ 10,218,181	\$ 10,148,751
Cash paid for goods and services	(1,580,831)	(1,339,047)	(2,919,878)	(3,673,670)
Cash paid to employees	(2,235,420)	(29,207)	(2,264,627)	(2,186,648)
Customer deposits	20,094		20,094	24,915
Net cash provided by operating activities	4,906,258	147,512	5,053,770	4,313,348
<b>Cash flows from noncapital financing activities:</b>				
Contributions	270,727		270,727	
Residual equity transfer out	(343,675)		(343,675)	(3,435,346)
Net cash (used for) noncapital financing activities	(72,948)		(72,948)	(3,435,346)
<b>Cash flows from capital and related financing activities:</b>				
Principal paid on long-term debt	(2,055,430)		(2,055,430)	(1,862,558)
Interest paid on long-term debt	(1,243,147)		(1,243,147)	(1,156,202)
Contributed capital				224,813
Proceeds from borrowing	5,823,000		5,823,000	105,600
Purchase of capital assets	(2,041,015)		(2,041,015)	(877,859)
Proceeds from sale of assets	7,277		7,277	8,859
Assessments collected	847		847	11,299
Interest collected on assessments	680		680	1,755
Refund from ICMA				1,380
Proceeds from FEMA				247,080
Net cash provided by (used for) capital and related financing activities	492,212		492,212	(3,295,833)
<b>Cash flows from investing activities:</b>				
Interest earned on investments	672,042	20,156	692,198	438,067
Net cash provided by investing activities	672,042	20,156	692,198	438,067
Net increase (decrease) in cash and cash equivalents	5,997,564	167,668	6,165,232	(1,979,764)
Cash and cash equivalents, July 1	7,643,586	231,895	7,875,481	9,855,245
Cash and cash equivalents, June 30	\$ 13,641,150	\$ 399,563	\$ 14,040,713	\$ 7,875,481

Continued on next page.

City of Jacksonville, North Carolina  
Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

Statement 54,  
continued.

	Water and Sewer Fund	Solid Waste Fund	Totals	
	-----	-----	June 30, 2001	June 30, 2000
	-----	-----	-----	-----
<b>Reconciliation of Operating Income to Net Cash Provided (Used) for Operating Activities:</b>				
Operating income	\$ 1,159,450	\$ 156,168	\$ 1,315,618	\$ 1,079,107
	-----	-----	-----	-----
<b>Adjustments to reconcile operating loss to net cash provided by (used) in operating activities:</b>				
Depreciation	3,790,760		3,790,760	3,457,903
Bad debt expense	70,948	6,973	77,921	53,875
Change in assets and liabilities:				
Increase (Decrease) in accrued vacation pay	(6,589)		(6,589)	(6,390)
(Increase) Decrease in prepaid expenses				356
Increase (Decrease) in accounts payable	86,291	7,262	93,553	(154,525)
(Increase) Decrease in inventories	(6,735)		(6,735)	(15,933)
Increase (Decrease) in due to other funds	135		135	
Increase (Decrease) in deferred revenues	(6,416)		(6,416)	(12,041)
Increase (Decrease) in customer deposits	20,094		20,094	24,915
(Increase) Decrease in accounts receivable	(206,916)	(22,091)	(229,007)	(110,026)
(Increase) Decrease in due from other funds	10,233	(800)	9,433	(3,893)
(Increase) Decrease in interfund receivables	(4,997)		(4,997)	
	-----	-----	-----	-----
Total adjustments	3,746,808	(8,656)	3,738,152	3,234,241
	-----	-----	-----	-----
Net cash provided by operating activities	\$ 4,906,258	\$ 147,512	\$ 5,053,770	\$ 4,313,348
	-----	-----	-----	-----
<b>Non-Cash Supplemental Disclosure</b>				
Capital contributed by developers	\$ 363,645	\$ 0	\$ 363,645	\$ 0
	-----	-----	-----	-----

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

Schedule 55  
Page 1 of 3

For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
<b>Revenues</b>				
Operating revenues:				
Charges for sales and services:				
Water sales	\$ 1,754,521	\$ 1,831,920	\$ 77,399	\$ 1,893,296
Water tap fees	3,609	5,502	1,893	4,977
Water facility fees	109,673	219,462	109,789	245,005
Sewer sales	2,489,830	2,714,080	224,250	2,660,993
Sewer tap fees	2,146	3,482	1,336	2,557
Sewer facility fees	500,000	643,476	143,476	746,031
Late penalty charges	51,365	75,814	24,449	61,055
New account service charges	34,000	42,640	8,640	38,880
Interest collected on tap fees	50		(50)	
Onslow County Leachate	60,000	43,413	(16,587)	52,757
Land application user charge	2,978,978	3,147,568	168,590	3,053,759
Land application late fee	31,323	44,364	13,041	34,129
Miscellaneous operating revenue	92,196	133,793	41,597	171,596
Total	8,107,691	8,905,514	797,823	8,965,035
Nonoperating revenues:				
Interest earned on investments	338,080	672,042	333,962	426,427
FEMA				210,077
ICMA				1,380
Assessments collected	16,671	847	(15,824)	11,299
Interest collected on assessments	2,000	680	(1,320)	1,755
Gain on sale of fixed assets		7,277	7,277	8,859
State Clean Water Bond grant		271,556	271,556	
Contributions		363,645	363,645	
Total	356,751	1,316,047	959,296	659,797
Total revenues	8,464,442	10,221,561	1,757,119	9,624,832
<b>Expenditures</b>				
Water/Sewer operations				
Administration				
Salaries and employee benefits		526,937		567,243
Supplies		14,649		18,892
Postage		40,160		40,160
Insurance		1,140		161
Contracted Services-Info Technology		7,898		347,779
Contracted services		31,422		53,310
Other departmental expenditures		33,137		65,004
Bad debt expense		70,948		49,611
Total		726,291		1,142,160
Engineering				
Salaries and employee benefits		191,140		106,430
Supplies		2,205		2,178
Insurance		1,318		1,678
Contracted services		20,094		7,563
Contracted services-Info Technology		24,859		
Other departmental expenditures		19,363		14,175
Total		258,979		132,024
Metering distribution				
Salaries and employee benefits		222,118		208,969
Supplies		37,481		45,573
Insurance		2,253		2,305
Maintenance and repair		106		76
Contracted services		415		441
Contracted services-Info Technology		4,287		
Other departmental expenditures		14,163		12,959
Total		280,823		270,323



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

Schedule 55  
 Page 2 of 3

For the Fiscal Year Ended June 30, 2001  
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Lines maintenance				
Salaries and employee benefits	\$	\$ 514,752	\$	\$ 423,894
Supplies		73,192		67,383
Insurance		4,250		4,113
Utilities		535		652
Maintenance and repair		31,710		4,104
Contracted services		75,178		76,309
Contracted services-Info Technology		4,570		
Other departmental expenditures		65,227		71,115
Total		769,414		647,570
Total Water/Sewer operations	3,210,045	2,035,507	1,174,538	2,192,077
Water supply				
Salaries and employee benefits		275,027		291,740
Supplies		15,059		16,918
Insurance		6,296		5,583
Utilities		220,806		231,469
Maintenance and repair		23,882		43,659
Contracted services		6,756		8,718
Contracted services-Info Technology		452		
Other departmental expenditures		13,797		13,121
Total water supply	607,612	562,075	45,537	611,208
Hurricane Irene				
Salaries and employee benefits				700
Total Hurricane Irene				700
Hurricane Dennis				
Salaries and employee benefits				6,554
Maintenance and repair				300
Other departmental expenditures				178
Total Hurricane Dennis				7,032
Hurricane Floyd				
Salaries and employee benefits				17,778
Maintenance and repair				196,162
Other departmental expenditures				32,666
Total Hurricane Floyd	30,581		30,581	246,606

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

Schedule 55  
Page 3 of 3

For the Fiscal Year Ended June 30, 2001  
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Wastewater treatment				
Salaries and employee benefits	\$	\$ 493,860	\$	\$ 509,250
Supplies		84,662		87,031
Insurance		34,271		30,417
Utilities		531,727		473,630
Maintenance and repair		71,708		135,061
Contracted services		51,178		31,865
Contracted services-Info Technology		28,260		
Other departmental expenditures		62,056		53,720
Total wastewater treatment	1,432,739	1,357,722	75,017	1,320,974
Total	5,280,977	3,955,304	1,325,673	4,378,597
<b>Budgetary appropriations:</b>				
Interest paid	1,392,021	1,243,147	148,874	1,156,202
Debt principal	2,226,362	2,055,430	170,932	1,862,558
Increase (decrease) in inventory		6,735	(6,735)	15,933
(Increase) decrease in accrued vacation pay		6,589	(6,589)	6,390
Increase (decrease) in prepaid expenditures				(356)
Appropriated retained earnings	(1,303,908)		(1,303,908)	
Operating transfers in--				
From water/sewer capital projects				(1,935,346)
Operating transfers (out)--				
To water/sewer capital projects	654,000	654,000		685,717
To General Fund	5,182		5,182	
Residual equity transfers (in)--				
From water/sewer Capital Reserve				(500,000)
Residual equity transfers (out)--				
To ITS capital projects	3,675	3,675		
To Capital Reserve Fund				3,435,346
Capital outlay	206,133	153,035	53,098	206,309
Total budgetary appropriations	3,183,465	4,122,611	(939,146)	4,932,753
Total expenditures	\$ 8,464,442	\$ 8,077,915	\$ 386,527	\$ 9,311,350
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$10,221,561		\$ 9,624,832
Total expenditures		8,077,915		9,311,350
Excess of revenues over expenditures		2,143,646		313,482
Budgetary appropriations (above):				
Payment of debt principal		2,055,430		1,862,558
Increase (decrease) in inventory		6,735		15,933
(Increase) decrease in accrued vacation pay		6,589		6,390
Increase (decrease) in prepaid expenditures				(356)
Capital outlay		153,035		206,309
Operating transfers		654,000		(1,249,629)
Residual equity transfers		3,675		2,935,346
Total budgetary appropriations		2,879,464		3,776,551
Depreciation (Statement 55)		(3,790,760)		(3,457,903)
Net income (Statement 55)		\$ 1,232,350		\$ 632,130

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

City of Jacksonville, North Carolina  
Solid Waste Fund

Schedule 56

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

For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for sales and services:				
Commercial fees	\$ 668,296	\$ 915,941	\$ 247,645	\$ 784,466
Commercial pickups	36,000	47,832	11,832	42,179
Residential fees	430,000	556,618	126,618	464,446
Recycling	300	2	(298)	212
Other operating revenues	19,000	18,264	(736)	18,373
Total operating revenues	1,153,596	1,538,657	385,061	1,309,676
Nonoperating revenues:				
Interest earned on investments FEMA	9,000	20,156	11,156	11,640 37,003
Total nonoperating revenues	9,000	20,156	11,156	48,643
Total revenues	1,162,596	1,558,813	396,217	1,358,319
<b>Expenditures:</b>				
Salaries and employee benefits		29,207		47,700
Other departmental expenditures		5,416		5,416
Contracted services-landfill		1,340,893		1,301,724
Bad debt		6,973		4,264
Total	1,411,115	1,382,489	(28,626)	1,359,104
<b>Budgetary appropriations:</b>				
Operating transfers out-				
To General Fund	18,986		(18,986)	
Appropriated retained earnings	(267,505)		267,505	
Total budgetary appropriations	(248,519)		(248,519)	
Total expenditures	\$ 1,162,596	\$ 1,382,489	\$ (219,893)	\$ 1,359,104
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$ 1,558,813		\$ 1,358,319
Total expenditures		1,382,489		1,359,104
Excess of revenues over (under) expenditures		176,324		(785)
Net income (loss) (Statement 55)		\$ 176,324		\$ (785)

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)

Schedule 57

From Inception and for the Fiscal Year Ended June 30, 2001

	Actual			
Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues:</b>				
Contributions	\$ 163,041	\$ 163,041	\$	\$ 163,041
Total revenues	163,041	163,041		163,041
<b>Expenditures:</b>				
New wells	1,185,185	1,185,185		1,185,185
Jacksonville High School	36,087	36,087		36,087
Water tank painting	774,200	418,500		418,500
Regional water supply study	157,590	157,590		157,590
Water line replacements	1,121,104	321,979	28,930	350,909
Lejeune Boulevard water	148,500			
Perimeter property water lines	166,000	61,441		61,441
Fire Protection water improvements	100,000			
Million Gallon Water Tank	250,000			
Water distribution study	65,000			
Automated meter reading	1,500,000			
Total expenditures	5,503,666	2,180,782	28,930	2,209,712
Revenues (under) expenditures	(5,340,625)	(2,017,741)	(28,930)	(2,046,671)
<b>Other financing sources (uses):</b>				
Proceeds from borrowing	1,549,000	49,000		49,000
Operating transfers in--				
From Water and Sewer Fund	4,269,804	3,900,804	369,000	4,269,804
Operating transfers (out)--				
To W/S Capital Reserve Fund	(429,179)		(429,179)	(429,179)
To Water and Sewer Fund	(49,000)	(49,000)		(49,000)
Total other financing sources (uses)	5,340,625	3,900,804	(60,179)	3,840,625
Excess of revenues and other sources over (under) expenditures and other uses	\$ 0	\$ 1,883,063	\$ (89,109)	\$ 1,793,954

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

Schedule 58

From Inception and for the Fiscal Year Ended June 30, 2001

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ 1,507,479	\$ 1,386,389	\$ 157,481	\$ 1,543,870
FEMA	865,608	865,608		865,608
State clean water bond grant	748,669	120,141	271,556	391,697
Contribution	103,000	103,000		103,000
Miscellaneous revenue	115,878	115,878		115,878
Land application charges	12,451,518	12,451,519		12,451,519
State grant-\$2 million	2,000,000			
State grant-\$706,580	706,580	706,580		706,580
<b>Total revenues</b>	<b>18,498,732</b>	<b>15,749,115</b>	<b>429,037</b>	<b>16,178,152</b>
<b>Expenditures:</b>				
New wastewater treatment	50,731,285	50,556,427	118,236	50,674,663
Sewer line replacements	2,351,708	371,329	76,847	448,176
Perimeter property sewer	918,000	485,833	1,380	487,213
Utilities operation center	2,014,654	10,870	16,750	27,620
Jacksonville High/Middle School sewer	74,395	74,394		74,394
Wilson Bay Restoration	798,014	191,383	141,187	332,570
Sunset/Country Club Annex	6,119,090	213,418	1,347,602	1,561,020
Jacksonville Business Park	166,260		157,878	157,878
<b>Total expenditures</b>	<b>63,173,406</b>	<b>51,903,654</b>	<b>1,859,880</b>	<b>53,763,534</b>
Revenues (under) expenditures	(44,674,674)	(36,154,539)	(1,430,843)	(37,585,382)
<b>Other financing sources (uses):</b>				
Proceeds from borrowing				
N.C. water pollution control revolving loan program -federal	12,495,000	12,495,000		12,495,000
N.C. water pollution control revolving loan match - State	2,505,000	2,505,000		2,505,000
State revolving loan-\$2,836,415	2,836,415	2,836,415		2,836,415
State revolving loan-\$3,000,000	3,000,000	3,000,000		3,000,000
State revolving loan-\$1,000,000	1,000,000			
State bond loan-\$5,000,000	5,000,000	5,000,000		5,000,000
Installment purchases	16,274,000	8,451,000	5,823,000	14,274,000
Refund of installment purchase proceeds	(3,000,000)			
Operating transfers in--				
From Water and Sewer Fund	12,307,100	12,022,100	285,000	12,307,100
From W/S Capital Reserve Fund	114,283	114,283		114,283
From General Fund	582,324	582,324		582,324
Operating transfers (out)--				
To W/S Capital Reserve Fund	(1,406,040)	(1,370,034)	(36,007)	(1,406,041)
To Water and Sewer Fund	(7,833,084)	(7,833,083)		(7,833,083)
To General Fund	(482,324)	(482,324)		(482,324)
Residual equity transfers in--				
From W/S Capital Reserve Fund	1,082,000	1,196,283		1,196,283
From General Fund	200,000	200,000		200,000
<b>Total other financing sources</b>	<b>44,674,674</b>	<b>38,602,681</b>	<b>6,071,993</b>	<b>44,788,957</b>
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 2,448,142	\$ 4,641,150	\$ 7,089,292

Note: The residual equity transfer, and operating transfers from the General Fund and the land application charges are reflected as an addition to local contributed capital in the Water/Sewer Fund; the operating transfers to the General Fund are reflected as a reduction to local contributed capital.

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

Schedule 59

From Inception and for the Fiscal Year Ended June 30, 2001

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Interest on investments	\$ 429,591	\$ 416,240	\$ 8,079	\$ 424,319
Total revenues	429,591	416,240	8,079	424,319
<b>Expenditures:</b>				
Water supply and distribution	136,676			
Sewage collection and treatment	42,006			
Total expenditures	178,682			
Revenues over expenditures	250,909	416,240	8,079	424,319
Other financing sources (uses):				
Operating transfers in--				
From Water and Sewer Fund	881,931	881,931		881,931
From Water Capital Projects	441,935	12,756	429,179	441,935
From Sewer Capital Projects	1,453,308	1,417,301	36,007	1,453,308
Residual Equity transfers (out)--				
To Water Capital Projects	(239,000)	(239,000)		(239,000)
To Sewer Capital Projects	(1,249,083)	(1,249,083)		(1,249,083)
To Water and Sewer Fund	(500,000)	(500,000)		(500,000)
To Capital Reserve Fund	(1,040,000)	(700,000)	(340,000)	(1,040,000)
Total other financing sources (uses)	(250,909)	(376,095)	125,186	(250,909)
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 40,145	\$ 133,265	\$ 173,410

# Internal Service Funds

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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.

City of Jacksonville, North Carolina  
Internal Service Funds  
Combining Balance Sheet  
June 30, 2001  
With Comparative Totals for June 30, 2000

Statement 60

	Fleet Maintenance	City Hall Maintenance	Information Technology Services	Totals	
				June 30, 2001	June 30, 2000
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 115,761	\$ 98,026	\$ 292,674	\$ 506,461	\$ 349,939
Due from other funds					2,253
Interfund Receivables	666	95	571	1,332	
Inventories	62,521			62,521	59,282
Prepaid items					150
Total current assets	178,948	98,121	293,245	570,314	411,624
Fixed Assets:					
Fixed assets (net)	182,477		211,300	393,777	541,879
Total Assets	\$ 361,425	\$ 98,121	\$ 504,545	\$ 964,091	\$ 953,503
<b>Liabilities and Fund Equity</b>					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 10,505	\$ 896	\$ 18,819	\$ 30,220	\$ 27,082
Due to other funds	246	233		479	
Current portion of long-term debt	4,673			4,673	4,463
Total Current Liabilities	15,424	1,129	18,819	35,372	31,545
Noncurrent Liabilities:					
Compensated absences payable	4,184	1,435	21,556	27,175	17,235
Noncurrent portion of long-term debt	11,764			11,764	16,437
Total Noncurrent Liabilities	15,948	1,435	21,556	38,939	33,672
Total Liabilities	31,372	2,564	40,375	74,311	65,217
Fund Equity					
Contributed Capital:					
Local contributed capital	316,700		119,892	436,592	318,371
State contributed capital			1,480	1,480	1,480
Total Contributed Capital	316,700		121,372	438,072	319,851
Retained earnings	13,353	95,557	342,798	451,708	568,435
Total Fund Equity	330,053	95,557	464,170	889,780	888,286
Total Liabilities and Fund Equity	\$ 361,425	\$ 98,121	\$ 504,545	\$ 964,091	\$ 953,503



City of Jacksonville, North Carolina Statement 61  
Internal Service Funds  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

	Fleet Maintenance	City Hall Maintenance	Information Technology Services	Totals	
				June 30, 2001	June 30, 2000
<b>Operating revenues:</b>					
Charges to other funds	\$ 751,205	\$ 79,265	\$ 607,099	\$1,437,569	\$1,361,166
Miscellaneous revenue	8,357			8,357	28,676
Total operating revenues	759,562	79,265	607,099	1,445,926	1,389,842
<b>Operating expenses:</b>					
Operations	747,030	74,336	527,252	1,348,618	1,239,334
Depreciation	24,141	109	221,549	245,799	297,372
Total operating expenses	771,171	74,445	748,801	1,594,417	1,536,706
Operating income (loss)	(11,609)	4,820	(141,702)	(148,491)	(146,864)
<b>Nonoperating revenues (expenses):</b>					
Investment earnings	9,166	6,339	13,268	28,773	21,080
Gain on sale of fixed assets	2,908		945	3,853	278
Interest on long-term debt	(862)			(862)	(1,045)
Total nonoperating revenues	11,212	6,339	14,213	31,764	20,313
Net income (loss)	(397)	11,159	(127,489)	(116,727)	(126,551)
<b>Retained earnings:</b>					
Beginning of year, July 1	13,750	84,398	470,287	568,435	694,986
End of year, June 30	\$ 13,353	\$ 95,557	\$ 342,798	\$ 451,708	\$ 568,435

City of Jacksonville, North Carolina  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2001  
With Comparative Totals for the Fiscal Year Ended June 30, 2000

Statement 62

	Fleet Maintenance	City Hall Maintenance	Information Technology Services	Totals	
				June 30, 2001	June 30, 2000
<b>Cash flows from operating activities:</b>					
Cash receipts from quasi-external operating transactions	\$ 759,562	\$ 79,265	\$ 607,099	\$ 1,445,926	\$ 1,390,012
Cash payments for quasi-external operating transactions	(752,684)	(74,002)	(510,544)	(1,337,230)	(1,253,767)
Net cash provided by operating activities	6,878	5,263	96,555	108,696	136,245
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on long-term debt	(4,463)			(4,463)	(77,920)
Interest paid on long-term debt	(862)			(862)	(1,045)
Contributed capital			118,222	118,222	1,480
Purchase of capital assets	(13,164)		(84,533)	(97,697)	(131,879)
Proceeds from sale of assets	2,908		945	3,853	278
Proceeds from borrowing					23,500
Net cash provided by (used for) capital and related financing activities	(15,581)		34,634	19,053	(185,586)
<b>Cash flows from investing activities:</b>					
Interest earned on investments	9,166	6,339	13,268	28,773	21,080
Net cash provided by investing activities	9,166	6,339	13,268	28,773	21,080
Net increase (decrease) in cash and cash equivalents	463	11,602	144,457	156,522	(28,261)
Cash and cash equivalents, July 1	115,298	86,424	148,217	349,939	378,200
Cash and cash equivalents, June 30	\$ 115,761	\$ 98,026	\$ 292,674	\$ 506,461	\$ 349,939
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:</b>					
Operating Income (Loss)	\$ (11,609)	\$ 4,820	\$ (141,702)	\$ (148,491)	\$ (146,864)
<b>Adjustments to reconcile operating income to net cash provided (used) for operating activities:</b>					
Depreciation	24,141	109	221,549	245,799	297,372
Change in assets and liabilities:					
Increase (Decrease) accrued vacation	(2,989)	(71)	13,000	9,940	(7,512)
(Increase) Decrease prepaid expenses			150	150	(120)
Increase (Decrease) accounts payable	(258)	16	3,378	3,136	896
(Increase) Decrease in inventories	(3,239)			(3,239)	(7,467)
Increase (Decrease) due to other funds	246	294		540	(230)
(Increase) Decrease interfund receivable	586	95	180	861	
(Increase) Decrease accounts receivable					170
Total adjustments	18,487	443	238,257	257,187	283,109
Net cash provided by operating activities	\$ 6,878	\$ 5,263	\$ 96,555	\$ 108,696	\$ 136,245

City of Jacksonville, North Carolina  
 Fleet Maintenance Internal Service Fund  
 Schedule of Revenues and Expenditures--  
 Budget and Actual (Non-GAAP)

Schedule 63

For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001			2000
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues:</b>				
Charges for services	\$ 737,455	\$ 751,205	\$ 13,750	\$ 695,760
Gain on sale of fixed assets	2,700	2,908	208	
Other operating revenues	8,107	8,357	250	24,225
Investment earnings	8,076	9,166	1,090	7,422
Total revenues	756,338	771,636	15,298	727,407
<b>Expenditures:</b>				
Salaries and employee benefits	262,802	230,209	32,593	217,270
Other departmental expenditures	71,166	41,946	29,220	13,575
Fuel	8,699	8,211	488	4,981
Automotive maintenance and repair	439,599	453,414	(13,815)	437,402
Contracted Services	12,628	9,887	2,741	19,233
Utilities	3,474	3,363	111	3,072
Total	798,368	747,030	51,338	695,533
<b>Budgetary appropriations:</b>				
Proceeds from borrowing installment purchase				(23,500)
Interest paid	871	862	9	551
Debt principal	4,463	4,463		2,600
Increase (decrease) in inventory		3,238	(3,238)	7,467
(Increase) decrease in accrued vacation pay		2,989	(2,989)	6,565
Capital outlay	14,359	13,164	1,195	22,690
Appropriated retained earnings	(61,723)		(61,723)	
Total budgetary appropriations	(42,030)	24,716	(66,746)	16,373
Total expenditures	\$ 756,338	\$ 771,746	\$ (15,408)	\$ 711,906
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$ 771,636		\$ 727,407
Total expenditures		771,746		711,906
Excess of revenues over (under) expenditures		(110)		15,501
Budgetary appropriations (above):				
Payment of debt principal		4,463		2,600
Proceeds from borrowing				(23,500)
Increase (decrease) in inventory		3,238		7,467
(Increase) decrease in accrued vacation pay		2,989		6,565
Capital outlay		13,164		22,690
Total budgetary appropriations		23,854		15,822
Depreciation (Statement 63)		(24,141)		(28,028)
Net income (loss) (Statement 63)		\$ (397)		\$ 3,295

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)

Schedule 64

For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
<b>Revenues:</b>				
Charges for services	\$ 79,265	\$ 79,265	\$	\$ 85,775
Investment earnings	4,753	6,339	1,586	4,307
Total revenues	84,018	85,604	1,586	90,082
<b>Expenditures:</b>				
Salaries and employee benefits	29,609	29,056	553	27,646
Utilities	31,892	27,024	4,868	28,570
Maintenance and repair	3,604	3,717	(113)	3,119
Contracted services	5,668	5,668		775
Other departmental expenditures	12,156	8,871	3,285	9,439
Total	82,929	74,336	8,593	69,549
<b>Budgetary appropriations:</b>				
(Increase) decrease in accrued vacation pay		71	(71)	240
Appropriated retained earnings	1,089		1,089	
Total budgetary appropriations	1,089	71	1,018	240
Total expenditures	\$ 84,018	\$ 74,407	\$ 9,611	\$ 69,789
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$ 85,604		\$ 90,082
Total expenditures		74,407		69,789
Excess of revenues over expenditures		11,197		20,293
Budgetary appropriations (above):				
(Increase) decrease in accrued vacation pay		71		240
Total budgetary appropriations		71		240
Depreciation (Statement 63)		(109)		(218)
Net income (Statement 63)		\$ 11,159		\$ 20,315

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)

Schedule 65

For the Fiscal Year Ended June 30, 2001  
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001			2000
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues:</b>				
Charges for services	\$ 607,099	\$ 607,099	\$	\$ 579,631
Gain (loss) on sale of fixed assets		945	945	278
Other operating revenues				4,451
Investment earnings	7,084	13,268	6,184	9,351
<b>Total revenues</b>	<b>614,183</b>	<b>621,312</b>	<b>7,129</b>	<b>593,711</b>
<b>Expenditures:</b>				
Salaries and employee benefits	209,180	219,347	(10,167)	181,098
Fuel	119	166	(47)	81
Maintenance and repair	10,913	5,756	5,157	12,060
Contracted services	98,431	88,921	9,510	20,747
Other departmental expenditures	236,709	213,062	23,647	260,266
<b>Total</b>	<b>555,352</b>	<b>527,252</b>	<b>28,100</b>	<b>474,252</b>
<b>Budgetary appropriations:</b>				
Interest paid				494
Debt principal				75,320
Transfer to capital project	32,719	32,719		
(Increase) decrease in accrued vacation pay		(13,000)	13,000	707
Increase (decrease) in prepaid expense		(150)	150	120
Appropriated retained earnings	(41,819)		41,819	
Capital outlay	67,931	61,533	6,398	69,585
<b>Total budgetary appropriations</b>	<b>58,831</b>	<b>81,102</b>	<b>(22,271)</b>	<b>146,226</b>
<b>Total expenditures</b>	<b>\$ 614,183</b>	<b>\$ 608,354</b>	<b>\$ 5,829</b>	<b>\$ 620,478</b>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues		\$ 621,312		\$ 593,711
Total expenditures		608,354		620,478
<b>Excess of revenues over (under)expenditures</b>		<b>12,958</b>		<b>(26,767)</b>
<b>Budgetary appropriations (above):</b>				
Payment of debt principal				75,320
(Increase) decrease in accrued vacation pay		(13,000)		707
Increase (decrease) in prepaid expense		(150)		120
Transfer to capital projects		32,719		
Capital outlay		61,533		69,585
<b>Total budgetary appropriations</b>		<b>81,102</b>		<b>145,732</b>
Depreciation (Statement 63)		(221,549)		(269,126)
<b>Net (loss) (Statement 63)</b>		<b>\$ (127,489)</b>		<b>\$ (150,161)</b>

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

City of Jacksonville, North Carolina  
Information Technology Services Capital Projects 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, 2001

Schedule 66

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ 48,097	\$ 44,776	\$ 3,913	\$ 48,689
Meta data grant	1,480	1,480		1,480
<b>Total revenues</b>	<b>49,577</b>	<b>46,256</b>	<b>3,913</b>	<b>50,169</b>
<b>Expenditures:</b>				
Capital outlay:				
Computer upgrade	1,105,076	1,060,465	23,000	1,083,465
IP/Phone System	110,349			
Document Imaging	44,791			
<b>Total expenditures</b>	<b>1,260,216</b>	<b>1,060,465</b>	<b>23,000</b>	<b>1,083,465</b>
Revenues (under) expenditures	(1,210,639)	(1,014,209)	(19,087)	(1,033,296)
<b>Other financing sources:</b>				
Proceeds from borrowing	444,842	444,842		444,842
Operating transfers in--				
From Information Technology Services Fund	643,376	610,657	32,719	643,376
Residual equity transfers in--				
From General Fund	114,546		114,546	114,546
From Special Revenue Fund	4,200			
From Proprietary Fund	3,675		3,675	3,675
<b>Total other financing sources</b>	<b>1,210,639</b>	<b>1,055,499</b>	<b>150,940</b>	<b>1,206,439</b>
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 41,290	\$ 131,853	\$ 173,143

# Trust Funds

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Trust Funds are used to account for assets held by the City in a trustee capacity.

## **Individual Fund Descriptions:**

### *Nonexpendable Trust Fund*

**Revolving Loan Fund** - accounts for the North Carolina Housing Finance Agency's Rental Rehabilitation Revolving Loan Fund and the Community Development Loan Program.

### *Pension Trust Fund*

**Special Separation Allowance** - accounts for the accumulation of resources for special separation benefit payments to qualified law enforcement officers.

City of Jacksonville, North Carolina  
Trust Funds  
Combining Balance Sheet  
June 30, 2001  
With Comparative Totals for June 30, 2000

Statement 67

	Nonexpendable Trust	Pension Trust	Totals	
	Revolving Loan Fund	Special Separation Allowance	June 30, 2001	June 30, 2000
<b>Assets</b>				
Cash and investments	\$ 146,879	\$ 294,997	\$ 441,876	\$ 392,702
Accounts receivable (net)	820		820	860
Notes receivable	879,361		879,361	930,205
Interfund receivable		79,185	79,185	97,031
<b>Total Assets</b>	<b>\$ 1,027,060</b>	<b>\$ 374,182</b>	<b>\$ 1,401,242</b>	<b>\$ 1,420,798</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 919,772	\$ 3,013	\$ 922,785	\$ 954,705
Interfund receivable	780		780	1,490
<b>Total Liabilities</b>	<b>920,552</b>	<b>3,013</b>	<b>923,565</b>	<b>956,195</b>
<b>Fund Balances:</b>				
Reserved by Grantor	106,508		106,508	118,114
Reserved for employees' pension benefit		371,169	371,169	346,489
<b>Total Fund Balances</b>	<b>106,508</b>	<b>371,169</b>	<b>477,677</b>	<b>464,603</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,027,060</b>	<b>\$ 374,182</b>	<b>\$ 1,401,242</b>	<b>\$ 1,420,798</b>



**City of Jacksonville, North Carolina**  
**Nonexpendable Trust Fund**  
**Statement of Revenues, Expenses and Changes**  
**in Fund Balances**  
 For the Fiscal Year Ended June 30, 2001  
 With Comparative Totals for the Fiscal Year Ended June 30, 2000

Statement 68

	2001 Nonexpendable Trust Fund -----	2000 Nonexpendable Trust Fund -----
<b>Operating revenues:</b>		
Investment earnings	\$	\$
	-----	-----
Total operating revenues	-----	-----
<b>Operating expenses:</b>		
Benefits		
	-----	-----
Total operating expenses	-----	-----
Operating (loss)	-----	-----
<b>Operating transfers:</b>		
Operating transfers in--		
From General Fund		
	-----	-----
Total operating transfers	-----	-----
Net income		
<b>Fund balances:</b>		
Beginning of year, July 1	118,114	136,216
Residual equity transfer (out)	(11,606)	(18,102)
	-----	-----
End of year, June 30	\$ 106,508	\$ 118,114
	-----	-----

# **General Fixed Assets Account Group**

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The General Fixed Assets Account Group accounts for fixed assets other than those accounted for in the Proprietary and Nonexpendable Trust Funds.

**City of Jacksonville, North Carolina**  
**General Fixed Assets Account Group**  
**Comparative Schedules of General Fixed Assets**  
**By Source**  
 June 30, 2001 and 2000

Schedule 69

	2001	2000
	-----	-----
General fixed assets:		
Land	\$ 1,763,742	\$ 1,763,742
Buildings	10,390,544	9,026,370
Equipment	4,922,016	3,276,374
Heavy equipment	840,217	889,226
Vehicles	7,456,723	6,890,482
Weapons	48,471	49,387
Improvements other than buildings	157,219	13,485
Construction in progress	2,289,405	1,557,160
	-----	-----
Total general fixed assets	\$27,868,337	\$23,466,226
	-----	-----
Investment in general fixed assets by source:		
General Fund	\$18,062,983	\$15,853,857
Capital Project funds	7,147,730	6,424,587
Special Revenue Fund	2,303,350	848,824
Donations, court awards, etc.	354,274	338,958
	-----	-----
Total investment in general fixed assets	\$27,868,337	\$23,466,226
	-----	-----

City of Jacksonville, North Carolina  
 General Fixed Assets Account Group  
 Schedule of General Fixed Assets - By Function and Activity  
 June 30, 2001

	Land	Buildings	Equipment	Heavy Equipment	Vehicles
	-----	-----	-----	-----	-----
General government:					
Mayor and Council	\$	\$	\$ 5,134	\$	\$
City Manager			6,356		
Personnel			5,099		
City Clerk			1,050		
Finance			79,838		
Planning			100,148		26,258
Transportation			11,338		
Other-Unclassified	1,120,692	1,905,756	91,006		
	-----	-----	-----	-----	-----
Total general government	1,120,692	1,905,756	299,969		26,258
	-----	-----	-----	-----	-----
Public works:					
Inspections			44,747		116,718
Public Works			5,765		12,191
Engineering			19,190		24,214
Maintenance	38,503	16,907	152,664	109,775	182,442
Streets Powell Bill	67,500	106,441	157,769	499,231	631,682
Streets Non-Powell Bill		23,916	73,818	16,014	345,725
	-----	-----	-----	-----	-----
Total public works	106,003	147,264	453,953	625,020	1,312,972
	-----	-----	-----	-----	-----
Public safety:					
Police	22,500	508,669	3,303,604	8,885	2,425,365
Animal Control		23,696	2,182		
Fire	27,000	1,972,701	620,975	23,804	2,120,881
	-----	-----	-----	-----	-----
Total public safety	49,500	2,505,066	3,926,761	32,689	4,546,246
	-----	-----	-----	-----	-----
Environmental protection:					
Sanitation		49,879	53,152	182,508	1,424,478
	-----	-----	-----	-----	-----
Cultural and recreational:					
Recreation	487,547	5,700,536	171,650		133,919
	-----	-----	-----	-----	-----
Economic development:					
Economic Development		82,043	16,531		12,850
	-----	-----	-----	-----	-----
Construction in progress					
	-----	-----	-----	-----	-----
Total general fixed assets	\$ 1,763,742	\$10,390,544	\$ 4,922,016	\$ 840,217	\$ 7,456,723
	-----	-----	-----	-----	-----

Weapons	Improvements other than buildings	Construction in Progress	Total
-----	-----	-----	-----
\$	\$	\$	\$ 5,134
			6,356
			5,099
			1,050
			79,838
			126,406
			11,338
			3,117,454
-----	-----	-----	-----
			3,352,675
-----	-----	-----	-----
			161,465
			17,956
			43,404
			500,291
			1,462,623
			459,473
-----	-----	-----	-----
			2,645,212
-----	-----	-----	-----
48,471	13,485		6,330,979
			25,878
			4,765,361
-----	-----	-----	-----
48,471	13,485		11,122,218
-----	-----	-----	-----
			1,710,017
-----	-----	-----	-----
	143,734		6,637,386
-----	-----	-----	-----
			111,424
-----	-----	-----	-----
		2,289,405	2,289,405
-----	-----	-----	-----
\$ 48,471	\$ 157,219	\$ 2,289,405	\$27,868,337
-----	-----	-----	-----

City of Jacksonville, North Carolina  
 General Fixed Assets Account Group  
 Schedule of Changes in General Fixed Assets - By Function and Activity  
 For the Fiscal Year Ended June 30, 2001

Schedule 71

	General Fixed Assets 2000	Additions	Deductions	Transfers	General Fixed Assets 2001
	-----	-----	-----	-----	-----
General Government:					
Mayor and Council	\$ 5,134	\$	\$	\$	\$ 5,134
City Manager	6,990		634		6,356
Personnel	3,661	3,476	2,038		5,099
City Clerk	4,475		3,425		1,050
Finance	89,113	11,974	21,249		79,838
Planning	117,766	8,640			126,406
Transportation	9,602	4,344	2,608		11,338
Other-Unclassified	3,039,955	38,727	6,693	45,465	3,117,454
	-----	-----	-----	-----	-----
Total General Government	3,276,696	67,161	36,647	45,465	3,352,675
	-----	-----	-----	-----	-----
Public Works:					
Inspections	123,045	19,478	2,500	21,442	161,465
Public Works	16,010	3,476	1,530		17,956
Engineering	22,116	5,032		16,256	43,404
Maintenance	521,561	63,479	11,908	(72,841)	500,291
Streets Powell Bill	1,512,097	7,974	51,958	(5,490)	1,462,623
Streets Non-Powell Bill	137,644	365,135	48,796	5,490	459,473
	-----	-----	-----	-----	-----
Total Public Works	2,332,473	464,574	116,692	(35,143)	2,645,212
	-----	-----	-----	-----	-----
Public Safety:					
Police	4,869,672	1,881,063	382,057	(37,699)	6,330,979
Animal Control	25,878				25,878
Fire	3,359,265	788,361	20,592	638,327	4,765,361
	-----	-----	-----	-----	-----
Total Public Safety	8,254,815	2,669,424	402,649	600,628	11,122,218
	-----	-----	-----	-----	-----
Environmental Protection:					
Sanitation	1,622,203	191,496	103,682		1,710,017
	-----	-----	-----	-----	-----
Cultural and Recreational:					
Recreation	6,311,304	137,950	18,589	206,721	6,637,386
	-----	-----	-----	-----	-----
Economic Development:					
Economic Development	111,575	1,728		(1,879)	111,424
	-----	-----	-----	-----	-----
Construction in progress	1,557,160	1,568,287	20,250	(815,792)	2,289,405
	-----	-----	-----	-----	-----
Total general fixed assets	\$23,466,226	\$ 5,100,620	\$ 698,509	\$ 0	\$27,868,337
	-----	-----	-----	-----	-----

# Additional Financial Data

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This section contains the following:

**Additional information on property taxes, interfund transfers, and cash and investments.**

Schedule of Cash and Investment Balances

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

City of Jacksonville, North Carolina  
Schedule of Cash and Investment Balances  
June 30, 2001

Schedule 72

	Amounts Presented on Statements	Cost Value	Fair Value
Cash:			
On hand	\$ 3,766	\$ 3,766	\$ 3,766
In time deposits			
Certificates of deposit	52,000	52,000	52,000 (a)
NOW, SuperNOW, and money market	<u>1,770,430</u>	<u>1,770,430</u>	<u>1,770,430</u>
Total cash	<u>1,826,193</u>	<u>1,826,196</u>	<u>1,826,196</u>
Other Investments:			
North Carolina Capital Management Trust	27,244,587	27,244,587	27,244,587
United States Treasury Bonds (Zero Coupon)	1,586,050	298,062	1,586,050
[Held by bank's trust department in book entry form]			
U.S. Government Agencies (GNMA)			
[Registered in the City's name and held by the City's agent in the City's name]	4,742	4,742	4,742
Hatteras Funding Corp. Commercial Paper			
[Held by City's agent in the City's name]	3,299,254	3,299,254	3,310,000
Fountain Square Commercial Paper			
[Held by City's agent in the City's name]	<u>4,666,714</u>	<u>4,666,714</u>	<u>4,680,000</u>
Total other investments	<u>36,801,347</u>	<u>35,513,359</u>	<u>36,825,379</u>
Total cash and investments	<u>\$38,627,540</u>	<u>\$37,339,555</u>	<u>\$38,651,575</u>
Distribution by Funds:			
General:			
Unrestricted		\$10,317,858	
Restricted		<u>743,403</u>	\$11,061,261
Special Revenue:			
Unrestricted		436,374	
Restricted		<u>71,730</u>	508,104
Capital Projects:			
Unrestricted		9,912,785	
Restricted		<u>2,156,340</u>	12,069,125
Internal Service			506,461
Trust			441,876
Enterprise:			
Unrestricted		9,445,729	
Restricted		<u>4,594,984</u>	<u>14,040,713</u>
Total			<u>\$38,627,540</u>

(a) Note: \$52,000 Certificate of Deposit is a compensating balance requirement and is non-interest bearing.



City of Jacksonville, North Carolina  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2001

Schedule 73

Fiscal Year	Uncollected Balance June 30, 2000	Additions	Collections and Credits	Uncollected Balance June 30, 2001
2000-2001	\$	\$ 10,148,926	\$ 9,847,945	\$ 300,981
1999-2000	262,952		161,328	\$ 101,624
1998-99	82,658		12,624	70,034
1997-98	57,807		3,241	54,566
1996-97	36,182		1,565	34,617
1995-96	32,239		1,100	31,139
1994-95	37,259		804	36,455
1993-94	30,388		209	30,179
1992-93	10,361		101	10,260
1991-92	13,872		236	13,636
1990-91	17,902		17,902	0
	<u>\$ 581,620</u>	<u>\$10,148,926</u>	<u>\$10,047,055</u>	<u>\$ 683,491</u>
Less allowance for uncollected ad valorem taxes receivable				35,052
Ad valorem taxes receivable - net				<u>\$ 648,439</u>
Reconcilement with revenues:				
Taxes - ad valorem - general fund		\$10,002,265		
Penalties and interest		46,775	\$10,049,040	
Reconciling items:				
Discoveries and abatements - Net				20,165
Taxes Written Off				17,549
Interest collected				(39,699)
Total collections and credits				<u>\$10,047,055</u>

City of Jacksonville, North Carolina  
 Analysis of Current Tax Levy  
 For the Fiscal Year Ended June 30, 2001

Schedule 74

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	<hr/>			<hr/>	
Original Levy:					
Property taxed at current year's rate	\$ 1,590,162,373	0.59	\$ 9,381,958	\$ 8,726,900	\$ 655,058
Registered motor vehicles taxed at prior year's rate	70,212,773	0.59	437,426		437,426
Penalties			8,257	8,257	
	<u>1,660,375,146</u>		<u>9,827,641</u>	<u>8,735,157</u>	<u>1,092,484</u>
Discoveries:					
Current year taxes	52,294,292	0.59	308,536	296,606	11,930
Prior year taxes			155,768	149,753	6,015
Penalties			1,784	1,784	
Total	<u>52,294,292</u>		<u>466,088</u>	<u>448,143</u>	<u>17,945</u>
Abatements	<u>(24,542,881)</u>		<u>(144,803)</u>	<u>(58,348)</u>	<u>(86,455)</u>
Total Property Valuation	<u>\$ 1,688,126,557</u>				
Net Levy			10,148,926	9,124,952	1,023,974
Less Uncollected tax at June 30, 2001 (Schedule 73)			<u>(300,981)</u>	<u>(120,744)</u>	<u>(180,237)</u>
Current year's taxes collected			<u>\$ 9,847,945</u>	<u>\$ 9,004,208</u>	<u>\$ 843,737</u>
Percent current year collected			<u>97.03%</u>	<u>98.68%</u>	<u>82.40%</u>

# Statistical Section

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Schedules presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the City.

**City of Jacksonville, North Carolina**  
**General Governmental Expenditures by Function (1)**  
 Last Ten Fiscal Years  
 (Unaudited)

<b>Fiscal Year Ended June 30</b>	<b>General Government</b>	<b>Public Works</b>	<b>Public Safety</b>	<b>Environmental Protection</b>	<b>Cultural and Recreational</b>
1992	\$ 2,472,645	\$ 1,613,409	\$ 6,051,160	\$ 1,166,624	\$ 815,338
1993	1,963,572	1,797,211	6,561,087	1,734,049	927,771
1994	2,385,579	1,717,419	7,141,091	1,476,617	982,200
1995	2,576,363	1,822,247	8,087,848	1,524,311	1,030,239
1996	3,090,364	1,989,981	7,681,503	1,925,139	1,071,742
1997	5,766,278	2,243,082	8,439,047	1,675,729	1,002,446
1998	4,609,698	3,124,355	8,830,933	1,851,046	869,696
1999	5,185,459	2,913,605	9,278,156	1,964,929	963,261
2000	5,385,533	3,322,706	10,317,941	2,071,908	1,062,805
2001	4,793,350	4,098,451	11,875,795	2,179,002	1,230,189

Note:

(1) Includes General, Special Revenue, and Capital Projects Funds.

**City of Jacksonville, North Carolina**  
**General Governmental Revenues by Source (1)**  
 Last Ten Fiscal Years  
 (Unaudited)

<b>Fiscal Year Ended June 30</b>	<b>Ad Valorem Taxes</b>	<b>Other Taxes and Licenses</b>	<b>Unrestricted Intergovernmental Revenues</b>	<b>Restricted Intergovernmental Revenues</b>	<b>Investment Earnings</b>
1992	\$ 5,470,595	\$ 5,077,077	\$ 2,001,580	\$ 2,110,269	\$ 206,981
1993	5,683,989	5,299,703	2,291,528	2,393,062	332,845
1994	5,941,965	6,080,492	2,318,788	2,648,015	259,055
1995	6,142,993	6,754,606	2,320,841	2,899,008	595,106
1996	6,089,020	7,042,622	1,929,958	2,920,690	574,136
1997	6,370,411	8,312,650	2,005,469	3,874,191	546,340
1998	6,846,310	8,572,170	1,830,693	3,000,556	596,095
1999	7,888,989	9,145,906	2,002,161	4,256,492	1,001,011
2000	8,204,862	9,066,849	2,168,580	4,457,946	1,174,399
2001	10,049,040	9,671,876	2,241,270	3,865,696	1,444,109

Note:

(1) Includes General, Special Revenue, and Capital Projects Funds.

Table 1

<b>Economic Development</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
\$ 219,120	\$ 426,321	\$ 269,220	\$13,033,837
224,649	533,843	545,241	14,287,423
568,751	536,334	1,479,569	16,287,560
670,999	418,663	1,586,998	17,717,668
671,690	457,567	3,140,767	20,028,753
577,522	207,432	3,509,118	23,420,654
652,713	278,791	1,043,906	21,261,138
562,114	477,410	2,264,749	23,609,683
1,069,552	996,052	2,477,422	26,703,919
787,254	1,326,012	3,309,082	29,599,135

Table 2

<b>Sales and Services</b>	<b>Permits and Fees</b>	<b>Miscellaneous</b>	<b>Total</b>
\$157,581	\$ 88,697	\$ 81,335	\$15,194,115
173,672	103,048	195,744	16,473,591
158,512	107,468	100,229	17,614,524
172,913	155,078	191,037	19,231,582
201,753	208,589	203,859	19,170,627
189,294	175,231	994,014	22,467,600
218,180	231,909	306,012	21,601,925
263,280	407,421	425,287	25,390,547
285,138	460,378	361,416	26,179,568
342,856	379,442	484,611	28,478,900

**City of Jacksonville, North Carolina**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year Ended June 30	Tax Year	(1) Total Tax Levy	(1) Current Tax Collections	Percent of Levy Collected	(1) Delinquent Tax Collections
1992	1991	\$ 5,487,966	\$5,269,205	96.0	\$181,534
1993	1992	5,687,205	5,476,830	96.3	170,291
1994	1993	5,901,203	5,672,046	96.1	227,440
1995	1994	6,141,991	5,915,034	96.3	190,970
1996	1995	6,064,988	5,909,862	97.4	145,638
1997	1996	6,402,043	6,216,007	97.1	125,934
1998	1997	6,861,287	6,662,127	97.1	148,118
1999	1998	7,948,057	7,713,064	97.0	140,088
2000	1999	8,289,972	8,027,020	96.8	145,583
2001	2000	10,148,926	9,847,945	97.0	161,507

Note: Collections do not include interest.

(1) Provided by the Onslow County Tax Administrator/Collector.

**City of Jacksonville, North Carolina**  
**Assessed Value of Taxable Property**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 4

Fiscal Year Ended June 30	(1) Real Property	(1) Personal Property	(1) Public Service Company Property	(1) Total Assessed Value
1992	\$ 710,616,672	\$131,772,779	\$29,111,594	\$ 871,501,045
1993	848,105,899	126,774,696	35,696,291	1,010,576,886
1994	860,558,189	152,505,661	34,872,922	1,047,936,772
1995	875,581,449	166,968,905	34,688,553	1,077,238,907
1996	892,165,024	161,293,615	36,704,260	1,090,162,899
1997	919,781,889	192,066,760	33,631,855	1,145,480,504
1998	950,987,667	242,675,849	37,320,076	1,230,983,592
1999	978,181,554	252,110,765	39,221,550	1,269,513,869
2000	1,012,113,560	274,200,749	35,338,750	1,321,653,059
2001	1,342,298,871	300,171,863	45,655,823	1,688,126,557

Note: Assessed valuations are established by the Board of County Commissioners at 100 percent of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The last revaluation was completed in the tax year 2000 (Fiscal Year 2001).

(1) Provided by the Onslow County Tax Administrator/Collector.

Table 3

(1) Total Tax Collections	Percent of Total Tax Collections to Levy	(1) Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
\$ 5,450,739	99.3	\$385,877	7.0
5,647,121	99.3	420,982	7.4
5,899,486	99.9	420,293	7.1
6,106,004	98.5	438,352	7.1
6,055,500	99.8	370,363	6.1
6,341,941	99.1	411,959	6.4
6,810,245	99.2	438,151	6.4
7,853,152	98.8	500,244	6.4
8,172,603	98.6	581,620	7.0
10,009,452	98.6	683,491	6.7

City of Jacksonville, North Carolina  
Property Tax Rates - Direct and All Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years  
(Unaudited)

Table 5

Fiscal Year Ended June 30	Name of Government		Total
	City of Jacksonville	Onslow County	
1992	\$ 0.610	\$ 0.605	\$ 1.215
1993	0.553	0.540	1.093
1994	0.553	0.540	1.093
1995	0.553	0.575	1.128
1996	0.553	0.615	1.168
1997	0.553	0.644	1.197
1998	0.553	0.694	1.247
1999	0.623	0.694	1.317
2000	0.623	0.694	1.317
2001	0.590	0.630	1.220

Note: Property was revaluated in tax year 2000 (Fiscal Year 2001)  
(see Table 4 note).

**City of Jacksonville, North Carolina**  
**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita**  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year Ended June 30	(1) Assessed Value	Gross General Bonded Debt	Less Debt Payable From Enterprise Revenues	Net General Bonded Debt
1992	\$ 871,501,045	\$1,275,000	\$1,275,000	0
1993	1,010,576,886	1,050,000	1,050,000	0
1994	1,047,936,772	825,000	825,000	0
1995	1,077,238,907	600,000	600,000	0
1996	1,090,162,899	500,000	500,000	0
1997	1,145,480,504	400,000	400,000	0
1998	1,230,983,592	300,000	300,000	0
1999	1,269,513,869	200,000	200,000	0
2000	1,321,653,059	100,000	100,000	0
2001	1,688,126,557	0	0	0

Note:

- (1) Provided by the Onslow County Tax Administrator/Collector.
- (2) N.C. Office of State Planning, State Demographer.
- (3) Revised by the Census due to miscounts made at Camp Lejeune during the 1990 Census.
- (4) Revised by the N.C. Office of State Planning for an increase in Camp Lejeune barracks.
- (5) U. S. Census 2000.

**City of Jacksonville, North Carolina**  
**Computation of Legal Debt Margin**  
 June 30, 2001  
 (Unaudited)

**Table 7**

Assessed Value	\$1,688,126,557
	x0.08
Debt limit (8 percent of assessed value)	<u>\$ 135,050,125</u>
Amount of debt applicable to debt limit:	
Gross Debt:	
Authorized and unissued bonds	\$ 20,000,000
Installment purchases	16,599,957
Loans	<u>20,109,608</u>
Gross debt	<u>56,709,565</u>
Statutory Deductions:	
Water/Sewer bonds (authorized/unissued)	20,000,000
Water/Sewer installment purchases	11,497,987
Water/Sewer loans	<u>20,109,608</u>
Total statutory deductions	<u>\$ 51,607,595</u>
Total amount of debt applicable to debt limit (net debt)	<u>\$ 5,101,970</u>
Legal debt margin	<u>\$ 129,948,155</u>



Table 6

Ratio of Net Bonded Debt to Assessed Value	(2) Population	Net General Bonded Debt Per Capita
0.00	78,797	0
0.00	72,157 (3)	0
0.00	78,250 (4)	0
0.00	75,211	0
0.00	75,069	0
0.00	75,527	0
0.00	73,800	0
0.00	74,141	0
0.00	73,988	0
0.00	66,715 (5)	0

City of Jacksonville, North Carolina  
Ratio of Annual Debt Service Expenditures for General Bonded Debt  
to Total General Governmental Expenditures  
Last Ten Fiscal Years  
(Unaudited)

Table 8

Fiscal Year Ended June 30	Principal	Interest on Bonds	(2) Total Debt Service	(1) Total General Governmental Expenditures	Ratio of Debt Service to Total General Expenditures
1992	\$225,000	\$83,079	\$308,079	\$13,033,837	2.36
1993	225,000	71,312	296,312	14,277,423	2.08
1994	225,000	59,436	284,436	16,287,560	1.75
1995	225,000	47,749	272,749	17,717,668	1.54
1996	100,000	35,858	135,858	20,028,753	.68
1997	100,000	30,100	130,100	23,420,684	.56
1998	100,000	24,600	124,600	21,261,138	.59
1999	100,000	18,600	118,600	23,609,683	.50
2000	100,000	12,400	112,400	26,703,919	.42
2001	100,000	6,200	106,200	29,599,135	.36

## Note:

- (1) Includes General, Special Revenue and Capital Projects funds.  
(2) Total debt service payments made from enterprise fund revenues.

City of Jacksonville, North Carolina  
 Computation of Direct and Overlapping Debt  
 General Obligation Bonds  
 June 30, 2001  
 (Unaudited)

Table 9

	Gross General Obligation Bonded Debt Outstanding	(1) Exclusions	Net General Obligation Bonded Debt Outstanding	(2) Percentage Applicable to City	Amount Applicable to City
Direct:					
City of Jacksonville	\$ 0	\$ 0	\$ 0	0.0%	\$ 0
Overlapping:					
Onslow County	<u>36,782,200</u>	<u>1,332,200</u>	<u>35,450,000</u>	32.47	<u>11,510,615</u>
Totals	<u>\$36,782,200</u>	<u>\$ 1,332,200</u>	<u>\$35,450,000</u>		<u>\$11,510,615</u>

Note:

- (1) Exclusions represent general obligation bonds of the City and County issued for water and sewer utility purposes which are payable from enterprise fund revenues.
- (2) The percentage of overlapping debt is based on the June 30, 2001 assessed valuation of the County of Onslow (\$5,198,363,263) as compared to the June 30, 2001 assessed valuation of the City of Jacksonville (\$1,688,126,557).

City of Jacksonville, North Carolina  
 Demographic Statistics  
 Last Ten Fiscal Years  
 (Unaudited)

Table 10

Fiscal Year Ended June 30	(1) Population	(2) Capita Income	(1) Median Age (Yrs)	(4) School Enrollment	(2) Unemployment Rate Percentage
1992	78,797	\$12,782	24.54	18,239	5.80%
1993	72,157 (5)	13,168	24.61	18,601	5.80
1994	78,250 (6)	13,548	24.74	20,098	4.80
1995	75,211	14,831	25.28	20,381	4.30
1996	75,069	15,424	25.11	24,596	3.60
1997	75,527	16,130	25.25 (8)	24,492	3.10
1998	73,800 (7)	16,900 (8)	25.42 (8)	25,343	3.60
1999	74,141	18,157 (8)	25.25 (8)	25,313	3.30
2000	73,988	* (10)	25.19 (8)	25,453	3.80
2001	66,715 (9)	* (10)	22.40 (9)	24,867	4.20

Note:

- (1) Office of State Planning - State Demographer
- (2) Employment Security Commission of North Carolina
- (3) Annexation of Camp Lejeune, Collins Heights and Georgetown
- (4) Onslow County Board of Education
- (5) Revised by the Census due to miscounts made at Camp Lejeune during the 1990 Census
- (6) Revised by the N.C. Office of State Planning for an increase in Camp Lejeune barracks
- (7) Revised by the N. C. Office of State Planning for a decrease in Camp Lejeune barracks
- (8) State Library of North Carolina - Woods and Poole Annual County Profile
- (9) U.S. Census 2000
- (10) Data for fiscal years 2000 and 2001 not presently available

City of Jacksonville, North Carolina  
 Analysis of General Fund Balance  
 Last Ten Fiscal Years  
 (Unaudited)

Table 11

Fiscal Year Ended June 30	Reserved	Unreserved Designated	Unreserved Undesignated	Total
1992	\$1,754,335	\$ 975,395	\$1,605,430	\$ 4,335,160
1993	1,690,463	929,595	3,023,610	5,643,668
1994	2,539,676	1,374,353	3,269,363	7,183,392
1995	2,484,903	537,057	4,795,080	7,817,040
1996	3,363,195	1,025,781	2,384,597	6,773,573
1997	3,570,822	1,608,442	3,027,420	8,206,684
1998	3,607,140	823,287	4,647,535	9,077,962
1999	4,136,887	1,396,359	5,635,496	11,168,742
2000	4,068,823	2,247,209	4,730,302	11,046,334
2001	3,995,770	2,360,553	5,801,204	12,157,527

City of Jacksonville, North Carolina  
 Analysis of General Fund Balance  
 As a Percentage of Expenditures  
 Last Ten Fiscal Years  
 (Unaudited)

Table 12

Fiscal Year Ended June 30	General Fund Expenditures	Fund Balance			
		Percent Reserved	Percent Unreserved Designated	Percent Unreserved Undesignated	Percent of Total Fund Balance To Total Expenditures
1992	\$12,545,497	14.0	7.8	12.8	34.6
1993	13,517,533	12.5	6.9	22.4	41.8
1994	13,902,029	18.3	9.9	23.5	51.7
1995	15,201,354	16.3	3.5	31.5	51.4
1996	16,006,272	21.0	6.4	14.9	42.3
1997	19,311,571	18.5	8.3	15.7	42.5
1998	19,440,218	18.6	4.2	23.9	46.7
1999	19,908,030	20.8	7.0	28.3	56.1
2000	22,106,659	18.4	10.2	21.4	50.0
2001	23,211,635	17.2	10.2	25.0	52.4

City of Jacksonville, North Carolina  
 Calculation of Debt Service Coverage  
 Water and Sewer Bonds  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year Ended June 30	(1) Gross Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Service
1992	\$ 5,655,317(3)	\$2,396,960	\$3,258,357
1993	5,808,600(3)	2,518,107	3,290,493
1994	5,665,877(3)	2,769,296	2,896,581
1995	5,930,526(3)	2,755,467	3,175,059
1996	6,138,090(3)	2,975,545	3,162,545
1997	5,903,656	3,738,808	2,164,848
1998	5,508,218	3,844,712	1,653,506
1999	8,849,380	4,235,756	4,613,624
2000	9,624,832	4,378,597	5,246,235
2001	10,221,561	3,955,304	6,266,257

Note:

- (1) Total revenues including interest and other nonoperating revenues.
- (2) Total operating expenses exclusive of depreciation.
- (3) Net revenue available for debt service divided by total debt service requirements.

City of Jacksonville, North Carolina  
 Property Value, Construction and Bank Deposits  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year Ended June 30	(1) Construction			
	Nonresidential		Residential	
	Number of Units	Value	Number of Units	Value
1992	177	\$ 4,056,955	328	\$ 9,747,838
1993	264	14,106,539	376	11,145,775
1994	177	8,211,861	353	13,965,731
1995	174	24,139,559	333	12,240,013
1996	59	33,299,013	198	12,240,013
1997	45	13,373,540	270	16,929,318
1998	174	27,273,084	492	24,946,169
1999	32	31,153,008	356	18,077,939
2000	73	21,959,288	524	27,642,169
2001	15	13,189,489	508	26,379,026

Note:

- (1) Inspections Division, City of Jacksonville.
- (2) Derived from the FDIC.
- (3) Provided by the Onslow County Tax Administrator/Collector.
- \* Data for current fiscal year not presently available.

Table 13

Bonded Debt Service Requirements (3)			
Principal	Interest	Total	Coverage
\$225,000	\$83,079	\$308,079	10.58
225,000	71,312	296,312	11.10
225,000	59,436	284,436	10.18
100,000	47,749	272,749	11.64
100,000	35,858	135,858	23.28
100,000	30,100	130,100	16.64
100,000	24,600	124,600	13.27
100,000	18,600	118,600	38.90
100,000	12,400	112,400	46.67
100,000	6,200	106,200	59.00

Table 14

(2) Bank Deposits	(3) Property Value
\$431,110,000	\$ 871,501,045
432,464,000	1,010,516,886
452,504,000	1,047,936,772
469,720,000	1,077,238,907
462,873,000	1,090,162,899
499,301,000	1,145,480,504
523,629,000	1,230,983,592
530,674,000	1,269,513,869
562,861,000	1,321,653,059
*	1,688,126,557

City of Jacksonville, North Carolina  
 Schedule of Ten Largest Taxpayers  
 June 30, 2001

Table 15

(Unaudited)

Company	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Crown America Acquisition LP	Commercial Real Estate	\$ 29,829,262	1.77%
Carolina Telephone & Telegraph	Public Utility	16,281,977	0.96
Bailey & Associates Inc.	Developer	15,430,760	0.91
Jones-Onslow EMC	Public Utility	14,496,683	0.86
BNE Restaurant Group II LLC	Retail Chain	13,189,233	0.78
United Dominion Realty Trust	Property Mgt./Real Estate	12,122,782	0.72
Lowes Investment Corp.	Real Estate	10,822,760	0.64
Carolina Power & Light Co.	Public Utility	9,837,198	0.58
New River Associates LLC.	Property Management	8,409,871	0.50
John T. Eagan, Jr.	Property Management	7,619,632	0.45
		\$ 138,040,158	8.18%

Source: Onslow County Tax Administrator/Collector

City of Jacksonville, North Carolina  
 Schedule of Insurance in Force  
 June 30, 2001  
 (Unaudited)

Table 16

Type of Coverage	Details of Coverage	Agency	Expiration Date	Annual Premium
Health Insurance		City of Jacksonville and BC BS**	06/30/02	\$264.33 per month per employee
Life Insurance	1 ½ x salary for all employees' coverage (Max. \$50,000)	Medical Life	06/30/02	\$.29 per \$1,000
Public Officials Liability	\$3,000,000 annual aggregate \$10,000 deductible-Public Officials	IRFFNC	07/01/02	*
Law Enforcement Liability	\$3,000,000 aggregate \$2,000,000 each occurrence/person \$10,000 deductible-Law Enforcement	IRFFNC	07/01/02	*
General Liability with Broad Form Endorsement	\$2,000,000 each occurrence \$5,000 deductible	IRFFNC	07/01/02	*
Auto Liability	\$2,000,000 each occurrence \$2,500 deductible	IRFFNC	07/01/02	*
Auto-Comp & Collision	As scheduled \$1,000 deductible for large vehicles, \$500 deductible for autos/pickups	IRFFNC	07/01/02	*
Impounded Auto Collision	\$100,000 coverage \$1,000 deductible deductible for large vehicles,\$500 deductible for autos/pickups	IRFFNC	07/01/02	*
Impounded Auto Comprehensive	\$100,000 coverage \$1,000 deductible for large vehicles, \$500 deductible for auto/pickups	IRFFNC	07/01/02	*
Property - Blanket Coverage	\$49,849,961 cause of loss-special \$2,500 deductible	IRFFNC	07/01/02	*
Municipal Equipment	\$1,327,374 special coverage \$5,000 deductible	IRFFNC	07/01/02	*
Boiler and machinery	\$5,000,000 maximum \$2,500 deductible	IRFFNC	07/01/02	*
Builders Risk	\$435,623 special \$2,500 deductible	IRFFNC	07/01/02	*
Public Employee bonds	\$300,000 scheduled no deductible \$100,000 blanket \$250 deductible	IRFFNC	07/01/02	*
Computer Equipment And Media	\$1,200,000 reported value \$1,000 deductible	IRFFNC	07/01/02	*
Workers' Compensation	\$25,000 deductible per individual per incident	IRFFNC	06/30/02	\$264,680

\* The Interlocal Risk Financing Fund of North Carolina (IRFFNC) is a "pooled insurance plan" created by the North Carolina League of Municipalities. Membership is restricted to North Carolina Municipalities and premiums are determined annually on a fiscal year basis. The City's premium for coverage provided under this plan was \$220,354 for the fiscal year ended June 30, 2001.

\*\* Blue Cross/Blue Shield of North Carolina (BC BS) provides contracted third-party claims administration.

City of Jacksonville, North Carolina  
 Miscellaneous Statistics  
 June 30, 2001  
 (Unaudited)

Table 17

Population	66,715
Date of incorporation	Original - December 13, 1842 Reincorporated - January 27, 1849
Form of government	Council/Manager
Area	43.19 square miles
Miles of streets	165.64
Miles of sidewalks	30.56
Number of street lights	2,218
Fire Protection	
Number of stations	4
Number of firefighters and officers	72
Police Protection	
Number of stations	1
Number of police officers	91
Water and Sewer Department	
Number of utility accounts	12,683
Average daily consumption - water	3.8 mgd
Average daily flow - sewer	4.8 mgd
Miles of distribution lines - water	201
Miles of distribution lines - sewer	197
Number of fire hydrants	1,697
Parks and Recreation	
Number of major parks	16
Number of athletic fields	16
Number of recreation centers	7
Total parks and recreation area	265 acres
Employees	
Full time	417
Part time	70