



The City of Jacksonville Comprehensive Annual Financial Report

Fiscal Year ended June 30, 2013

Prepared by the City of Jacksonville NC Finance Department

PO Box 128 • Jacksonville NC 28541-0128

City Hall: 815 New Bridge St • Jacksonville NC 28540

City of Jacksonville
North Carolina

**Comprehensive Annual
Financial Report**

For The Fiscal Year Ended June 30, 2013

Prepared by
FINANCE DEPARTMENT

Finance Director
GAYLE MAIDES



**City of Jacksonville, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

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- * City of Jacksonville - Organizational Chart
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City of Jacksonville



City Manager's Office
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LETTER OF TRANSMITTAL

October 30, 2013

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Jacksonville for the fiscal year ended June 30, 2013. The basic financial statements contained herein have been audited by the independent certified public accounting firm of McGladrey 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 of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit is included in the compliance section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Jacksonville, incorporated in 1842, is located along the New River in Onslow County. It currently occupies 55.35 square miles and serves a population of 76,520, making Jacksonville the 13th largest city in North Carolina. Jacksonville is the county seat and is home to Marine Corps Base Camp Lejeune and Marine Corps Air Station New River. The City of Jacksonville is empowered to levy a property tax on both real and personal property located within the city limits. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

LOCAL ECONOMY

The major industries located within the City's boundaries or in close proximity are government (military), retail, hotel/food services, education, and healthcare. The June 2013 unemployment rate was 8.8 percent (not seasonally adjusted- NSA), which was lower than the statewide rate of 9.3 percent (NSA) but higher than the national rate of 7.8 percent (NSA).¹

Personal income amounted to \$8.3 million for FY13. \$.81 of every dollar earned in non-farm compensation within the area comes from government sources, with \$.69 of that dollar coming from military employment alone.²

As the largest source of employment, Camp Lejeune and Marine Corps Air Station New River have been a presence in the community since 1941. The bases are home to the II Marine Expeditionary Force, 2nd Marine Division, 2nd Marine Logistics Group, Marine Corps Forces Special Operations Command and several other combat units and support commands. To help prepare service members for combat and humanitarian missions abroad, Camp Lejeune takes advantage of 156,000 acres, 11 miles of beach capable of supporting amphibious operations, 32 gun positions, 48 tactical landing zones, three state of the art training facilities for military operations in urban terrain and 80 live fire ranges. In the near future, MCAS New River will become home to two squadrons being transferred from Marine Corps Air Station Cherry Point. Upon this move, more than half of all Marine aircraft in the East Coast will be stationed at MCAS New River.³

LONG-TERM FINANCIAL PLANNING

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

- **Parkwood Regional Pump Station and Western Trunk Sewer** - The City contracted with Kimley-Horn and Associates, Inc. to begin the design and specifications for the Parkwood Regional Pump Station and Western Trunk Sewer. This project consists of the construction of a regional pump station on the northwest side of the City and a force main connecting the area to the Land Treatment Site. It also includes the installation of gravity sewer along Western Boulevard. The planning and design component of this project contains several phases. The engineers are currently in Phase I of the project, which consists of establishing the design parameters of the pump station and force main, and the preparation of the Engineering Report and Environmental Information Document. Due to the size of the project, it will take several years to complete the planning, design and construction phases of this project.

1 US Department of Commerce, Bureau of Economic Analysis,

2 CA05N Personal Income by Major Source and Earnings by NAICS Industry

3 State of the Community, February 12, 2013

- **Public Services Complex Expansion (Public Services/Fleet Complex – Phase II)** – This project consists of the planning, design and construction of an expansion to the existing Public Services complex to include the additional vehicle parking as well as transit bus parking, site work and storm water system improvements.
- **Jacksonville Transit System** – The City provides fixed-route public transportation services 365 days a year – known as Jacksonville Transit. Two fixed-routes serve the general public seven days a week from 6AM to 6PM and two express routes serve Marine Corps installations on weekends and holidays. Door-to-door ADA para-transit service is also provided to compliment the fixed-route operation in accordance with federal requirements. The City also operates a one-call center where passengers can obtain information on how to ride Jacksonville Transit or to receive up-to-date information on bus arrival and departure times. Multiple revenue streams support the operational and capital needs of Jacksonville Transit from federal, state and local sources. Since 2007, ridership on Jacksonville Transit has consistently increased, carrying a total of 93,850 passengers in FY13. In the coming year, a new route serving the Georgetown and Yopp Road areas of Jacksonville will be implemented, along with expanded service aboard Camp Lejeune and other area military installations.
- **Public Safety Complex** – The Center for Public Safety is currently under construction. The facility will include a 94,200 square foot building that will house the Police Department, Fire Administration, Fire Station 1, the City’s 911 call center, the new Traffic Control Center and 1,600 square feet of retail space that can be used for expansion in the future. The overall project includes the demolition of seven buildings, realignment and signalization of Court Street, installation of underground power, demolition of the existing headquarters building, and renovation of the existing 4,000 square foot police training building. The anticipated completion and occupancy date of the new facility is June 2014 with a final project completion in October 2014.

MAJOR INITIATIVES

FOR THE YEAR. In addition to day-to-day operations and ongoing major projects, the City faced some new challenges and initiated or completed several major programs:

- **Jacksonville Landing** – This project represents a partnership between the City of Jacksonville, Onslow County, North Carolina Department of Transportation and the Wildlife Resources Commission (WRC). This project will consist of a Welcome Center, three boat ramps, fishing area, canoe and kayak ADA accessible launch and parking areas for vehicles with boat trailers and visitors to the site. This project is currently in the design phase, which includes all amenities listed with the exception of the Welcome Center. It is scheduled for completion in late summer of 2014.
- **Sturgeon City Civic and Environmental Education Center** – This project consists of the construction of a 12,790 square foot single story building that would be the home to a Civic and Environmental Education Center. The Center will feature interactive exhibits, active research projects and programming to advance civic and environmental education. This project will celebrate the successes of the Wilson Bay Initiative, advance stewardship of our natural resources and provide a place of pride for our community. With a regional focus and local initiative, the Sturgeon City Civic and environmental Education Center will be a community model of civic action and is scheduled for bid award in early 2014.
- **Downtown Demolition** – Having partnered with private firms to construct several structures, the City has recently focused on demolition of dilapidated structures to make way for improvements. The City Council has authorized acquisition of the major portion of a City block that could serve as a future

parking deck site and as a current surface parking site. With the Onslow County Commission, the City Council provided a vision of the future of the downtown in a small group created from the two elected boards.

FINANCIAL INFORMATION

The financial statements and notes included in this report present the financial position and operations of governmental activities, business-type activities and fiduciary activities of the City. The accompanying Management's Discussion and Analysis provides a narrative overview of the City's financial performance for the fiscal year ended June 30, 2013. During the year, the City continued its sound current and long-range policies for financial management.

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

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

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

As a part of the City's single audit, tests are conducted to determine the adequacy of internal control, including that portion related to federal and state award programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 2013, found no instances of material weakness in internal control and no material instances of noncompliance with applicable laws and regulations.

Independent Audit. General Statute 159-34 requires an annual audit by a certified public accountant. The independent certified public accounting firm of McGladrey LLP, was selected by the City Council to provide this service. In addition to meeting statutory requirements, the audit also complies with the Single Audit Act, the US Office of Management and Budget Circular A-133, and North Carolina General Statute 159-34 (Single Audit Implementation Act). The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report. The auditors' reports on internal controls and compliance with applicable laws and regulations are included in the Compliance Section.

Investment Management. Effective forecasting of cash requirements and aggressive investment of cash balances, including daily investment of bank balances, has allowed the maximum use of all available cash resources. The rate of return on the City's investment performance exceeds the average yield rates of 0.068 percent for US Treasury bills in 2013. For the year ended June 30, 2013, the City realized investment earnings of \$135,711, for an average yield of 0.13 percent.

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

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

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

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

OTHER INFORMATION

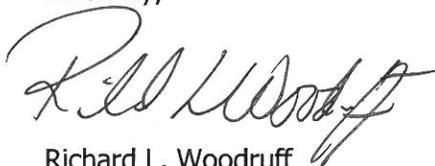
Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the twenty-second consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Sincerely,



Richard L. Woodruff
City Manager



Gayle Maides
Finance Director



Government Finance Officers Association

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

Presented to

**City of Jacksonville
North Carolina**

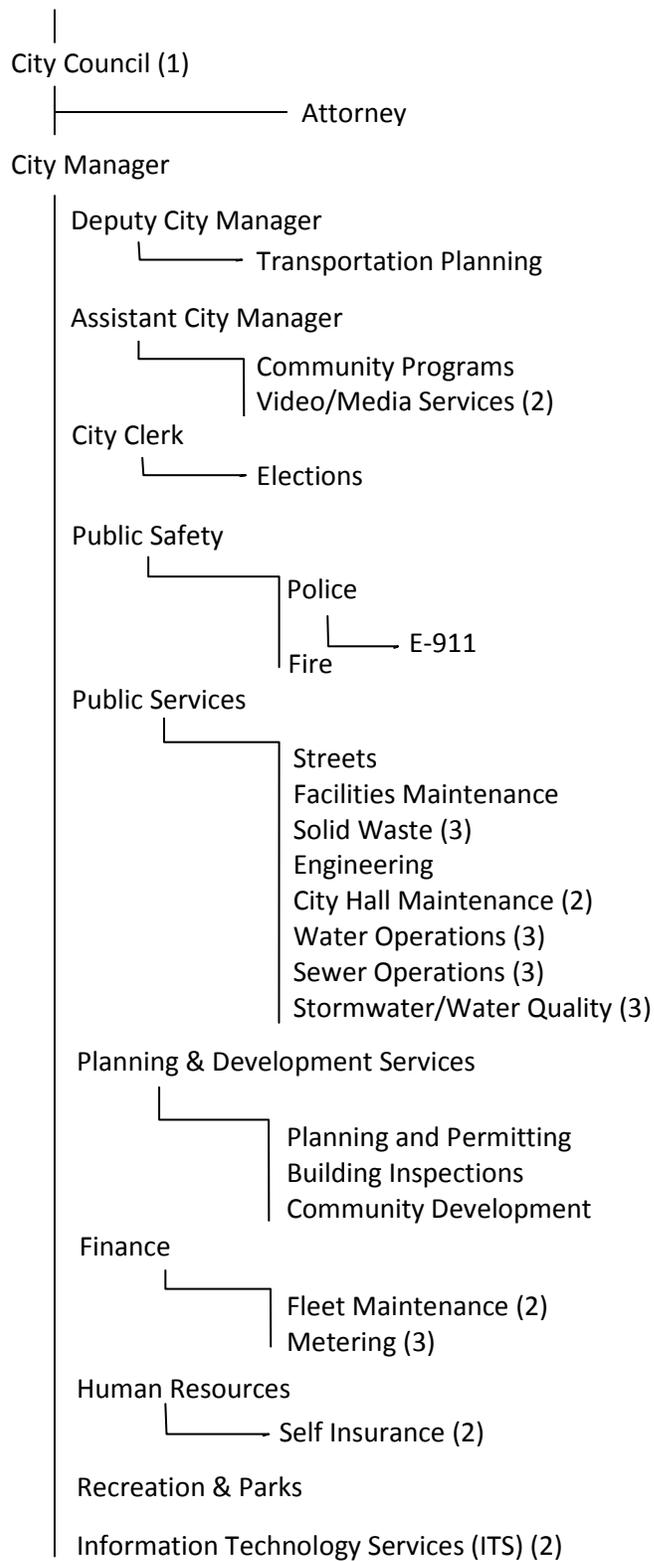
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

City of Jacksonville Organizational Chart

Citizens of Jacksonville



Legend:

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

City of Jacksonville
List of Principal Officials
June 30, 2013

Title	Name
Mayor	Sammy Phillips
Mayor, Pro-tem	Michael Lazzara
Council Member	Jerry Bittner
Council Member	Randy Thomas
Council Member	Robert Warden
Council Member	Angelia Washington
Council Member	Jerome Willingham
City Manager	Richard L. Woodruff
Deputy City Manager	Ronald F. Massey
Assistant City Manager	Glenn Hargett
Attorney	John T. Carter
City Clerk	Carmen K. Miracle
Finance Director	Gayle Maides
Chief Human Resources Officer	Kimberly Lindsay
Information Technology Services Director	Chris Koltyk
Planning & Development Services Director	Reggie Goodson
Public Safety Director	Mike Yaniero
Public Services Director	Frank Sanders
Recreation Director	Timothy Chesnutt

FINANCIAL SECTION

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- * Management's Discussion and Analysis
- * Basic Financial Statements
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- * Combining and Individual Fund and Account Group - Statements and Schedules
- * Additional Financial Data





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type-activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Jacksonville, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Jacksonville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Jacksonville Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Jacksonville, North Carolina as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statement, in the year ending June 30, 2013, the City adopted new accounting guidance Governmental Accounting Standard Board (GASB) 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Employer Contributions, and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 15 through 30 and pages 87 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Jacksonville's basic financial statements. The individual fund financial statements and schedules, budgetary schedules, and other financial data listed in the table of contents as "other supplementary information", as well as the Schedule of Expenditures of Federal and State Awards (in the compliance section) as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements of City of Jacksonville, North Carolina. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables of the Comprehensive Annual Financial Report are presented for the purposes of additional analysis and are not a required part of the basic financial

statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013, on our consideration of City of Jacksonville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Jacksonville's internal control over financial reporting and compliance.

McGladrey LLP

Morehead City, North Carolina
October 30, 2013



**City of Jacksonville, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Jacksonville's (City) annual financial report presents a narrative overview and analysis of the City's financial performance for the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

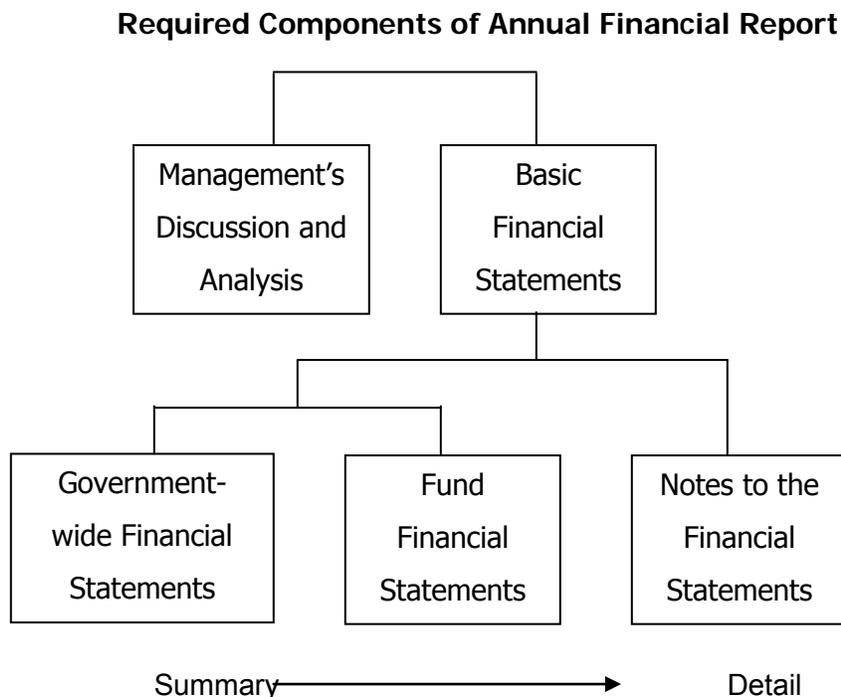
- The overall financial position of the City improved in 2013 as evidenced by an increase in total net position of \$9.93 million. We have seen another positive year despite the national economy and higher local unemployment.
- The assets of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$178.8 million (net position). Of this amount, \$55.64 million (unrestricted net position) can be used to meet the City's ongoing obligations to its citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$55.7 million, a decrease of \$6.8 million during the year. This decrease is due to significant spending on authorized capital projects where funding was in place in prior years. Approximately 8.1 percent of this total amount or \$4.5 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5.5 million, or 12.2 percent of the budget for fiscal year 2014, as adopted. This exceeds the City Council's goal of 10 percent. The amount of fund balance used to balance the 2014 budget was increased because of the County's decision to change the sales tax distribution method to the method that is based 100 percent on the ad valorem tax. The fund balance amount reserved for Public Safety also increased. These are the primary reasons for the decrease in unassigned fund balance.
- The City's total long-term debt decreased by \$5.9 million (4.07%) during the current fiscal year. There were no significant new capital projects funded in the current fiscal year allowing payments on outstanding debt to reduce the total debt burden.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the City's financial condition.

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



Basic Financial Statements

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

- The governmental funds statements tell how general government services, i.e. public safety, were financed in the short term as well as what remains for future spending. A budgetary comparison statement has been provided for the General Fund to demonstrate budgetary compliance.
- Proprietary funds statements offer short- and long-term financial information about the activities the City operates like businesses, such as the water and sewer system.
- The Fiduciary fund statements reflect the financial relationship with the Special Separation Allowance Pension Trust Fund, which provides benefits exclusively for City law enforcement employees.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data, and are followed by the required supplemental financial data on the Law Enforcement Officers' Special Separation Allowance. In addition to these required elements, a section is included with combining statements that provide details about non-major governmental funds, and internal service funds, each of which are totaled and presented in a single column in the basic financial statements. This section also includes detailed budgetary information required by North Carolina General Statutes. The remainder of this overview section explains the structure and contents of the government-wide and fund financial statements.

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

funds are established to control and manage resources that are restricted or designated for specific purposes.

The City has three types of funds:

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

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

- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City has two types of proprietary funds. Enterprise Funds are the same as the business-type activities (shown in the Government-wide Statements), but provide more detail and additional information, such as cash flows. Internal Service Funds are used to report activities that provide supplies and services for the City's other programs and activities. These internal service activities predominately benefit governmental rather than business-type activities; therefore, they have been included with governmental activities in the government-wide financial statements. Proprietary funds financial statements are included as Exhibits F, G and H of this report.
- Fiduciary fund - The City is the trustee, or fiduciary, for the Law Enforcement Officers' Special Separation Allowance Pension Trust Fund. It is responsible for ensuring that the assets reported in this fund are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. This fund is excluded from the City's government-wide financial statements, because the City cannot use these assets to finance its operations. Fiduciary fund financial statements are included as Exhibits I and J of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 51 of this report.

Other Information

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$178.8 million at the close of the most recent fiscal year. A summary of the City's net position at June 30, 2013 and 2012 is presented below:

City of Jacksonville's Net Position (In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 66.67	\$ 72.05	\$ 43.92	\$ 49.17	\$ 110.59	\$ 121.22
Capital assets	81.37	65.32	142.18	141.85	223.55	207.17
Total assets	148.04	137.37	186.10	191.02	334.14	328.39
Current and other liabilities	6.70	4.90	3.97	3.94	10.67	8.84
Noncurrent liabilities	37.50	37.56	107.16	113.12	144.66	150.68
Total liabilities	44.20	42.46	111.13	117.06	155.33	159.52
Net position:						
Invested in capital assets, net of related debt	70.19	61.80	41.11	39.49	111.30	101.29
Restricted	11.86	11.91	-	-	11.86	11.91
Unrestricted	21.78	21.20	33.86	34.47	55.64	55.67
Total net position	\$ 103.83	\$ 94.91	\$ 74.97	\$ 73.96	\$ 178.80	\$ 168.87

Government-wide net position increased by \$9.93 million for the fiscal year ended June 30, 2013. The largest portion (62.25%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position (6.63%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$55.64 million (31.12%) is unrestricted net position and may be used to support operations and provide for payment of long-term debt.

At the end of the 2013 fiscal year, the City was able to report positive balances for the City government as a whole. The governmental activities show an increase in the invested in capital assets and unrestricted categories, while the restricted category showed a decrease. The business-type activities show a slight increase in the net position because of a reduction in the amount of debt outstanding which increases the invested in capital assets number.

Net position of the Governmental Activities increased \$8.92 million, or 9.40%, to \$103.83 million. You will find \$82.05 million of the net position is either restricted as to the purposes for which they can be used or are invested in capital assets (e.g. land, buildings, machinery, and equipment buildings, roads, etc.). Unrestricted net position of \$21.78 million increased \$0.58 million from the previous year. The increase was mainly due to the land and infrastructure that was donated to the City.

The net position of the Business-Type activities had an increase of \$1.0 million, or 1.4%, to \$75.0 million. The net position will be used to finance the operations and expansion of the water, sewer, solid waste and storm water/water quality operations. The Unrestricted Net Position of \$33.9 million decreased slightly in relation to the previous year. The increase in net position was attributable to assets donated to the City by developers.

Changes in net position. The table on the following page presents the City's changes in net position for the fiscal years ended June 30, 2013 and 2012.

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

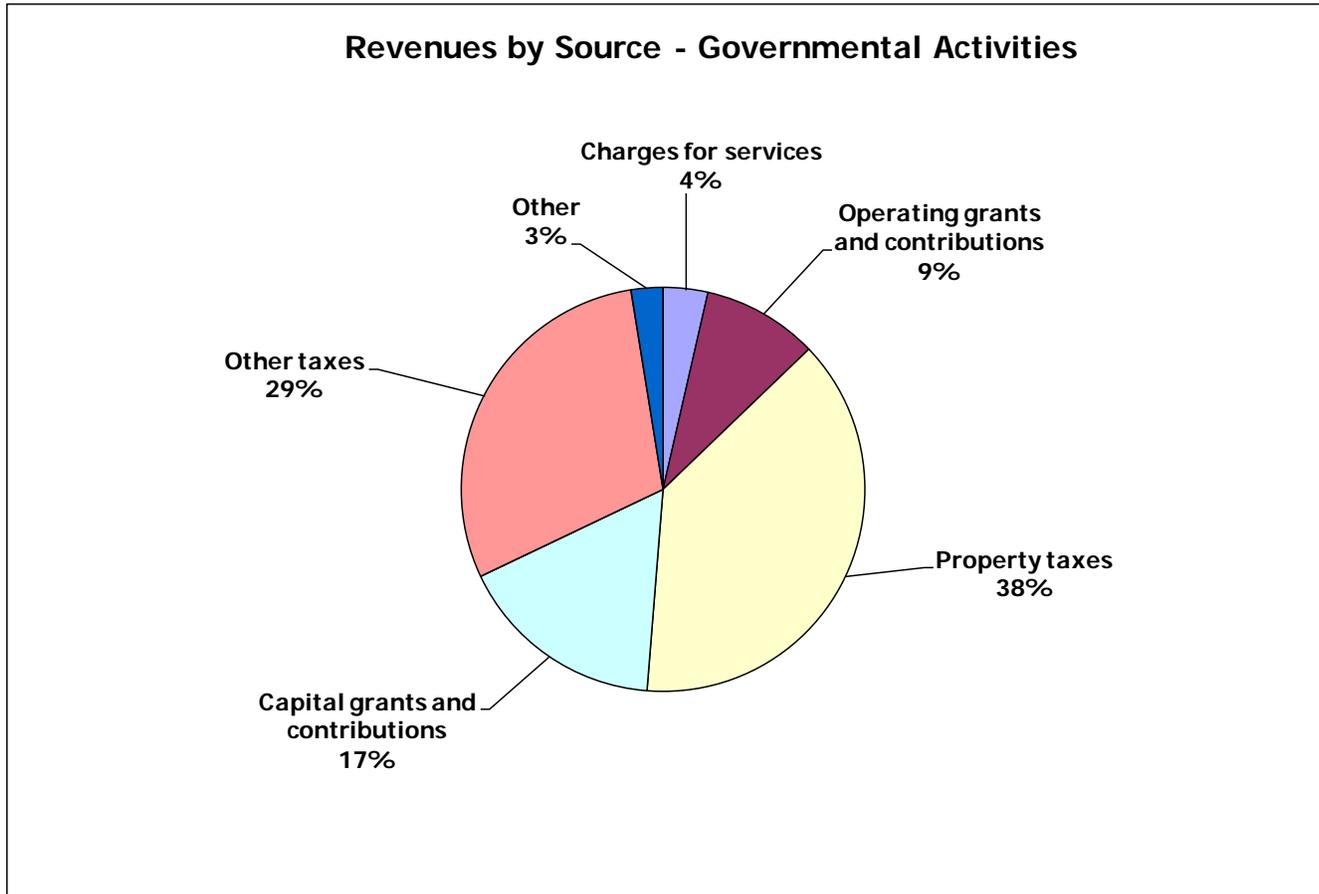
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 1.84	\$ 2.05	\$ 28.67	\$ 28.15	\$ 30.51	\$ 30.20
Operating grants and contributions	4.75	7.23	-	-	4.75	7.23
Capital grants and contributions	8.56	2.75	2.05	1.29	10.61	4.04
General revenues:						
Property taxes	19.77	18.85	-	-	19.77	18.85
Other taxes	15.18	15.39	-	-	15.18	15.39
Other	1.31	1.39	0.77	0.85	2.08	2.24
Total revenues	<u>51.41</u>	<u>47.66</u>	<u>31.49</u>	<u>30.29</u>	<u>82.90</u>	<u>77.95</u>
Expenses:						
General government	4.99	7.99	-	-	4.99	7.99
Public works	6.63	4.95	-	-	6.63	4.95
Public safety	20.60	19.92	-	-	20.60	19.92
Economic and physical development	1.58	2.09	-	-	1.58	2.09
Culture and recreation	5.53	4.60	-	-	5.53	4.60
Interest on long-term debt	1.22	0.33	-	-	1.22	0.33
Water and sewer	-	-	24.44	25.91	24.44	25.91
Solid waste	-	-	5.16	5.20	5.16	5.20
Stormwater/Water Quality	-	-	2.49	2.46	2.49	2.46
Total expenses	<u>40.55</u>	<u>39.88</u>	<u>32.09</u>	<u>33.57</u>	<u>72.64</u>	<u>73.45</u>
Transfers	(1.66)	(2.56)	1.66	2.56	-	-
Increase (decrease) in net position	9.20	5.22	1.06	(0.72)	10.26	4.50
Net Position:						
Beginning of year, July 1, as previously reported	94.91	89.69	73.96	74.68	168.87	164.37
Restatement for accounting change	(0.28)	-	(0.05)	-	(0.33)	-
Beginning of year, July 1, as restated	<u>94.63</u>	<u>89.69</u>	<u>73.91</u>	<u>74.68</u>	<u>168.54</u>	<u>164.37</u>
End of year, June 30	<u>\$ 103.83</u>	<u>\$ 94.91</u>	<u>\$ 74.97</u>	<u>\$ 73.96</u>	<u>\$ 178.80</u>	<u>\$ 168.87</u>

Total government-wide revenues of \$82.9 million were primarily derived from charges for services (36.8%), property taxes (23.8%) and other taxes (18.3%). Property tax revenues increased 4.9 percent from the prior year because of the growth in the City, in spite of the national recession. Other taxes decreased slightly from \$15.4 to \$15.2 million. Grants and contributions showed an increase from FY 2012 of \$3.3 million to \$13.3 million, an increase of 33.4 percent.

The total expenses of all programs were \$72.64 million. The expenses cover a range of services with the two largest being Public Safety (fire and police) and Water and Sewer, which account for 28.4

percent and 33.6 percent of total expenses, respectively. Water and Sewer expenses decreased by \$1.47 million due to decreased interest expense, while Public Safety increased by \$0.68 million.

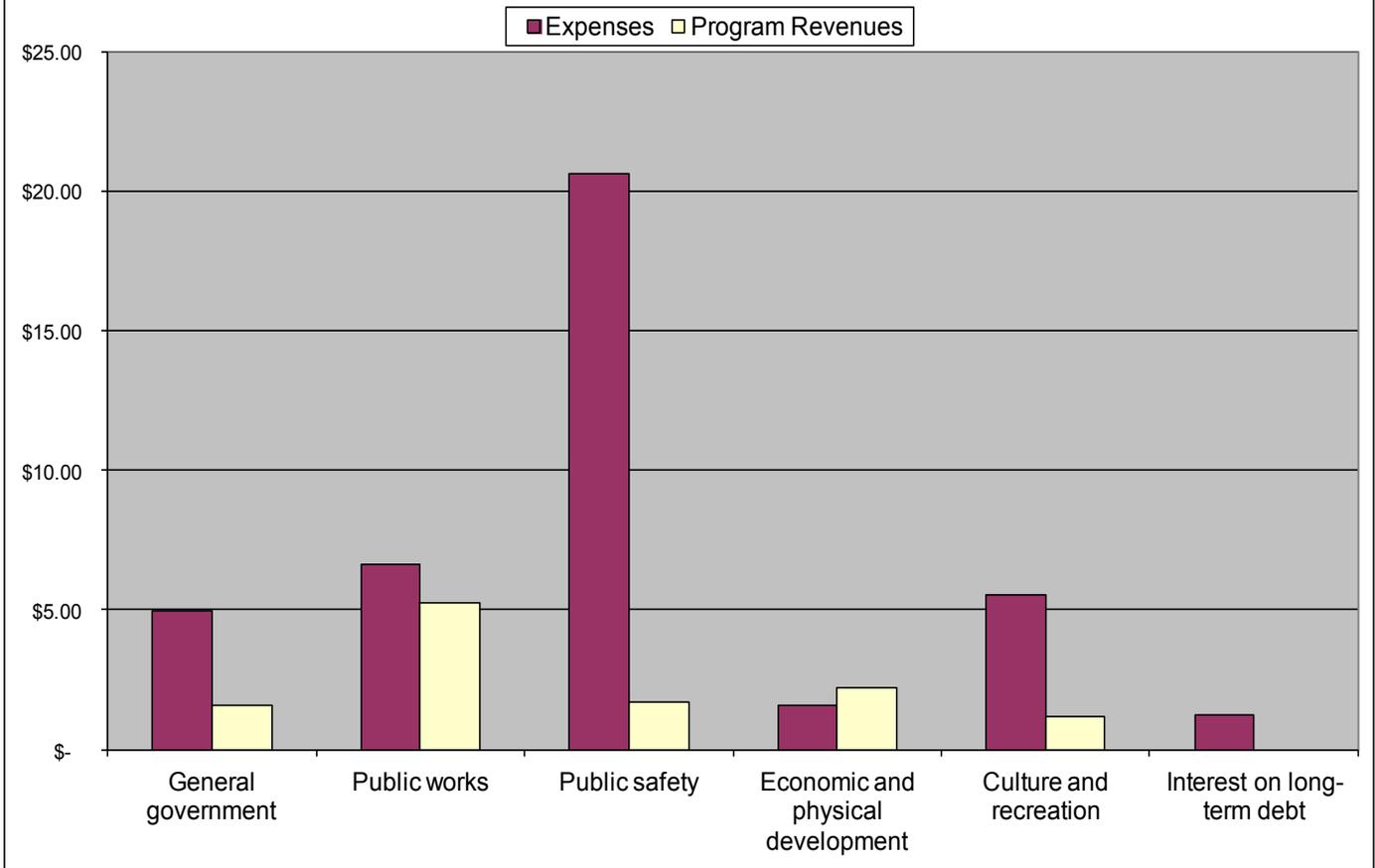
Governmental Activities



Public Safety accounts for 50.8 percent (\$20.6 M) of the total Governmental Activities expenses of \$40.55 million. Public Safety expenses increased 3.4 percent from the prior year. Within the Business-type Activities, the Water and Sewer expenses account for 76.2 percent of the \$32.1 million of total Business-type expenses.

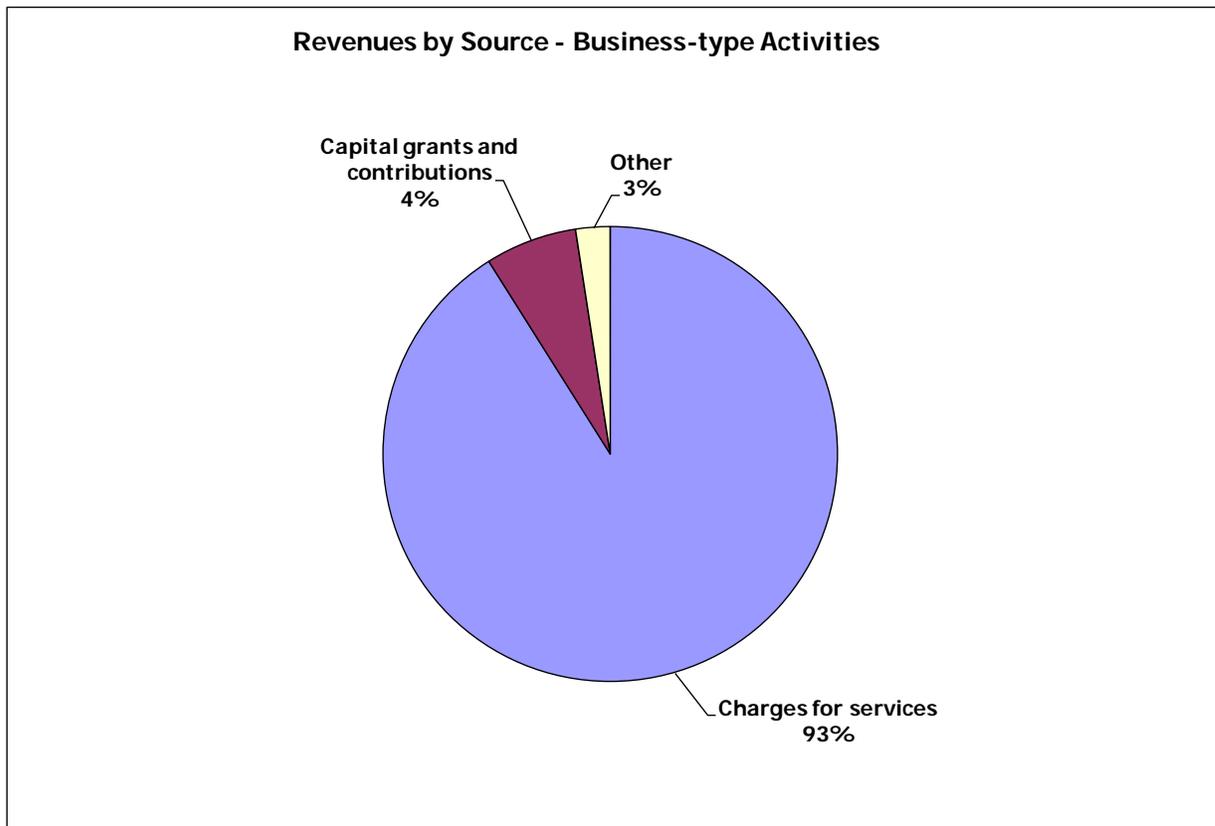
The chart on the following page highlights the net cost (total cost less fees generated by the activities and operating grants and contributions) of the City’s governmental programs – the three largest being Public Safety, Culture and Recreation and Public Works. The net cost shows the financial support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

Expenses and Program Revenues - Governmental Activities (In Millions)



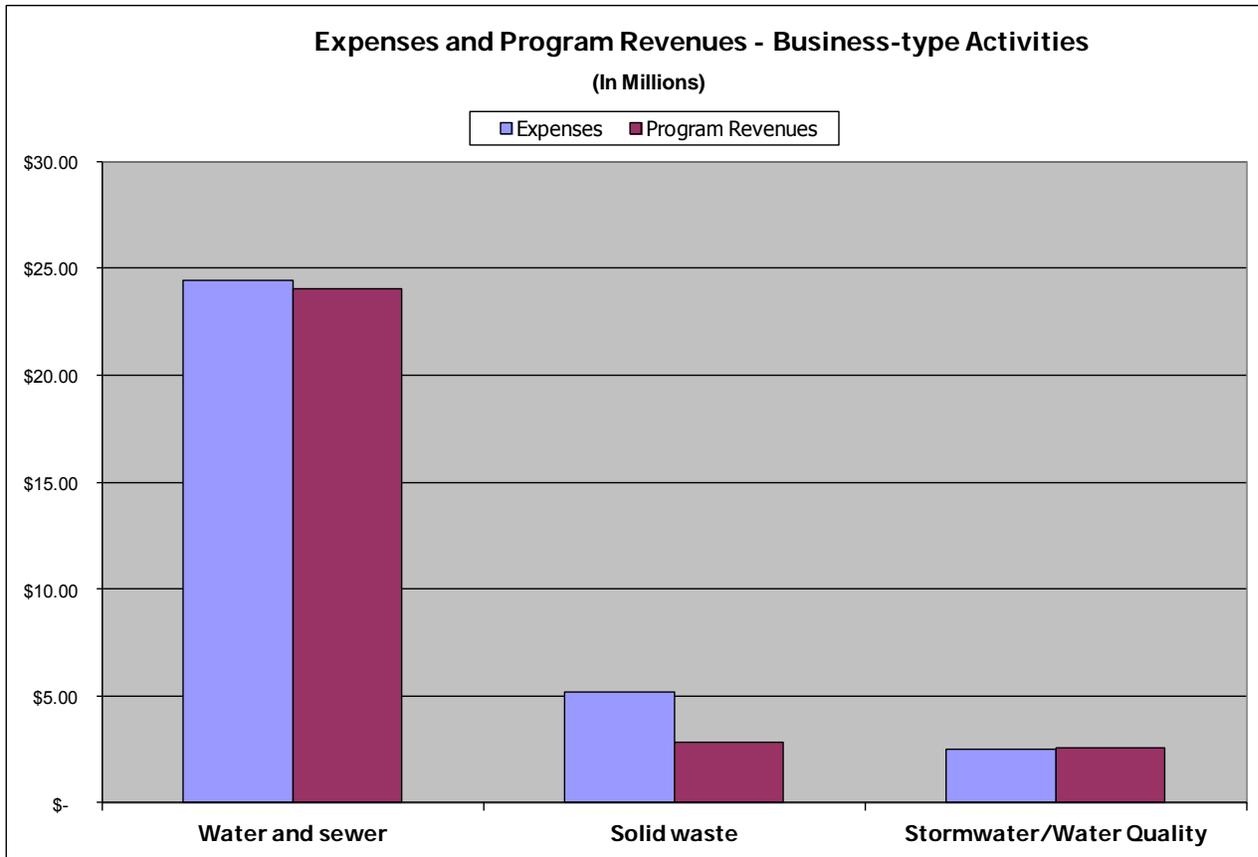
The total cost of governmental services of \$40.55 million was supported by \$1.84 million in fees, fines and charges from those who directly benefited from the programs. Another \$4.75 million was provided by other governments and organizations for specific programs. This decreased 34.3 percent due to decreases in various grants to support public safety activities, transportation grant reimbursements and a decrease in Community Development spending, which translates to smaller reimbursements, as well as decreased fees for permits and inspections.

Business-type Activities



Revenues from the business-type activities were \$31.5 million, an increase of 3.9% from the prior year. This was primarily due to an increase of \$0.8 million in capital grants and contributions.

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



Total expenses for Business-type Activities were \$32.1 million, down \$1.5 million from the prior year. The Water and Sewer Fund experienced a decrease of \$1.5 million (5.8%) due to lower expenses for interest on long-term debt.

The Solid Waste Fund ended 2013 with a decrease in net position of \$0.16 million. Revenues increased due to the implementation of a \$5 monthly fee for residential refuse collection and expenses remained fairly constant compared to the prior year. The General Fund transfer used to subsidize Solid Waste collection was decreased, leading to the decrease in the net position.

The Stormwater/Water Quality Fund had an increase in net position of \$1.3 million. Revenues increased from one year ago due to a \$1 per month increase in the fee per Equivalent Residential Unit (ERU), while the expenses stayed constant.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing

the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2013, the governmental funds reported a combined fund balance of \$55.7 million, a decrease of \$6.7 million, down 10.7 percent from last year. This amount consists of the following:

Governmental Funds Fund Balance

(a) \$0.7 million in non-spendable:	
Inventories	\$ 21,589
Compensating Balance	625,000
Prepaid items	3,736
	\$ 650,325
(b) \$33.1 million restricted for specific purpose:	
Stabilization by State Statute	\$ 6,316,745
Restricted for Streets	2,970,387
Restricted for Public Safety	2,585,128
Restricted for Capital Projects	17,205,712
Restricted for Community Development	4,032,298
	\$ 33,110,270
(c) \$17.4 million committed by City Council	
Assigned for Capital Projects	\$ 12,196,111
Assigned for Subsequent year's expenditures	5,228,768
	\$ 17,424,879
(d) \$4.5 million unassigned	
	\$ 4,465,816

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5.5 million, while total fund balance reached \$19.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to budgeted total fund expenditures for the next fiscal year. Unassigned fund balance represents 12.2 percent of fiscal year 2014 budgeted total General Fund expenditures, while total fund balance represents 43.8 percent of that same amount.

The fund balance in the General Fund increased by \$1.3 million, or 7.0 percent during the current fiscal year. The key factor in this increase is the increase in property tax collections and decreased capital outlay.

The major Capital Projects Fund has a total fund balance of \$28.5 million, which is restricted or assigned for future capital projects. The net decrease this year comes from the expenditures of funds to construct the various projects authorized and funded in the prior years.

The non-major funds have a total fund balance of \$7.4 million, all of which is restricted for specific programs and streets-related capital projects.

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

Unrestricted net position at the end of the year amount to \$33.2 million in the Water and Sewer fund, \$(0.2) million in the Solid Waste fund and \$0.9 million in the Stormwater/Water Quality fund. The changes in total net position for the funds were \$(0.1) million, \$(0.2) million and \$1.3 million, respectively. Other factors concerning the finances of these funds have previously been addressed in the discussion of the business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services. The changes in the fiscal year 2013 were insignificant in total with the largest being an amendment to authorize cash funding expenditures that had been budgeted as debt service and the purchase of a fire truck.

General Fund revenues came in under budget amounts by 2.1% while the City's total expenditures in the General fund for the year were 13.8% less than the final budget. General Fund revenues and other sources exceeded expenditures and other uses by \$1.3 million. The Appropriated Fund Balance in the final amended budget was \$3.8 million, however, as previously noted, \$1.3 million was added back, due to the diligence in spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the City had \$223.55 million (net of accumulated depreciation) in capital assets consisting primarily of buildings, improvements other than buildings, and infrastructure. This represents a net increase of \$16.4 million, or 8.0% over last year. The summary of capital assets at June 30, 2013 and 2012 is presented on the following page:

**City of Jacksonville's Capital Assets
(net of depreciation)
(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 7.61	\$ 2.00	\$ 4.44	\$ 4.17	\$ 12.05	\$ 6.17
Land Rights	3.02	2.32	2.97	2.09	5.99	4.41
Buildings	10.68	10.28	53.59	57.97	64.27	68.25
Improvements other than buildings	8.53	6.59	71.31	61.04	79.84	67.63
Equipment	1.56	1.36	0.65	0.69	2.21	2.05
Software	0.28	0.15	0.02	0.03	0.30	0.18
Heavy equipment	0.02	0.05	0.24	0.28	0.26	0.33
Vehicles	2.46	2.93	1.89	1.79	4.35	4.72
Infrastructure	30.12	27.97	4.01	3.32	34.13	31.29
Construction in progress	17.09	11.67	3.06	10.47	20.15	22.14
Total	\$ 81.37	\$ 65.32	\$ 142.18	\$ 141.85	\$ 223.55	\$ 207.17

This year's major capital asset additions included:

- Water/Sewer system capital improvements \$ 14.54 million
- Donated Streets \$ 2.74 million
- Donated Land \$ 5.37 million
- Construction in progress Water/Sewer \$ 1.72 million
- Construction in progress General \$ 8.27 million

At June 30, 2013, authorized and unexpended capital projects totaled \$55.1 million. The City plans to issue debt to finance these projects in addition to using resources currently available. The authorized and unexpended capital projects are as follows:

- Governmental \$ 34.63 million
- Water and Sewer \$17.79 million
- Stormwater \$ 2.60 million
- Internal Service (ITS) \$ 0.05 million

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

At June 30, 2013, the City had \$139.08 million of debt outstanding in installment purchases, bonds, and revolving loans to the State of North Carolina. This was a decrease of \$5.9 million, or 4.1 percent less than last year. Details by type of debt are presented on the following page.

**City of Jacksonville
Outstanding Debt
(in Millions)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Installment Purchases	\$32.66	\$ 32.66	\$ 15.42	\$ 18.38	\$ 48.08	\$ 51.04
Loans	-	-	52.97	54.50	52.97	54.50
Bonds	-	-	38.03	39.44	38.03	39.44
Total	\$32.66	\$ 32.66	\$ 106.42	\$ 112.32	\$ 139.08	\$ 144.98

New debt for 2013 resulted from installment purchases and loans for:

	<u>2013</u>
Recreation	\$ 1,147,000
Water/Sewer Improvements	922,288
Vehicles & Equipment:	
General Fund	1,692,109
Solid Waste	407,714
Water/Sewer	416,185
Stormwater	197,167
Fleet Maintenance	30,900
City Hall Maintenance	12,925
Computer Equipment	100,000
	<u>\$ 4,926,288</u>

The City's sound financial condition is evidenced by the rating issued for the Limited Obligation Bonds issued in May of 2012. This issue received ratings of A1 from Moody's and A+ from Fitch Ratings. This is a primary factor in keeping interest costs low on the City's outstanding debt.

North Carolina General Statutes limit the amount of general obligation debt that the City can issue to 8 percent of the total appraised value of taxable property. The legal debt limit for the City at June 30, 2013 was \$292.8 million. At June 30, 2013 the City's debt was \$33.5 million, which is 11.4 percent of the City's legal debt limit (see table 12).

More detailed information about the City's long-term obligations is presented in Note 9 of the financial statements. The debt margin is shown in Table 12.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The sales and use tax collections in the County during 2013 were \$46.8 million compared to \$44.5 million in 2012. The County levies an additional sales tax that is not shared with the

municipalities. When the additional tax is removed from the calculation, the County as a whole still showed considerable growth of \$2.1 million in sales tax, with the City losing \$0.1 million due to changes in the distribution method, at the end of the fiscal year.

- The June 2013 unemployment rate for Onslow County was 8.8 percent compared to 9.3 percent for the state and 7.8 percent for the nation.
- Building has slowed in the Jacksonville area which was evident in the decreased inspection fees in 2013.

The City continues a conservative attitude for budgeting in light of these uncertain times. Property taxes remain a stable revenue source for the City.

The City appropriated \$3.8 million of General Fund unassigned fund balance for spending in the 2013 fiscal year amended budget. A strong, concerted effort was made by management to limit expenditures to revenues actually received. As noted earlier, \$1.3 million was returned to the fund balance. For FY 2014, \$5.2 million has been assigned from the 2013 General Fund unassigned fund balance to balance revenues and expenditures anticipated for the budget year.

The following are highlights for the 2014 budgets:

- No increase was necessary in the Water/Sewer fees even though a Water/Sewer rate increase was anticipated in the rate study that was completed in the Fall of 2009. All other fees remained the same as well.
- The Water/Sewer fund budget was approved with no new positions, one Metering Superintendent was reclassified to a Utility Electrician.
- In the General Fund, recreation fees for after school programs were increased slightly to help offset the costs of the program.
- The budget also includes a Traffic Engineer and a Traffic Signal Technician to operate the new Intelligent Transportation System that NCDOT is currently installing. The City will be responsible for the operation of the system.
- In the Internal Service Funds two part-time employees were converted to full-time status.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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



City of Jacksonville, North Carolina
Statement of Net Position
June 30, 2013

	Primary Government			Jacksonville Tourism Development Authority
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 27,436,383	\$ 34,525,460	\$ 61,961,843	\$ 1,513,613
Restricted cash and cash equivalents	29,380,948	5,701,915	35,082,863	-
Receivables:				
Taxes (net)	1,571,597	-	1,571,597	85,173
Accrued interest on taxes (net)	363,880	-	363,880	-
Accounts receivable (net)	5,169,856	3,404,513	8,574,369	-
Notes receivable	2,538,526	-	2,538,526	-
Inventories	123,217	295,720	418,937	-
Prepaid items	79,851	1,075	80,926	7,500
Capital assets:				
Land	7,613,778	4,444,153	12,057,931	-
Land Rights	3,017,730	2,970,790	5,988,520	-
Buildings and other structures	23,374,191	113,043,636	136,417,827	-
Improvements other than buildings	12,595,366	116,577,256	129,172,622	-
Equipment	11,033,129	5,431,328	16,464,457	-
Software	1,551,874	143,144	1,695,018	-
Heavy equipment	488,483	1,133,982	1,622,465	-
Vehicles	10,259,959	5,950,036	16,209,995	-
Infrastructure	50,276,268	4,431,449	54,707,717	-
Construction in progress	17,085,650	3,062,176	20,147,826	-
Less accumulated depreciation	(55,923,343)	(115,011,346)	(170,934,689)	-
Total Assets	<u>148,037,343</u>	<u>186,105,287</u>	<u>334,142,630</u>	<u>1,606,286</u>
Liabilities				
Accounts payable and accrued liabilities	5,933,312	3,092,856	9,026,168	32,475
Customer deposits	355,785	780,439	1,136,224	-
Noncurrent liabilities:				
Due within one year	4,074,493	8,315,371	12,389,864	-
Due in more than one year	33,424,271	98,848,506	132,272,777	-
Total Liabilities	<u>43,787,861</u>	<u>111,037,172</u>	<u>154,825,033</u>	<u>32,475</u>
Deferred Inflows of Resources	<u>415,113</u>	<u>96,438</u>	<u>511,551</u>	<u>-</u>
Net Position				
Invested in capital assets, net of related debt	70,194,243	41,107,918	111,302,161	-
Restricted:				
Stabilization by State Statute	6,316,745	-	6,316,745	85,173
Public Works	1,817,454	-	1,817,454	-
Public Safety	1,019,061	-	1,019,061	-
Economic Development	2,706,752	-	2,706,752	1,290,163
Unrestricted	<u>21,780,114</u>	<u>33,863,759</u>	<u>55,643,873</u>	<u>198,475</u>
Total Net Position	<u>\$ 103,834,369</u>	<u>\$ 74,971,677</u>	<u>\$ 178,806,046</u>	<u>1,573,811</u>

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

City of Jacksonville, North Carolina
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 4,983,183	\$ 171,465	\$ 26,756	\$ 453,900
Public works	6,627,300	706,159	1,995,436	8,110,714
Public safety	20,600,507	372,576	1,426,110	-
Economic and physical development	1,583,916	-	1,142,702	-
Cultural and recreational	5,530,950	589,570	162,137	-
Interest on long-term debt	1,224,639	-	-	-
Total governmental activities	<u>40,550,495</u>	<u>1,839,770</u>	<u>4,753,141</u>	<u>8,564,614</u>
Business-type Activities:				
Water and sewer	24,437,396	22,247,424	-	1,170,215
Solid waste	5,164,869	3,537,164	-	-
Stormwater/Water Quality	2,493,130	2,885,148	-	878,017
Total business-type activities	<u>32,095,395</u>	<u>28,669,736</u>	<u>-</u>	<u>2,048,232</u>
Total primary government	<u>72,645,890</u>	<u>30,509,506</u>	<u>4,753,141</u>	<u>10,612,846</u>
Component unit:				
Jacksonville Tourism Development Authority	674,617	-	-	-
Total component unit	<u>674,617</u>	<u>-</u>	<u>-</u>	<u>-</u>

General revenues:

Taxes:

- Property taxes, levied for general purpose
- Other taxes:
 - Sales tax
 - E-911 surcharge
 - Utility Franchise tax
 - Beer and Wine tax
 - Gross receipts tax on short term vehicle leases
 - Occupancy Tax
- Unrestricted investment earnings
- Miscellaneous
- Total general revenues

Transfers:

- Total general revenues and transfers
- Change in net position

Net Position:

- Beginning of year, July 1, as previously reported
- Restatement for accounting change
- Beginning of year, July 1, as restated
- End of year, June 30

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

Net (Expense) Revenue and Changes in Net Position			Jacksonville Tourism Development Authority
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (4,331,062)	\$ -	\$ (4,331,062)	\$ -
4,185,009	-	4,185,009	-
(18,801,821)	-	(18,801,821)	-
(441,214)	-	(441,214)	-
(4,779,243)	-	(4,779,243)	-
(1,224,639)	-	(1,224,639)	-
<u>(25,392,970)</u>	<u>-</u>	<u>(25,392,970)</u>	<u>-</u>
-	(1,019,757)	(1,019,757)	-
-	(1,627,705)	(1,627,705)	-
-	1,270,035	1,270,035	-
-	<u>(1,377,427)</u>	<u>(1,377,427)</u>	<u>-</u>
<u>(25,392,970)</u>	<u>(1,377,427)</u>	<u>(26,770,397)</u>	<u>-</u>
-	-	-	(674,617)
-	-	-	<u>(674,617)</u>
19,766,554	-	19,766,554	-
11,492,666	-	11,492,666	-
333,471	-	333,471	-
2,806,225	-	2,806,225	-
376,544	-	376,544	-
174,815	-	174,815	-
-	-	-	936,652
81,204	57,069	138,273	1,460
1,224,987	718,920	1,943,907	-
<u>36,256,466</u>	<u>775,989</u>	<u>37,032,455</u>	<u>938,112</u>
<u>(1,658,449)</u>	<u>1,658,449</u>	<u>-</u>	<u>-</u>
<u>34,598,017</u>	<u>2,434,438</u>	<u>37,032,455</u>	<u>938,112</u>
9,205,047	1,057,011	10,262,058	263,495
94,909,471	73,962,004	168,871,475	1,310,316
(280,149)	(47,338)	(327,487)	-
94,629,322	73,914,666	168,543,988	1,310,316
<u>\$ 103,834,369</u>	<u>\$ 74,971,677</u>	<u>\$ 178,806,046</u>	<u>\$ 1,573,811</u>

City of Jacksonville, North Carolina
Balance Sheet - Governmental Funds
 June 30, 2013

	<u>Major</u>		<u>Total Non-Major Funds</u>	<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>		
Assets				
Cash and cash equivalents	\$ 14,548,849	\$ 7,869,383	\$ 2,073,642	\$ 24,491,874
Restricted cash and cash equivalents	3,075,954	23,050,976	3,250,827	29,377,757
Taxes receivable (net)	1,571,597	-	-	1,571,597
Accounts receivable (net)	4,329,987	2,120	793,325	5,125,432
Interfund receivable	375,793	-	-	375,793
Inventories	21,589	-	-	21,589
Prepaid items	3,736	-	-	3,736
Notes receivable	-	-	2,538,526	2,538,526
Total assets	\$ 23,927,505	\$ 30,922,479	\$ 8,656,320	\$ 63,506,304
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,731,944	\$ 2,385,285	\$ 924,672	\$ 5,041,901
Interfund payable	-	-	375,793	375,793
Customer deposits	355,785	-	-	355,785
Total liabilities	2,087,729	2,385,285	1,300,465	5,773,479
Deferred inflows of resources	2,081,535	-	-	2,081,535
Fund balances:				
Non Spendable:				
Inventories	21,589	-	-	21,589
Compensating Balance	625,000	-	-	625,000
Prepaid items	3,736	-	-	3,736
Restricted:				
Stabilization by State Statute	6,314,625	2,120	-	6,316,745
Streets	981,933	-	1,988,454	2,970,387
Public Safety	1,112,514	-	1,472,614	2,585,128
Community Development	-	-	4,032,298	4,032,298
Capital Projects	-	16,338,963	866,749	17,205,712
Assigned:				
Capital Projects	-	12,196,111	-	12,196,111
Subsequent year's expenditures	5,228,768	-	-	5,228,768
Unassigned:	5,470,076	-	(1,004,260)	4,465,816
Total fund balances	19,758,241	28,537,194	7,355,855	55,651,290
Total liabilities, deferred inflows of resources and fund balances	\$ 23,927,505	\$ 30,922,479	\$ 8,656,320	\$ 63,506,304

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

Continued on next page.

City of Jacksonville, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2013

Total fund balances for governmental funds	\$ 55,651,290
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	81,373,085
Adjustment for assets attributable to internal service funds	(642,877)
Other long-term assets are not available to pay for current-period expenditures and therefore are:	
Deferred Inflows of Resources	1,666,422
Accrued interest on Property Taxes - Statement of Net Assets	363,880
Internal service funds are used to charge the costs of Technology, Insurance, Janitorial and Fleet Maintenance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	2,909,436
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(37,498,764)
Adjustment for internal service funds installment purchases and compensated absences	300,414
Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore not reported in the funds	<u>(288,517)</u>
Total net position of governmental activities	<u><u>\$ 103,834,369</u></u>

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

City of Jacksonville, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Major		Total Non-Major Funds	Total
	General	Capital Projects		
Revenues:				
Ad valorem taxes	\$ 19,761,590	\$ -	\$ -	\$ 19,761,590
Other taxes and licenses	12,433,023	-	-	12,433,023
Unrestricted intergovernmental revenues	3,185,171	-	-	3,185,171
Restricted intergovernmental revenues	2,163,023	300,000	2,312,281	4,775,304
Permits and fees	748,323	-	-	748,323
Sales and services	727,358	-	-	727,358
Investment earnings	69,271	1,181	3,243	73,695
Miscellaneous	439,611	781,306	302,818	1,523,735
Total revenues	<u>39,527,370</u>	<u>1,082,487</u>	<u>2,618,342</u>	<u>43,228,199</u>
Expenditures:				
Current:				
General Government	4,472,772	1,141,883	-	5,614,655
Public Works	4,488,025	(227)	-	4,487,798
Public Safety	18,004,134	7,913,435	1,536,738	27,454,307
Cultural and Recreational	4,338,888	1,287,866	85,335	5,712,089
Economic and Physical Development	-	-	1,285,886	1,285,886
Capital outlay	1,118,144	-	1,583,979	2,702,123
Debt service:				
Principal retirement	2,858,417	-	-	2,858,417
Interest and fees	1,120,423	-	-	1,120,423
Total expenditures	<u>36,400,803</u>	<u>10,342,957</u>	<u>4,491,938</u>	<u>51,235,698</u>
Revenues over (under) expenditures	<u>3,126,567</u>	<u>(9,260,470)</u>	<u>(1,873,596)</u>	<u>(8,007,499)</u>
Other financing sources (uses):				
Debt issued	1,692,109	1,147,000	-	2,839,109
Sales of capital assets	88,536	-	-	88,536
Transfers in	1,262,594	1,889,946	4,417,699	7,570,239
Transfers (out)	<u>(4,906,728)</u>	<u>(1,687,773)</u>	<u>(2,614,202)</u>	<u>(9,208,703)</u>
Total other financing sources (uses)	<u>(1,863,489)</u>	<u>1,349,173</u>	<u>1,803,497</u>	<u>1,289,181</u>
Net change in fund balances	1,263,078	(7,911,297)	(70,099)	(6,718,318)
Fund balances:				
Beginning of year, July 1	<u>18,495,163</u>	<u>36,448,491</u>	<u>7,425,954</u>	<u>62,369,608</u>
End of year, June 30	<u>\$ 19,758,241</u>	<u>\$ 28,537,194</u>	<u>\$ 7,355,855</u>	<u>\$ 55,651,290</u>

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

Continued on next page.

City of Jacksonville, North Carolina
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ (6,718,318)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Increase in donated Capital Assets	8,110,714
Increase in purchased Capital Assets net of decrease in construction in progress	13,472,172
Adjustment for increases attributable to Internal Service Funds	(486,835)
Depreciation Expense	(5,520,048)
Adjustment for expense attributable to Internal Service Funds	389,736

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

Gain on the Sale of Capital Assets	71,074
Proceeds from the Sale of Capital Assets	(88,536)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

(Decrease) in Beer & Wine Tax	(8,467)
(Decrease) in Deferred Property Tax Revenue	(20,347)
Increase in Accrued Interest on Taxes	25,311
Increase in Investment Interest	7,510

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

Accrued Interest on Long-Term Debt	(163,437)
Additions to Long-Term Liabilities	(4,075,109)
Adjustment for additions attributable to Internal Service Funds	199,469
Retirements of Long-Term Liabilities	4,140,618
Adjustment for retirements attributable to Internal Service Funds	(178,043)

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

47,583

Changes in net position of governmental activities \$ 9,205,047

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

City of Jacksonville, North Carolina
General Fund Annually Budgeted Major Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<u>Budget - Original</u>	<u>Budget - Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 19,980,750	\$ 19,980,750	\$ 19,761,590	\$ (219,160)
Other taxes and licenses	12,667,336	12,648,336	12,433,023	(215,313)
Unrestricted intergovernmental revenues	3,430,989	3,430,989	3,185,171	(245,818)
Restricted intergovernmental revenues	2,285,940	2,328,386	2,163,023	(165,363)
Permits and fees	886,200	886,200	748,323	(137,877)
Sales and services	710,913	743,413	727,358	(16,055)
Investment earnings	39,143	39,143	69,271	30,128
Miscellaneous	198,223	309,931	439,611	129,680
Total revenues	<u>40,199,494</u>	<u>40,367,148</u>	<u>39,527,370</u>	<u>(839,778)</u>
Expenditures:				
Current:				
General Government	4,903,142	5,911,102	4,485,957	1,425,145
Public Works	5,596,379	5,734,937	4,677,832	1,057,105
Public Safety	20,306,116	20,913,326	18,810,339	2,102,987
Cultural and Recreational	4,718,858	4,752,225	4,447,835	304,390
Debt service:				
Principal retirement	3,841,414	3,599,100	2,858,417	740,683
Interest and fees	1,362,042	1,295,219	1,120,423	174,796
Total expenditures	<u>40,727,951</u>	<u>42,205,909</u>	<u>36,400,803</u>	<u>5,805,106</u>
Revenues over (under) expenditures	<u>(528,457)</u>	<u>(1,838,761)</u>	<u>3,126,567</u>	<u>4,965,328</u>
Other financing sources (uses):				
Debt issued	1,292,968	1,922,277	1,692,109	(230,168)
Appropriated fund balance	3,001,727	3,763,088	-	(3,763,088)
Sales of general capital assets	45,000	45,000	88,536	43,536
Transfers in	1,291,503	1,635,061	1,262,594	(372,467)
Transfers (out)	(5,102,741)	(5,526,665)	(4,906,728)	619,937
Total other financing sources (uses)	<u>528,457</u>	<u>1,838,761</u>	<u>(1,863,489)</u>	<u>(3,702,250)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,263,078</u>	<u>\$ 1,263,078</u>
Fund balances:				
Beginning of year, July 1			<u>18,495,163</u>	
End of year, June 30			<u>\$ 19,758,241</u>	

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

City of Jacksonville, North Carolina
Proprietary Funds
Statement of Net Position
June 30, 2013

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund		
Assets					
Current Assets:					
Cash and cash equivalents	\$ 33,558,772	\$ 96,000	\$ 870,688	\$ 34,525,460	\$ 2,944,509
Accounts receivable (net)	2,913,153	298,422	192,938	3,404,513	44,424
Inventories	295,720	-	-	295,720	101,628
Prepaid items	1,075	-	-	1,075	76,115
Total Current Assets	36,768,720	394,422	1,063,626	38,226,768	3,166,676
Noncurrent Assets:					
Restricted cash and cash equivalents	5,110,014	245,167	346,734	5,701,915	3,191
Land and other non-depreciable assets	7,506,329	-	2,970,790	10,477,119	-
Other capital assets, net of depreciation	126,236,695	916,011	4,546,779	131,699,485	642,877
Total Noncurrent Assets	138,853,038	1,161,178	7,864,303	147,878,519	646,068
Total Assets	175,621,758	1,555,600	8,927,929	186,105,287	3,812,744
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities	2,455,261	500,991	136,604	3,092,856	602,894
Compensated absences payable - current	133,929	48,723	33,976	216,628	-
Installment purchases payable - current	3,193,607	237,337	485,002	3,915,946	109,994
Loans payable - current	2,447,786	-	-	2,447,786	-
Bonds payable - current	1,654,827	-	-	1,654,827	-
Total Current Liabilities	9,885,410	787,051	655,582	11,328,043	712,888
Noncurrent Liabilities:					
Compensated absences payable - noncurrent	62,008	42,113	17,808	121,929	98,709
Customer deposits	780,439	-	-	780,439	-
Other postemployment benefits	29,622	25,098	-	54,720	-
Installment purchases payable - noncurrent	7,882,350	551,818	3,068,690	11,502,858	91,711
Loans payable - noncurrent	50,522,655	-	-	50,522,655	-
Bonds payable - noncurrent	36,726,528	-	-	36,726,528	-
Total Noncurrent Liabilities	96,003,602	619,029	3,086,498	99,709,129	190,420
Total Liabilities	105,889,012	1,406,080	3,742,080	111,037,172	903,308
Total Deferred Inflows of Resources	96,438	-	-	96,438	-
Net Position					
Invested in capital assets, net of related debt	36,425,284	372,023	4,310,611	41,107,918	444,363
Unrestricted	33,211,024	(222,503)	875,238	33,863,759	2,465,073
Total Net Position	\$ 69,636,308	\$ 149,520	\$ 5,185,849	\$ 74,971,677	\$ 2,909,436

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

City of Jacksonville, North Carolina
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2013

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund		
Operating revenues:					
Charges for services	\$ 22,247,424	\$ 3,537,164	\$ 2,885,148	\$ 28,669,736	\$ 9,213,346
Other operating revenue	-	-	-	-	1,394,943
Total operating revenues	<u>22,247,424</u>	<u>3,537,164</u>	<u>2,885,148</u>	<u>28,669,736</u>	<u>10,608,289</u>
Operating expenses:					
Solid Waste Fund	-	4,807,238	-	4,807,238	-
Stormwater/Water Quality	-	-	1,993,060	1,993,060	-
Water/Sewer Operations	6,969,586	-	-	6,969,586	-
Water Supply	1,953,922	-	-	1,953,922	-
Wastewater Treatment	2,204,625	-	-	2,204,625	-
Non-capitalized expenses - projects	265,050	-	-	265,050	-
Fleet Maintenance Operations	-	-	-	-	2,539,143
City Hall Maintenance Operations	-	-	-	-	229,439
Information Technology Services	-	-	-	-	2,275,684
Video/Media Services	-	-	-	-	456,773
Self Insurance	-	-	-	-	4,662,285
Depreciation	10,034,792	346,713	378,195	10,759,700	389,736
Total operating expenses	<u>21,427,975</u>	<u>5,153,951</u>	<u>2,371,255</u>	<u>28,953,181</u>	<u>10,553,060</u>
Operating income (loss)	<u>819,449</u>	<u>(1,616,787)</u>	<u>513,893</u>	<u>(283,445)</u>	<u>55,229</u>
Nonoperating revenues (expenses):					
Investment earnings	55,423	290	1,356	57,069	1,841
Gain on sale of capital assets	(24,559)	-	11,260	(13,299)	13,258
Restricted revenue	-	45,786	-	45,786	-
Tax rebate - Build America Bond interest	-	-	39,230	39,230	-
Miscellaneous revenue	646,493	230	480	647,203	-
Interest and other charges	(3,009,421)	(10,918)	(121,875)	(3,142,214)	(2,760)
Total nonoperating revenues (expenses)	<u>(2,332,064)</u>	<u>35,388</u>	<u>(69,549)</u>	<u>(2,366,225)</u>	<u>12,339</u>
Income (loss) before capital contributions and transfers	<u>(1,512,615)</u>	<u>(1,581,399)</u>	<u>444,344</u>	<u>(2,649,670)</u>	<u>67,568</u>
Capital contributions:					
ONWASA contribution	37,272	-	-	37,272	-
State Revolving Fund-ARRA Forgiveness loan	75,000	-	-	75,000	-
NC Department of Commerce	125,000	-	-	125,000	-
Developer contributions	932,943	-	878,017	1,810,960	-
Total capital contributions	<u>1,170,215</u>	<u>-</u>	<u>878,017</u>	<u>2,048,232</u>	<u>-</u>
Income (loss) before transfers	<u>(342,400)</u>	<u>(1,581,399)</u>	<u>1,322,361</u>	<u>(601,438)</u>	<u>67,568</u>
Transfers:					
Transfers in	338,886	1,419,938	-	1,758,824	-
Transfers (out)	(100,375)	-	-	(100,375)	(19,985)
Total transfers	<u>238,511</u>	<u>1,419,938</u>	<u>-</u>	<u>1,658,449</u>	<u>(19,985)</u>
Change in Net Position	<u>(103,889)</u>	<u>(161,461)</u>	<u>1,322,361</u>	<u>1,057,011</u>	<u>47,583</u>
Net Position:					
Beginning of year, July 1, as previously reported	69,787,535	310,981	3,863,488	73,962,004	2,861,853
Restatement for accounting change	(47,338)	-	-	(47,338)	-
Beginning of year, July 1, as restated	<u>69,740,197</u>	<u>310,981</u>	<u>3,863,488</u>	<u>73,914,666</u>	<u>2,861,853</u>
End of year, June 30	<u>\$ 69,636,308</u>	<u>\$ 149,520</u>	<u>\$ 5,185,849</u>	<u>\$ 74,971,677</u>	<u>\$ 2,909,436</u>

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

City of Jacksonville, North Carolina
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2013

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund		
Cash flows from operating activities:					
Cash received from customers	\$ 21,986,537	\$ 3,470,839	\$ 2,855,152	\$ 28,312,528	\$ -
Cash receipts from interfund services provided (used)	-	-	-	-	10,564,535
Cash payments for interfund services provided (used)	-	-	-	-	(10,183,476)
Cash paid for goods and services	(5,237,739)	(2,711,026)	(884,144)	(8,832,909)	-
Cash paid to employees	(5,821,789)	(1,842,189)	(1,433,512)	(9,097,490)	-
Customer deposits	(171,318)	-	-	(171,318)	-
Net cash provided by (used in) operating activities	<u>10,755,691</u>	<u>(1,082,376)</u>	<u>537,496</u>	<u>10,210,811</u>	<u>381,059</u>
Cash flows from noncapital financing activities:					
Transfers in	338,886	1,419,938	-	1,758,824	-
Transfers (out)	(100,375)	-	-	(100,375)	(19,985)
Miscellaneous revenue	646,493	230	480	647,203	-
Restricted Intergovernmental	-	45,786	-	45,786	-
Net cash provided by (used in) noncapital related financing activities	<u>885,004</u>	<u>1,465,954</u>	<u>480</u>	<u>2,351,438</u>	<u>(19,985)</u>
Cash flows from capital and related financing activities:					
Capital Contributions	339,992	-	-	339,992	-
Debt issued	1,338,473	407,714	197,167	1,943,354	143,825
Principal paid on long-term debt	(7,064,630)	(276,409)	(501,407)	(7,842,446)	(124,997)
Interest paid on long-term debt	(3,059,619)	(10,918)	(121,875)	(3,192,412)	(2,760)
Tax rebate - Build America Bond interest	-	-	39,230	39,230	-
Acquisition and construction of capital assets	(7,927,915)	(404,713)	(1,096,832)	(9,429,460)	(486,835)
Proceeds from sale of capital assets	25,282	-	11,260	36,542	9,858
Net cash (used in) capital and related financing activities	<u>(16,348,417)</u>	<u>(284,326)</u>	<u>(1,472,457)</u>	<u>(18,105,200)</u>	<u>(460,909)</u>
Cash flows from investing activities:					
Investment earnings	55,423	290	1,356	57,069	1,841
Net cash provided by investing activities	<u>55,423</u>	<u>290</u>	<u>1,356</u>	<u>57,069</u>	<u>1,841</u>
Net increase (decrease) in cash and cash equivalents	(4,652,299)	99,542	(933,125)	(5,485,882)	(97,994)
Cash and cash equivalents, July 1	43,321,085	241,625	2,150,547	45,713,257	3,045,694
Cash and cash equivalents, June 30	<u>\$ 38,668,786</u>	<u>\$ 341,167</u>	<u>\$ 1,217,422</u>	<u>\$ 40,227,375</u>	<u>\$ 2,947,700</u>

Reconciliation to Exhibit F	Enterprise Funds	Internal Service Funds
Cash and cash equivalents	\$ 34,525,460	\$ 2,944,509
Restricted cash and cash equivalents	5,701,915	3,191
	<u>\$ 40,227,375</u>	<u>\$ 2,947,700</u>

Continued on next page.

City of Jacksonville, North Carolina
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2013

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ 819,449	\$ (1,616,787)	\$ 513,893	\$ (283,445)	\$ 55,229
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	10,034,792	346,713	378,195	10,759,700	389,736
Bad debt expense	36,820	3,056	15,551	55,427	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(249,384)	(66,325)	(29,996)	(345,705)	(43,754)
(Increase) decrease in inventories	4,012	-	-	4,012	(21,685)
(Increase) decrease in prepaid items	(215)	-	-	(215)	1,898
Increase (decrease) in accounts payable and accrued liabilities	304,380	250,045	(338,634)	215,791	(2,962)
Increase (decrease) in accrued compensated absences	(11,341)	922	(1,513)	(11,932)	2,597
Increase (decrease) in unearned revenues	(11,504)	-	-	(11,504)	-
Increase (decrease) in customer deposits	(171,318)	-	-	(171,318)	-
Total adjustments	9,936,242	534,411	23,603	10,494,256	325,830
Net cash provided by (used in) operating activities	<u>\$ 10,755,691</u>	<u>\$ (1,082,376)</u>	<u>\$ 537,496</u>	<u>\$ 10,210,811</u>	<u>\$ 381,059</u>
Noncash investing, capital, and financing activities:					
Trade-in allowance for used equipment	-	-	-	-	3,400
Capital assets contributed by developers	830,223	-	878,017	1,708,240	-
	<u>\$ 830,223</u>	<u>\$ -</u>	<u>\$ 878,017</u>	<u>\$ 1,708,240</u>	<u>\$ 3,400</u>

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

City of Jacksonville, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
 June 30, 2013

	Special Separation Allowance Pension Trust Fund
Assets	
Cash	\$ 289,854
Total Assets	289,854
Liabilities	
Accounts payable	10,532
Total Liabilities	10,532
Net Position	
Restricted - held in trust for pension benefits	279,322
Total Net Position	\$ 279,322

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

City of Jacksonville, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2013

	Special Separation Allowance Pension Trust Fund
Additions:	
Employer contributions	\$ 266,476
Interest	416
Total additions	266,892
 Deductions:	
Benefits	291,380
Total deductions	291,380
Net decrease	(24,488)
 Net position	
Restricted - held in trust for pension benefit:	
Beginning of year	303,810
End of year	\$ 279,322

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, 2013

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Jacksonville Tourism Development Authority

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

B. Basis of Presentation

Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the proprietary functions and various other functions of the government. Governmental activities, which normally are supported by taxes, intergovernmental revenue and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

Separate Fund Financial Statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the Fund Financial Statements. All remaining governmental funds are aggregated and reported as non-major funds.

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

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

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

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

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or fiduciary funds). The City has 33 Capital Projects within the Major Capital Projects Fund: City Hall Expansion, NC24 Culvert Trail, Marine Corps Museum, Wilson Bay Initiative, Vietnam Veterans Memorial, Youth Center, Fire Training Facility, Country Club Park, Sturgeon City Boardwalk III, Police/Fire Facility, Firing Range Improvements, Buddy Phillips Bridge Improvements, Relocation of Northwoods Fire Station. Sturgeon City Boardwalk IV, Northeast Creek Ramp and Boardwalk, Jack Amyette Center Renovations, Freedom Fountain, Richard Ray Park Garden Improvements, Wooten Park, JTDA – Museum of the Marine, New Bridge Streetscape, Jacksonville Commons Phase III, Richard Ray Park Phase II, City Hall Envelope, Sturgeon City Education Center, Jacksonville Landing Park, Jack Amyette Phase II, LP Willingham Splash Pad, Riverwalk Park Restrooms, Phillips Park, Phillips Park Seawall, Labyrinth Garden, and Riverwalk Parking Lot.

Proprietary Funds include the following major funds:

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

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

Stormwater Fund – The Stormwater fund accounts for funds used in the construction of facilities to manage stormwater runoff and maintain stormwater drainage ditches. The Stormwater Capital

Project fund is consolidated with the Stormwater Fund (the operating fund) for financial reporting purposes.

Additionally, the government reports the following fund types:

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

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 fund:

Pension Trust Fund - Fiduciary fund types are custodial in nature and do not involve measurement of the City's operations. The City has a Pension Trust Fund, the Special Separation Allowance Fund, which accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

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

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

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

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

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

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

Ad valorem property tax receivable is not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. 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, including the City of Jacksonville. 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 in Onslow County from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

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

Grant revenues which are unearned at year-end are recorded as deferred inflows of resources. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs in accordance with grant guidelines which vary by funding source, followed by categorical block grants, and then general revenues.

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

D. Budgetary Data

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

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

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

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

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

E. Deposits and Investments

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

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

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 and term 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 proprietary funds amounts in the pool are essentially demand deposits and thus considered cash and cash equivalents. The Authority considers highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

G. Restricted Assets

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

Also included in restricted assets are a Certificate of Deposit held, as a compensating balance, by our primary banking institution and sureties held for developers who have not completed infrastructure improvements in subdivisions that are under construction. In addition there are restricted grant funds included.

The detail of these balances is as follows:

Governmental Activities:	
Powell Bill	\$ 2,778,520
E-911 Revenue	714,302
Drug Enforcement Assets	261,551
Unexpended Debt Proceeds	24,166,680
Compensating Balance	625,000
Customer Deposits	355,785
Other Restricted Grants	457,520
Other	21,590
	<u>\$ 29,380,948</u>

Business-Type Activities:	
Unexpended Debt Proceeds	<u>\$ 5,701,915</u>

H. Ad Valorem Taxes Receivable and Deferred Inflows

In accordance with State law [G.S. 105-347 and 159-13(a)], the City levies ad valorem taxes, except for ad valorem taxes on certain vehicles, on July 1, the beginning of the fiscal year. These taxes are due on September 1, the lien date; however, no interest or penalties are assessed until the following January 6. The current year’s tax levy is based on the assessed values as of January 1, 2012.

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

I. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. 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 (first in, first out), which approximates market. 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 Governmental Funds Balance Sheet is offset by a non-spendable fund balance that indicates it does not constitute a resource available for appropriation even though it is a component of net current assets.

The inventory of the Enterprise Funds and Internal Service Funds are valued at the lower of cost, using the first-in, first-out method, or market. The inventory consists of materials and supplies held for subsequent use. The cost is recorded as an expense when the inventory is consumed, rather than when purchased.

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

K. Capital Assets

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, traffic signals, and similar items), and intangibles (e.g., software and land rights), are reported in the applicable governmental or business-type activities columns in the Government-wide Financial Statements and in the proprietary fund types in the Fund Financial Statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (\$100,000 for infrastructure, land rights and easements) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Buildings and Other Structures	10 to 40 years
Improvements Other Than Buildings	10 to 40 years
Equipment	3 to 10 years
Software	3 years
Heavy Equipment	5 to 10 years
Vehicles	2 to 10 years
Infrastructure	10 to 40 years

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents and acquisition of net position that applies to a future period and so will not be recognized as a revenue until then. Details of the City’s Deferred Inflows can be found in Note 11.

M. Interfund Receivables and Payables

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

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

M. Interfund Transfers

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Transfers (out)" in the General Fund and "Transfers in" in the receiving fund in the Fund Financial Statements.

N. Long-Term Obligations

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

Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

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. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The 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. Net Position/Fund Balances

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

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

The Governmental Funds classify fund balances as follows:

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

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

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

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

Restricted for Stabilization by State Statute - portion of fund balance, in addition to reserves for encumbrances, which is not available for appropriation under State Statute [F.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred inflows.

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

Restricted for Capital Projects – portion of fund balance that is restricted by third party contractual arrangements and encumbrances for the construction of specific assets of the City.

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

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

Committed Fund Balance – the committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Assigned for Capital Projects – portion of fund balance committed by the City Council for the construction of specific assets held in the capital project funds and capital reserve fund.

Assigned for Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget, not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation in certain circumstances.

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

The City of Jacksonville has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City. The City has not adopted a minimum fund balance policy.

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. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly collateralized.

At June 30, 2013, the City's deposits had a book balance of \$23,965,911, which includes a \$625,000 compensating balance, while the bank balance was \$24,066,243. Of the bank balance, \$1,750,000 was covered by federal depository insurance, and \$22,566,243 in interest-bearing deposits was covered by collateral held under the Pooling Method (State Treasurer). The carrying amount of deposits for the Tourism and Development Authority was \$1,513,613 and the bank balance was \$1,513,613. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,263,613 was covered by collateral held under the Pooling Method (State Treasurer). At June 30, 2013, the City's petty cash fund totaled \$7,699.

Investments

At June 30, 2013, the City had the following investments and maturities:

Investment Type	Carrying		
	Value	Fair Value	1-3 Years
US Government Agencies	\$ 3,005,940	\$ 3,005,940	\$3,005,940
NCCMT- Cash Portfolio	41,764,065	41,764,065	N/A
NCCMT- Term Portfolio	5,014,902	5,014,902	N/A
Other Investments - Loan proceeds held in escrow - NCCMT	23,576,043	23,576,043	N/A
Total	<u>\$ 73,360,950</u>	<u>\$73,360,950</u>	<u>\$3,005,940</u>

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

Credit Risk. The City's investment policy follows State law (North Carolina General Statute 159-30) for allowable investment types. The City's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2013. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The investments in Federal Home Loan Banks, and the Federal Home Loan Mortgage Corporation are rated AA+ by Standard and Poor's.

Concentration of Credit Risk. The City's investment policy limits that, with the exception of US Treasuries and the NC Capital Management Trust, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. This year at June 30, the City's investments are made up of 4% US agencies and 96% with the North Carolina Capital Management Trust.

Note 3. Receivables

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

Activities	Gross Receivables	Allowance	Net Receivables
Governmental			
General			
Taxes receivable	\$ 2,055,719	\$ 484,122	\$ 1,571,597
Accrued interest on taxes	727,760	363,880	363,880
Accounts receivable	5,531,603	1,201,616	4,329,987
Special Revenue	793,325	-	793,325
Major Capital Projects	2,120	-	2,120
Internal Service Fund	44,424	-	44,424
Total Governmental Activities	9,154,951	2,049,618	7,105,333
Business-Type			
Water/Sewer	3,263,256	350,103	2,913,153
Solid Waste	314,574	16,152	298,422
Stormwater	233,971	41,033	192,938
Total Business-Type Activities	3,811,801	407,288	3,404,513
Discretely Presented			
Component Unit	85,173	-	85,173
Total Discrete Units	85,173	-	85,173
	\$ 13,051,925	\$ 2,456,906	\$ 10,595,019

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

Notes receivable as of June 30, 2013, of \$2,538,526 consists of low interest or interest free loans to homeowners and others. These loans range in term from a five-year term to a thirty-year term with various loans being deferred, forgiven or repaid. These loans were originally funded by Federal Grants.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

Primary Government

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,003,182	\$ 5,610,596	\$ -	\$ 7,613,778
Land Rights	2,321,989	695,741	-	3,017,730
Construction in progress	11,665,699	8,270,807	(2,850,856)	17,085,650
Total capital assets not being depreciated	<u>15,990,870</u>	<u>14,577,144</u>	<u>(2,850,856)</u>	<u>27,717,158</u>
Capital assets being depreciated:				
Buildings	22,065,312	1,308,879	-	23,374,191
Improvements other than buildings	10,089,381	2,505,985	-	12,595,366
Equipment	10,108,527	941,222	(16,620)	11,033,129
Software	1,313,687	238,187	-	1,551,874
Heavy equipment	488,483	-	-	488,483
Vehicles	10,016,527	619,543	(376,111)	10,259,959
Infrastructure	46,030,086	4,246,182	-	50,276,268
Total capital assets being depreciated	<u>100,112,003</u>	<u>9,859,998</u>	<u>(392,731)</u>	<u>109,579,270</u>
Less accumulated depreciation for:				
Buildings	(11,786,085)	(910,689)	-	(12,696,774)
Improvements other than buildings	(3,497,544)	(564,156)	-	(4,061,700)
Equipment	(8,747,692)	(732,433)	15,915	(9,464,210)
Software	(1,163,276)	(113,095)	-	(1,276,371)
Heavy equipment	(436,354)	(34,754)	-	(471,108)
Vehicles	(7,089,878)	(1,068,697)	359,354	(7,799,221)
Infrastructure	(18,057,735)	(2,096,224)	-	(20,153,959)
Total accumulated depreciation	<u>(50,778,564)</u>	<u>(5,520,048)</u>	<u>375,269</u>	<u>(55,923,343)</u>
Total capital assets being depreciated, net	<u>49,333,439</u>			<u>53,655,927</u>
Governmental activity capital assets, net	<u>\$ 65,324,309</u>			<u>\$ 81,373,085</u>

Reconciliation of Governmental Activities Increases:

Total capital assets not being depreciated	\$ 14,577,144
Total capital assets being depreciated	9,859,998
	<u>\$ 24,437,142</u>
General Fund	\$ 1,118,144
Non-Major Governmental	1,583,979
Major Capital	13,137,470
Internal Service	486,835
Donated infrastructure	8,110,714
	<u>\$ 24,437,142</u>

Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water/Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 4,166,424	\$ 277,729	\$ -	\$ 4,444,153
Construction in progress	10,472,222	1,719,992	(9,130,038)	3,062,176
Total capital assets not being depreciated	<u>14,638,646</u>	<u>1,997,721</u>	<u>(9,130,038)</u>	<u>7,506,329</u>
Capital assets being depreciated:				
Buildings	112,112,957	889,696	-	113,002,653
Improvements other than buildings	101,989,495	14,542,453	-	116,531,948
Equipment	5,112,869	248,225	(57,987)	5,303,107
Software	104,400	-	-	104,400
Heavy Equipment	762,894	45,000	-	807,894
Vehicles	1,696,992	165,080	(85,786)	1,776,286
Total capital assets being depreciated	<u>221,779,607</u>	<u>15,890,454</u>	<u>(143,773)</u>	<u>237,526,288</u>
Less accumulated depreciation for:				
Buildings	(54,146,799)	(5,266,329)	-	(59,413,128)
Improvements other than buildings	(40,985,114)	(4,264,643)	-	(45,249,757)
Equipment	(4,437,912)	(237,483)	8,148	(4,667,247)
Software	(79,229)	(14,172)	-	(93,401)
Heavy Equipment	(623,358)	(41,730)	-	(665,088)
Vehicles	(1,076,323)	(210,435)	85,786	(1,200,972)
Total accumulated depreciation	<u>(101,348,735)</u>	<u>\$ (10,034,792)</u>	<u>\$ 93,934</u>	<u>(111,289,593)</u>
Total capital assets being depreciated, net	<u>120,430,872</u>			<u>126,236,695</u>
Business-type activities capital assets, net	<u>\$ 135,069,518</u>			<u>\$133,743,024</u>
Reconciliation of Business-Type Activities Increases:				
Total capital assets not being depreciated	\$ 1,997,721			
Total capital assets being depreciated	<u>15,890,454</u>			
	<u>\$ 17,888,175</u>			
Water and Sewer Fund	\$ 545,589			
Water Capital Projects	6,765,395			
Sewer Capital Projects	9,746,968			
Donated Assets	<u>830,223</u>			
	<u>\$ 17,888,175</u>			

Capital Assets (continued)

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Business-type activities:				
Solid Waste Fund				
Capital assets being depreciated:				
Buildings	\$ 40,983	\$ -	\$ -	\$ 40,983
Software	38,744	-	-	38,744
Vehicles	2,797,586	404,713	-	3,202,299
Total capital assets being depreciated	<u>2,877,313</u>	<u>404,713</u>	<u>-</u>	<u>3,282,026</u>
Less accumulated depreciation for:				
Buildings	(40,982)	-	-	(40,982)
Software	(37,527)	(1,217)	-	(38,744)
Vehicles	(1,940,793)	(345,496)	-	(2,286,289)
Total accumulated depreciation	<u>(2,019,302)</u>	<u>\$ (346,713)</u>	<u>\$ -</u>	<u>(2,366,015)</u>
Total capital assets being depreciated, net	<u>858,011</u>			<u>916,011</u>
Business-type activities capital assets, net	<u>\$ 858,011</u>			<u>\$ 916,011</u>

Reconciliation of Business-Type Activities Increases:

Total capital assets not being depreciated	\$ -
Total capital assets being depreciated	<u>404,713</u>
	<u>\$ 404,713</u>
Solid Waste Fund	<u>\$ 404,713</u>
	<u>\$ 404,713</u>

Capital Assets (continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Stormwater/Water Quality Fund				
Capital assets not being depreciated:				
Land Rights	\$ 2,092,773	\$ 878,017	\$ -	\$ 2,970,790
Total capital assets not being depreciated	<u>2,092,773</u>	<u>878,017</u>	<u>-</u>	<u>2,970,790</u>
Capital assets being depreciated:				
Infrastructure	3,540,707	890,742	-	4,431,449
Improvements other than buildings	45,308	-	-	45,308
Equipment	118,885	9,336	-	128,221
Heavy Equipment	326,088	-	-	326,088
Vehicles	917,816	196,754	(143,119)	971,451
Total capital assets being depreciated	<u>4,948,804</u>	<u>1,096,832</u>	<u>(143,119)</u>	<u>5,902,517</u>
Less accumulated depreciation for:				
Infrastructure	(218,651)	(199,304)	-	(417,955)
Improvements other than buildings	(12,700)	(2,265)	-	(14,965)
Equipment	(101,136)	(10,358)	-	(111,494)
Heavy Equipment	(185,842)	(49,647)	-	(235,489)
Vehicles	(602,333)	(116,621)	143,119	(575,835)
Total accumulated depreciation	<u>(1,120,662)</u>	<u>\$ (378,195)</u>	<u>\$ 143,119</u>	<u>(1,355,738)</u>
Total capital assets being depreciated, net	<u>3,828,142</u>			<u>4,546,779</u>
Business-type activities capital assets, net	<u>\$ 5,920,915</u>			<u>\$ 7,517,569</u>

Reconciliation of Business-Type Activities Increases:

Total capital assets not being depreciated	\$ 878,017
Total capital assets being depreciated	1,096,832
	<u>\$ 1,974,849</u>
Stormwater/Water Quality Fund	\$ 206,090
Stormwater Capital Projects	890,742
Donated Land Rights	878,017
	<u>\$ 1,974,849</u>

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

Governmental activities:	
General government	\$ 464,962
Public Works	2,184,668
Public Safety	1,149,285
Cultural and Recreational	1,094,677
Economic Development	236,720
Internal Service Funds	389,736
Total depreciation expense - governmental activities	<u>\$ 5,520,048</u>
Business-type activities:	
Water and Sewer Fund	\$ 10,034,792
Solid Waste Fund	346,713
Non-Major Enterprise Funds	378,195
Total depreciation expense - business-type activities	<u>\$ 10,759,700</u>

Construction Commitments

As of June 30, 2013, the City has active construction projects. The City's commitments with contractors at June 30, 2013, are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water and Sewer Improvements	\$ 9,320,233	\$ 2,328,863
Public Safety Bldg	7,509,764	14,988,232
Street/Stormwater Improvements	3,351,290	382,943
Recreation	-	217,504
Buddy Phillips Bridge	-	224,758
Total	<u>\$ 20,181,287</u>	<u>\$ 18,142,300</u>

Note 5. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description. The 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, by calling (919) 981-5454, or on the Internet at www.ncosc.net.

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 6.74% and 6.77%, respectively, of annual covered payroll. The contribution requirements of members and 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, 2013, 2012, and 2011 were \$1,595,917, \$1,622,468, and \$1,422,763, respectively. The contributions made by the City equaled the required contributions for each year.

B. Law Enforcement Officers' Special Separation Allowance

Plan Description. The City of Jacksonville administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance 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, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>128</u>
Total	<u>147</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. The administrative costs are financed by the General Fund.

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 \$266,476, or 4.8% 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, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial

assumptions included (a) a 5.0% investment rate of return, and (b) projected salary increases ranging from 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include post-employment 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 percentage of pay on a closed basis. The remaining amortization period at December 31, 2011 was 19 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	\$ 242,928
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>242,928</u>
Contributions made	<u>(266,476)</u>
Decrease in net pension obligation	(23,548)
Net pension (asset) obligation beginning of fiscal year	<u>-</u>
Net pension (asset) obligation end of fiscal year	<u><u>\$ (23,548)</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 Asset</u>
6/30/11	\$ 224,112	100%	\$ -
6/30/12	211,317	100%	-
6/30/13	242,928	110%	(23,548)

As of December 31, 2012, the most recent actuarial valuation date, the plan was 16.48 percent funded. The actuarial accrued liability for benefits was \$2,651,627, and the actuarial value of assets was \$436,995, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,214,632. The covered payroll (annual payroll of active employees covered by the plan) was \$5,601,541, and the ratio of the UAAL to the covered payroll was 39.54 percent.

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

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the

City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or on the Internet at www.ncosc.net.

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, 2013, were \$350,091, which consisted of \$289,342 from the City and \$60,749 from the law enforcement officers.

D. Supplemental Retirement Income Plan for Non-Law Enforcement Employees

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

Funding Policy. The adopted plan requires the City to contribute each pay period an amount equal to two percent (2%) of each non-law enforcement employee's salary. The City Council has the authority to establish or amend contribution requirements. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. All covered employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2013 were \$637,876, which consisted of \$357,367 from the City and \$280,509 from the employees.

E. Firemen's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Jacksonville, to the Firemen's and Rescue Squad Workers' Pension Fund (Fund), a cost sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firemen's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or on the Internet at www.ncosc.net.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

F. Other Post-Employment Benefits

The City provides post-employment health care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (System) and have at least 10 years of creditable service with the City. Also, the City’s retirees can purchase coverage for their dependents at the City’s group rates. Retirees pay 100% of the health insurance premium set by the City. The benefits cease when the retiree reaches age 65. The City Council may amend the benefit provisions. During the fiscal year 2011 budget workshop, the City Council placed a freeze on the retiree health insurance benefits for all new hires as of July 1, 2010 until further review. A separate report was not issued for the plan.

Membership in the plan included the following at December 31, 2012, the date of the latest actuarial valuation:

Active Members	
Law Enforcement Officers	97
Firefighters	67
General employees	271
Retired Members	<u>27</u>
Total	<u>462</u>

Funding Policy

Contribution rates for the Plan are established on an annual basis by the City Council. Eligible retirees and their covered dependents receiving benefits contribute 100% on their premium costs. The City has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current annual required contribution (ARC) rate is 1.25% of annual covered payroll. For the fiscal year ended June 30, 2013, the total retiree contributions for health insurance were \$125,689. The City’s medical coverage is self insured, which is administered by an outside provider.

Summary of Significant Accounting Policies

Post-employment expenditures are made from the City’s Self Insurance Internal Service Fund, which is maintained on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenses are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation

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

The following table shows the components of the City’s annual OPEB cost for the year, the amount

actually contributed to the plan, and changes in the City’s net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 243,994
Interest on net OPEB obligation	25,133
Adjustment to annual required contribution	<u>(97,271)</u>
Annual OPEB cost	171,856
Contributions made	<u>(174,432)</u>
Decrease in net pension obligation	(2,576)
Net OPEB obligation, beginning of year	<u>690,672</u>
Net pension OPEB obligation, end of year	<u><u>\$ 688,096</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2012 and 2011 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Liability</u>
6/30/11	\$ 260,744	44.5%	\$ 476,086
6/30/12	265,915	19.3%	690,672
6/30/13	171,856	101.5%	688,096

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and thus, the unfunded actuarial accrued liability (UAAL) was \$1,832,974. The covered payroll (annual payroll of active employees covered by the plan) was \$19,524,160, and the ratio of the UAAL to the covered payroll was 9.4%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Example includes assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include

techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return, which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 8.5 to 5 percent over 5 years. The investment rate included a 3.00 percent inflation assumption. The UAAL is being amortized as a level dollar percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

Note 6. Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multi-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but no less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. Due to a surplus, the LGERS made a decision to temporary stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. The relief period was based on the number of years the employer had contributed to the Death Benefit Plan as of December 31, 2012. The City received three years relief.

The City also provides additional death benefit through a Group Term Life Insurance program, which is provided on a non-contributory basis to all members of the retirement system after 90 days of employment. The benefit pays the designated beneficiary an amount equal to one and a half times the employee's annual salary, but the benefit may not exceed \$75,000. Under the IRS regulations, the value of employer-paid Group Term Life Insurance coverage in excess of \$50,000 is considered taxable to the employee as a fringe benefit.

Note 7. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a participant in (e.g., transfers risk to) two insurance pools administered by the North Carolina League of Municipalities. One pool (IRFFNC) provides coverage for property damage and general liability (including auto and law enforcement officers). Major policies and their limits of coverage include: public officials (\$3 million) and law enforcement liability (\$3 million), vehicle liability (\$2 million), public employee scheduled and blanket bonds (\$600,000), general liability (\$2 million), municipal equipment (\$2.6 million), computer equipment (\$7.8 million), and property (\$106.6 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 \$2 million for

general liability and property damage, and single occurrence losses of \$1 million 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 \$100,000 for each individual claim.

The City purchases commercial insurance for individual claims in excess of \$100,000 and aggregate claims in excess of the greater of (a) the minimum annual aggregate deductible or (b) 90% of the first monthly aggregate deductible amount multiplied by twelve (12). Settled claims have not exceeded this commercial coverage in any of the last three fiscal years.

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

The claims liability of \$317,947 reported in the Self Insurance Fund at June 30, 2013, is based on the requirements of GASB 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, 2003 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2003-2004	\$ 184,931	\$ 1,868,524	\$ 1,861,108	\$ 192,347
2004-2005	192,347	2,229,998	2,243,300	179,045
2005-2006	179,045	2,528,402	2,451,812	255,635
2006-2007	255,635	3,267,020	3,264,923	257,732
2007-2008	257,732	3,445,020	3,319,655	383,097
2008-2009	383,097	3,410,997	3,307,659	486,435
2009-2010	486,435	4,087,736	3,825,332	748,839
2010-2011	748,839	2,552,373	2,988,879	312,333
2011-2012	312,333	3,350,959	3,331,339	331,953
2012-2013	331,953	3,314,858	3,329,463	317,347

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

The City carries flood insurance through the National Flood Insurance Plan (NFIP). Because some areas of the City are in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, which includes the property adjacent to Fire Station 2, the City is eligible for and has purchased coverage totalling \$636,600 through the NFIP.

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

remaining employees that have access to funds are bonded under a blanket bond for \$100,000 per occurrence.

Note 8. Claims and Judgments

At June 30, 2013, the City was a party to various lawsuits. In the opinion of the City’s management and City Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City’s financial statements. In the event of an unfavorable outcome , the City could be liable up to its general liability insurance deductible.

Note 9. Long-Term Obligations

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

As of June 30, 2013, the City had a legal debt margin of \$259,389,017.

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 0.949% to 5.35%.

The installment purchase contracts payable at June 30, 2013, are comprised of the following individual contracts:

Serviced by the General Fund:

	<u>Principal Balance June 30, 2013</u>
\$5,000,000 installment agreement – for City Hall Expansion with Bank of America dated December 9, 2002; remaining balance payable in 53 equal principal payments of \$27,778 not including interest at 3.95%	\$ 1,472,223
\$554,157 installment agreement - for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable 16 payments of \$9,962 including interest at 2.463%	156,642
\$352,000 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 5 monthly payments of \$9,978 including interest at 1.39%	49,716

Serviced by the General Fund (continued):

	<u>Principal Balance June 30, 2013</u>
\$591,200 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 28 monthly payments of \$10,427 including interest at 1.66%	286,181
\$485,000 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 16 monthly payments of \$13,761 including interest at 1.46%	217,914
\$867,182 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 39 monthly payments of \$15,286 including interest at 1.64%	580,204
\$80,000 installment agreement – for land purchase located on Sandy Drive for Fire Station #2, dated May 4, 2012; remaining balance payable in 1 principal payment of \$35,000 not including interest at 1.50%	35,000
\$28,550,221 limited obligation bonds, Series 2012 – for construction of Public Safety Building, Fire Station #2, Sturgeon City Environmental Education Center, and to refund \$1,740,221 of outstanding 2007 installment agreement, principal payments due annually on April 1 in installments ranging from \$1,330,000 to \$1,544,231 through April 1, 2032; semiannual interest payments due April 1 and October 1 at rates from 2.50% - 5.00%	27,060,716
\$1,147,000 installment agreement - for the Jacksonville Landing real property purchase with First Bank dated February 21, 2013; remaining balance payable in 54 monthly payments of \$20,201 including interest at 1.60%	1,051,853
\$409,000 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 29 monthly payments of \$11,519 including interest at 0.949%	330,120
\$423,109 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 52 monthly payments of \$7,378 including interest at 1.183%	373,818
\$860,000 installment agreement - for vehicle and equipment with US Bancorp dated June 21, 2013; remaining balance payable in 58 monthly payments of \$14,997 including interest at 1.183%	845,003
Total	<u><u>\$ 32,459,390</u></u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$11,525,079 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,108,468	\$ 1,232,134	\$ 4,340,602
2015	2,859,277	1,141,275	4,000,552
2016	2,617,277	1,055,157	3,672,434
2017	2,397,937	972,217	3,370,154
2018	1,962,035	893,839	2,855,874
2019-2023	7,484,396	3,509,932	10,994,328
2024-2028	6,700,000	2,055,025	8,755,025
2029-2033	5,330,000	665,500	5,995,500
Total	<u><u>\$ 32,459,390</u></u>	<u><u>\$ 11,525,079</u></u>	<u><u>\$ 43,984,469</u></u>

Serviced by the Water and Sewer Fund:

	<u>Principal Balance</u> <u>June 30, 2013</u>
\$4,290,806 installment agreement – for the Public Services/Fleet Complex with Bank of America dated August 12, 2003; remaining balance payable in 62 monthly payments of \$23,838 not including interest at 3.235%	\$ 1,477,936
\$1,660,132 installment agreement – for an elevated water storage tank with PNC Bank dated May 14, 2004; remaining balance payable in 70 monthly payments of \$9,223 not including interest at 3.27%	645,606
\$864,690 installment agreement – for water and sewer line replacements with PNC Bank dated August 12, 2004; remaining balance payable in 13 equal principal payments of \$7,206 not including interest at 3.44%	93,585
\$2,950,600 installment agreement – for vehicles and equipment with Wells Fargo dated December 19, 2005; remaining balance payable in 29 monthly payments of \$29,187 including interest at 3.57%	809,794
\$7,700,000 installment agreement – for vehicles and equipment with Wells Fargo dated October 20, 2006; remaining balance payable in 39 monthly payments of \$29,187 including interest at 3.57%	2,820,231
\$95,141 installment agreement - for vehicles and equipment with Bank of America dated December 18,2009; remaining balance payable in 16 monthly payments of \$1,710 including interest at 2.463%	26,893
\$535,100 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 28 monthly payments of \$9,437 including interest at 1.66%	259,025
\$17,000 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 16 monthly payments of \$482 including interest at 1.46%	7,638
\$432,556 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 39 monthly payments of \$7,625 including interest at 1.64%	289,409
\$5,554,779 limited obligation bonds, Series 2012 – to refund \$950,000 of outstanding 1996 State Bond Fund Loan; \$2,840,000 of outstanding 1996 State Revolving Fund Loan; \$665,000 of outstanding 1997 Sanitary Sewer Revolving Loan; \$700,000 of outstanding 1997 Sanitary Sewer Revolving Loan; and \$399,779 of outstanding 2007 installment agreement, principal payments due annually on April 1 in installments ranging from \$43,901 to \$1,275,494 through April 1, 2022; semiannual interest payments due April 1 and October 1 at rates from 2.50% - 5.00%	4,279,284
\$15,000 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 29 monthly payments of \$422 including interest at 0.949%	12,107
\$401,185 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 52 monthly payments of \$6,996 including interest at 1.183%	354,449
Total	<u><u>\$ 11,075,957</u></u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$846,857 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,193,607	\$ 364,746	\$ 3,558,353
2015	3,147,315	251,519	3,398,834
2016	2,907,433	140,993	3,048,426
2017	1,046,359	48,418	1,094,777
2018	465,742	20,663	486,405
2019-2023	315,501	20,518	336,019
Total	<u>\$ 11,075,957</u>	<u>\$ 846,857</u>	<u>\$ 11,922,814</u>

Serviced by the Solid Waste Fund:

	<u>Principal Balance June 30, 2013</u>
\$25,756 installment agreement - for vehicles and equipment with Bank of America dated December 18, 2009 ; remaining balance payable in 16 monthly payments of \$482 including interest at 2.463%	\$ 7,572
\$388,600 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 28 monthly payments of \$6,854 including interest at 1.66%	188,109
\$348,633 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 39 monthly payments of \$6,145 including interest at 1.64%	233,259
\$407,714 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 52 monthly payments of \$7,110 including interest at 1.183%	360,215
Total	<u>\$ 789,155</u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$19,826 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 237,337	\$ 9,746	\$ 247,083
2015	237,061	6,171	243,232
2016	183,564	2,912	186,476
2017	102,825	928	103,753
2018	28,368	69	28,437
Total	<u>\$ 789,155</u>	<u>\$ 19,826</u>	<u>\$ 808,981</u>

Serviced by the Fleet Maintenance Fund:

	<u>Principal Balance June 30, 2013</u>
\$19,576 installment agreement - for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable in 16 monthly payments of \$352 including interest at 2.463%	\$ 5,534
\$30,900 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 52 monthly payments of \$539 including interest at 1.183%	27,300
Total	<u>\$ 32,834</u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$816 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 10,310	\$ 379	\$ 10,689
2015	7,650	223	7,873
2016	6,324	142	6,466
2017	6,400	67	6,467
2018	2,150	5	2,155
Total	<u>\$ 32,834</u>	<u>\$ 816</u>	<u>\$ 33,650</u>

Serviced by the City Hall Maintenance Fund:

	<u>Principal Balance June 30, 2013</u>
\$12,925 installment agreement - for building equipment with US Bancorp dated December 3, 2012; remaining balance payable in 52 monthly payments of \$225 including interest at 1.183%	\$ 11,420
Total	<u>\$ 11,420</u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$301 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,584	\$ 121	\$ 2,705
2015	2,614	90	2,704
2016	2,645	59	2,704
2017	2,677	28	2,705
2018	900	3	903
Total	<u>\$ 11,420</u>	<u>\$ 301</u>	<u>\$ 11,721</u>

Serviced by the Information Technology Services Fund:

	<u>Principal Balance June 30, 2013</u>
\$167,000 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 5 monthly payments of \$4,734 including interest at 1.39%	\$ 23,586
\$100,000 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 16 monthly payments of \$2,837 including interest at 1.46%	44,931
\$100,000 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 29 monthly payments of \$2,816 including interest at 0.949%	80,714
 Total	 <u>\$ 149,231</u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$1,510 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 90,377	\$ 1,136	\$ 91,513
2015	44,806	340	45,146
2016	14,048	34	14,082
Total	<u>\$ 149,231</u>	<u>\$ 1,510</u>	<u>\$ 150,741</u>

Serviced by the Video Media Services Fund:

	<u>Principal Balance June 30, 2013</u>
\$20,000 installment agreement - for equipment with Bank of America dated November 18, 2011; remaining balance payable in 16 monthly payments of \$567 including interest at 1.46%	\$ 8,220
 Total	 <u>\$ 8,220</u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$93 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 6,723	\$ 86	\$ 6,809
2015	1,497	7	1,504
Total	<u>\$ 8,220</u>	<u>\$ 93</u>	<u>\$ 8,313</u>

Serviced by the Stormwater Fund:

	<u>Principal Balance</u> <u>June 30, 2013</u>
\$25,756 installment agreement – for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable in 16 monthly payments of \$463 including interest at 2.463%	\$ 7,281
\$4,100,000 installment agreement/Build America Bond - for stormwater improvements with PNC Bank dated December 16, 2010; remaining balance payable in 16 semi-annual payments of \$243,304 including interest at 3.38%. The City receives a subsidy of 35% of interest cost from the Federal Government reducing the effective interest rate to 2.20%.	3,200,019
\$15,000 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 5 monthly payments of \$425 including interest at 1.39%	2,119
\$85,100 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 28 monthly payments of \$1,501 including interest at 1.66%	41,194
\$192,629 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 39 monthly payments of \$3,396 including interest at 1.64%	128,882
\$197,167 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 52 monthly payments of \$3,438 including interest at 1.183%	174,197
 Total	 <u>\$ 3,553,692</u>

The future minimum payments of the installment purchases payable as of June 30, 2013, including \$458,640 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 485,002	\$ 109,303	\$ 594,305
2015	493,699	94,776	588,475
2016	494,666	79,951	574,617
2017	473,009	65,044	538,053
2018	450,120	50,241	500,361
2019-2023	1,157,196	59,325	1,216,521
Total	<u>\$ 3,553,692</u>	<u>\$ 458,640</u>	<u>\$ 4,012,332</u>

B. Loans Payable

Water and Sewer Fund:

	<u>Principal Balance June 30, 2013</u>
\$1,000,000 State Revolving Loan dated February 10, 2004 due in 1 annual installment of \$100,000; interest at 2.82%.	\$ 100,000
\$27,955,716 State Revolving Loan dated June 3, 2008 due in 18 annual installments of \$1,397,786 each; interest at 2.10%	25,160,144
\$10,535,297 State Revolving Loan dated June 3, 2008 due in 20 annual installments of \$526,765 each; interest at 2.01%	10,535,297
\$17,500,000 State Revolving Loan dated March 26, 2009 due in 18 annual installments of \$875,000 each; interest at 2.10%	15,750,000
\$1,500,000 State Revolving Loan dated July 7, 2009 due in 19 annual installments of \$75,000 each; interest at 0.0%	1,425,000
Total	<u>\$ 52,970,441</u>

The future minimum payments of the loans payable as of June 30, 2013, including \$10,750,258 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,447,786	\$ 861,933	\$ 3,309,719
2015	2,949,763	1,134,597	4,084,360
2016	2,949,763	993,551	3,943,314
2017	2,949,763	933,723	3,883,486
2018	2,949,763	873,895	3,823,658
2019-2023	14,748,816	3,472,050	18,220,866
2024-2028	14,748,816	1,976,343	16,725,159
2029-2033	9,225,971	504,166	9,730,137
Total	<u>\$ 52,970,441</u>	<u>\$ 10,750,258</u>	<u>\$ 63,720,699</u>

C. Revenue Bonds Payable

Serviced by the Water and Sewer Fund:

	<u>Principal Balance</u> <u>June 30, 2013</u>
\$501,235 Revenue Bond Payable dated September 10, 2009 due in 40 monthly installments of \$6,695 including interest at 3.95%	\$ 256,387
\$25,000,000 Revenue Bond Payable dated September 10, 2009 due in 16 annual installments with semi-annual interest payments at 4.55%	23,405,000
\$12,328,634 Revenue Bond Payable dated September 17, 2010 due in 29 semi-annual installments with semi-annual interest payments at 3.97%	10,940,463
\$3,428,246 Recovery Zone Economic Development Bond Payable dated September 17, 2010 with semi-annual interest only payments at 6.10% until 3/1/2027; then 7 remaining semi-annual principal and interest payments. The City receives a subsidy of 45% of interest cost from the Federal Government reducing the effective interest rate to 3.36%.	3,428,246
Total	<u>\$ 38,030,096</u>

The future minimum payments of the bonds payable as of June 30, 2013, including \$16,951,763 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,654,827	\$ 1,711,496	\$ 3,366,323
2015	1,755,055	1,639,732	3,394,787
2016	1,831,238	1,563,550	3,394,788
2017	1,863,409	1,484,514	3,347,923
2018	1,909,990	1,404,457	3,314,447
2019-2023	10,873,366	5,698,869	16,572,235
2024-2028	13,458,965	3,110,013	16,568,978
2029-2033	4,683,246	339,132	5,022,378
Total	<u>\$ 38,030,096</u>	<u>\$ 16,951,763</u>	<u>\$ 54,981,859</u>

The City is in compliance with the rate covenants contained in the General Trust Indenture, Section 6, dated September 1, 2009 and adopted by the City Council on September 8, 2009 authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2009. Section 6.6 of the General Indenture requires that the coverage ratios be no less than 120% of the debt service on the revenue bonds and 100% of the debt service on all other debt. The debt service coverage requirements for the year ended June 30, 2013, are as follows:

For the Fiscal Year Ending June 30th	2013
Operating Revenues	
User Charges	\$ 22,247,424
Subtotal: Operating Revenues	<u>22,247,424</u>
Operating Expenses	
Salaries, Fringe Benefits and Operating Expenditures	11,393,183
Depreciation and Amortization	<u>10,034,792</u>
Subtotal: Operating Expenses	<u>21,427,975</u>
Operating Income	<u>819,449</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	55,424
Interest Expense	(3,009,421)
Other Nonoperating Revenue	<u>621,934</u>
Subtotal: Nonoperating Revenues (Expenses)	<u>(2,332,063)</u>
Income before Transfers and Capital Contributions	(1,512,614)
Adjustments	
Plus: Depreciation and Amortization	10,034,792
Plus: Interest Expense	<u>3,009,421</u>
A Net Revenues	11,531,599
Plus 20% of Surplus Account	<u>6,846,881</u>
B Net Revenues plus 20% of Surplus Account	<u>18,378,480</u>
Parity Indebtedness	
Series 2009 and 2010 Revenue Bonds*	3,187,041
C Subtotal: Revenue Bond Debt Service	<u>3,187,041</u>
Debt Service Coverage - Parity Indebtedness	
Calculated Using Net Revenues (A/C)	<u>3.62</u>
Calculated Using Net Revenues plus 20% of Surplus Account (B/C)	<u>5.77</u>
D Net Revenues Available for Subordinate and Other Debt Service (A-C)	<u>8,344,558</u>
Subordinate and Other Indebtedness	
State Revolving Fund Loans	
2010 - 29 State RLF \$27,955,716	1,896,795
2010 - 29 State RLF \$17,500,000	1,224,125
2004 - 14 State RLF \$1,000,000	105,640
2013 - 32 State RLF (ARRA) \$1,500,000	<u>75,000</u>
Subtotal: SRF Loans--SUBORDINATE DEBT	<u>3,301,560</u>
Installment Purchases--OTHER INDEBTEDNESS	<u>3,643,840</u>

(Continued on next page)

E	Subordinate and Other Indebtedness	6,945,400
	Debt Service Coverage - Subordinate and Other Indebtedness (D/E)	1.20
F	Total Debt Service: Revenue Bonds plus Subordinate and Other Indebtedness	10,132,441
	Debt Service Coverage - Total Debt	
	Calculated using Net Revenues (A/F)	1.14
	Calculated using Net Revenues plus 20% of Surplus Account (B/F)	1.81
	Net Revenues After Total Debt	1,399,158
	* Debt Service for 2009 and 2010 Series:	
	2009A	80,341
	2009C	1,885,645
	2010A	1,011,932
	2010B	209,123
	Total	\$ 3,187,041

D. Changes in Long-Term Liabilities – Governmental Activities

Long-term liability activity for Governmental Activities for the year ended June 30, 2013, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Installment purchases	\$ 32,661,575	\$ 2,982,934	\$ 2,983,414	\$ 32,661,095	\$ 3,218,462
Unamortized premiums - I/P	2,743,649	-	59,226	2,684,423	96,467
Other postemployment benefits	636,849	274,534	278,007	633,376	-
*Compensated absences	1,522,200	817,641	819,971	1,519,870	759,564
Total	\$ 37,564,273	\$ 4,075,109	\$ 4,140,618	\$ 37,498,764	\$ 4,074,493
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
By purpose					
General government	\$ 6,297,378	\$ 175,781	\$ 635,882	\$ 5,837,277	\$ 646,395
Fire equipment	3,973,194	935,650	512,007	4,396,837	678,469
Police equipment	22,725,371	409,000	1,373,696	21,760,675	1,394,006
Recreation	2,149,563	1,216,434	320,415	3,045,582	458,752
Streets	76,841	102,244	75,643	103,442	27,312
Fleet Maintenance	9,566	30,900	7,632	32,834	10,310
City Hall Maintenance	-	12,925	1,506	11,419	2,584
Information Technology Services	157,699	100,000	108,467	149,232	90,378
Video/Media Services	15,612	-	7,392	8,220	6,723
Other postemployment benefits	636,849	274,534	278,007	633,376	-
*Compensated absences	1,522,200	817,641	819,971	1,519,870	759,564
Total	\$ 37,564,273	\$ 4,075,109	\$ 4,140,618	\$ 37,498,764	\$ 4,074,493

*The General Fund and Internal Service Funds are used to liquidate the liability for compensated absences for governmental activities. The General Fund is used to liquidate the liability for other postemployment benefits for governmental activities.

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

Long-term liability activity for Business-Type Activities for the year ended June 30, 2013, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
Loans	\$ 54,495,939	\$ 922,288	\$ 2,447,786	\$ 52,970,441	\$ 2,447,786
Revenue Bonds	39,444,671	-	1,414,575	38,030,096	1,654,827
Installment purchases	18,377,824	1,021,066	3,980,086	15,418,804	3,915,946
Unamortized premiums - IP	401,457	-	50,198	351,259	80,184
Other postemployment benefits	53,832	23,002	22,114	54,720	-
*Compensated absences	350,489	215,741	227,673	338,557	216,628
Total	<u>\$ 113,124,212</u>	<u>\$ 2,182,097</u>	<u>\$ 8,142,432</u>	<u>\$ 107,163,877</u>	<u>\$ 8,315,371</u>

By purpose	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
Water Supply	\$ 49,199,966	\$ 135,000	\$ 2,413,960	\$ 46,921,006	\$ 2,429,751
Metering	38,490	-	19,620	18,870	5,133
Utilities Maintenance	601,281	121,886	192,519	530,648	185,369
Sewer	58,364,372	1,081,587	4,488,730	54,957,229	4,756,151
Solid Waste/Sanitation	657,850	407,714	276,409	789,155	237,337
Stormwater/Water Quality	3,857,932	197,167	501,407	3,553,692	485,002
Other postemployment benefits	53,832	23,002	22,114	54,720	-
*Compensated absences	350,489	215,741	227,673	338,557	216,628
Total	<u>\$ 113,124,212</u>	<u>\$ 2,182,097</u>	<u>\$ 8,142,432</u>	<u>\$ 107,163,877</u>	<u>\$ 8,315,371</u>

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

Note 10. Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2013, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Reconciliation to Exhibit A</u>	
			<u>Governmental</u>	<u>Business-Type</u>
General	Non-Major Governmental	\$ 375,793	\$ -	\$ -
		<u>\$ 375,793</u>		
			<u>\$ -</u>	<u>\$ -</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Some examples of those are: additional funding requirements based on actuarial information, sanitation services provided, and health and life insurance premium refunds.

Note 11. Deferred Outflows and Inflows of Resources

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

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
General Fund		
Prepaid taxes not yet earned	\$ -	\$ 18,598
Taxes receivable	1,571,597	-
Beer and wine tax receivable	75,309	-
Sturgeon City	-	80
Youth Council	-	276
Harmony Grant	-	15
Hall of Fame	-	3,668
Recreation fees not yet earned	-	1,980
National Night Out	-	9,420
Relay for Life	-	15
Fire Department Materials	397	-
Tree fund donations not yet earned, included in restricted assets	-	94
Beirut memorial donations not yet earned, included in restricted assets	-	603
Cooperative Lease	-	100
Privilege licenses for next year	-	380,264
Investment interest receivable	19,119	-
Total	<u>\$ 1,666,422</u>	<u>\$ 415,113</u>
Proprietary Fund		
Scientific Study Deposit	\$ -	\$ 24,000
Special assessments receivable	-	66,161
Collection fees	-	6,277
Total	<u>\$ -</u>	<u>\$ 96,438</u>

Note 12. Intergovernmental Assistance Programs

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

Note 13. Interfund Transfers

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

Interfund transfers for the year ended June 30, 2013 are as follows:

	Major General	Non-Major Government	Major Capital Projects	Major Solid Waste	Major Water and Sewer	Total Transfers Out
Major General Fund	\$ -	\$ 3,223,790	\$ 263,000	\$ 1,419,938	\$ -	\$ 4,906,728
Non-Major Government	748,370	-	1,526,946	-	338,886	2,614,202
Major Capital Projects	493,864	1,193,909	-	-	-	1,687,773
Internal Service Fund	19,985	-	-	-	-	19,985
Major Water and Sewer	375	-	100,000	-	-	100,375
Total transfers in	<u>\$ 1,262,594</u>	<u>\$ 4,417,699</u>	<u>\$ 1,889,946</u>	<u>\$ 1,419,938</u>	<u>\$ 338,886</u>	<u>\$ 9,329,063</u>

Transfers consist primarily of the following:

- \$ 622,882 From General Fund to Non-Major Governmental Funds to mach grants.
- \$ 669,673 From Capital Reserve to General Fund for debt retirement.
- \$ 338,886 From Capital Reserve to Water Sewer Fund for debt retirement.
- \$ 1,399,509 From General Fund to Capital Reserve.
- \$ 1,419,938 From General Fund to fund Solid Waste Operations.

Note 14. Encumbrances

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances in the Governmental fund types at June 30, 2013, are as follows:

General Fund	\$ 1,628,362
Capital Projects	16,338,963
Non Major Funds	303,622

Note 15. Jointly Governed Organizations

The City, in conjunction with Marine Corps Base Camp Lejeune, Onslow County, and the other five municipalities within the county, established the Onslow Water and Sewer Authority (ONWASA). The ONWASA mission is to provide sewer availability to 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. The City has elected to be a wholesale member and not a full service member of ONWASA. The City has partnered with ONWASA to install three interconnections between the individual water systems. These connections will allow either system to supply water to the other in case of emergency. As of June 30, 2013 two of the three connections have been installed.

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. In FY2012, funding of these activities was assumed by the Jacksonville Tourism Development Authority (JTDA). The City has the opportunity to appoint half of the members of the Commission's Board of Directors.

The City, in conjunction with Onslow County and Y.O.U. Inc., dba Committee of 100, established an Economic Development Program. The purpose of this organization is to guide the growth in all of

Onslow County by encouraging the expansion of local industry and the development of new jobs. The City and County each fund one-half of the cost for this organization. The City's funding for FY2013 was \$90,000.

The City established the Sturgeon City Project in FY2000 and in FY2007 turned over directorship to the non-profit Sturgeon City of Jacksonville, Inc. In May 2012, the City committed to long term debt in order to build a \$4M facility, the Surgeon City Civic and Environmental Education Center. The JTDA will be contributing \$150,000 annually towards the long-term debt while Sturgeon City of Jacksonville, Inc. will be contributing \$75,000 annually by making rental payments.

Note 16. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Note 17. Change in Accounting Principles/Restatement

The City implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statements of Net Assets have been replaced with the Statements of Net Position. Under Statement 63, items on the Statements of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position. Certain Deferred Outflows and Inflows can exist in Balance Sheets presented. The implementation of Statement 63 only changed terminology used at the City.

The GASB Statement 65 requires, among other things, that bond issuance costs, which were previously deferred and amortized, be included in current expenses. Accounting changes adopted to conform to the provisions of Statement 65 are to be applied retroactively and reported as a restatement of beginning net position. Previously deferred bond issuance costs totaling \$280,149 in governmental activities and \$47,338 in business type activities were recognized as adjustments to beginning net position in the Statement of Net Position. As a result, beginning net position decreased from \$94,909,471 to \$94,629,322 in governmental activities and \$73,962,004 to \$73,914,666 in business-type activities.

Note 18. Pronouncements Issued, Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2013 that have effective dates applicable to future fiscal years and may impact future financial presentations. Of these pronouncements, the following may have an impact on future financial presentations:

GASB Statement Number 67, "Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25" will be effective for the City beginning with its year ending June 30, 2014.

GASB Statement Number 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27" will be effective for the City beginning with its year ending June 30, 2015. GASB Statement Number 69 – "Government Combinations and Disposals of Government Operations" will be effective for the City beginning with its year ending June 30, 2014.

GASB Statement Number 70 – "Accounting and Financial Reporting for Nonexchange Financial Guarantees" will be effective for the City beginning with its year ending June 30, 2014.

Management has not currently determined what, if any, impact implementation of the above statements may have on the future financial statements of the City.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

Law Enforcement Officers' Special Separation Allowance:

Schedule of Funding Progress

Schedule of Employer Contributions

Notes to the Required Schedules

Other Postemployment Benefits:

Schedule of Funding Progress

Schedule of Employer Contributions

Notes to the Required Schedules



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

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)
12/31/07	451,242	1,793,930	1,342,688	25.15	4,491,542	29.89
12/31/08	269,473	1,931,842	1,662,369	13.95	5,249,250	31.67
12/31/09	432,834	2,392,379	1,959,545	18.09	5,207,150	37.63
12/31/10	438,840	2,185,924	1,747,084	20.08	5,176,879	33.75
12/31/11	428,351	2,540,061	2,111,710	16.86	5,555,744	38.01
12/31/12	436,995	2,651,627	2,214,632	16.48	5,601,541	39.54

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

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2008	151,262	100
2009	157,283	100
2010	193,841	100
2011	224,112	100
2012	211,350	100
2013	242,928	110

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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases *	Ranging from 4.25% to 7.85%
* Includes inflation at	3.00%
Cost-of-living adjustments	None

**City of Jacksonville, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Funding Progress**

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)
12/31/08	-	\$ 2,758,133	\$ 2,758,133	0.0 %	\$ 20,265,645	13.6 %
12/31/10	-	2,350,959	2,350,959	0.0	20,600,953	11.4
12/31/12	-	1,832,974	1,832,974	0.0	19,524,160	9.4

Note: Seasonal, temporary, and part-time employees as well as employees hired on and after July 1, 2010 are ineligible to participate in the City's health care plan upon leaving employment with the City, therefore covered payroll will decrease over time.

**City of Jacksonville, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Employer Contributions**

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2011	265,915	44.5 %
2012	265,915	19.3
2013	243,994	71.5

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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount, open
Remaining amortization period	30 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.00%
Medical cost trend *	8.50% - 5.00%
* Includes inflation at	3.00%

MAJOR FUNDS

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



GENERAL FUND

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

City of Jacksonville, North Carolina
General Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Current Assets:		
Cash and cash equivalents	\$ 14,548,849	\$ 12,754,643
Restricted cash and cash equivalents	3,075,954	2,412,436
Taxes receivable (net)	1,571,597	1,591,944
Accounts receivable (net)	4,329,987	4,554,259
Interfund receivables	375,793	803,471
Inventories	21,589	23,354
Prepaid items	3,736	3,621
Total Assets	\$ 23,927,505	\$ 22,143,728
Liabilities, Deferred Inflows and Fund Balances		
Accounts payable and accrued liabilities	\$ 1,731,944	\$ 1,256,440
Total Current Liabilities	1,731,944	1,256,440
Noncurrent Liabilities:		
Customer deposits	355,785	290,076
Total Noncurrent Liabilities	355,785	290,076
Total Liabilities	2,087,729	1,546,516
Total Deferred Inflows of Resources	2,081,535	2,102,049
Fund Balances:		
Non Spendable:		
Inventories	21,589	23,354
Compensating Balance	625,000	625,000
Prepaid items	3,736	3,621
Restricted:		
Stabilization by State Statute	6,314,625	5,683,500
Streets	981,933	1,019,045
Public Safety	1,112,514	477,307
Assigned:		
Subsequent year's expenditures	5,228,768	2,611,336
Unassigned	5,470,076	8,052,000
Total Fund Balances	19,758,241	18,495,163
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,927,505	\$ 22,143,728

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year (net of discounts)	\$ 19,388,095	\$ 19,173,048	\$ (215,047)	\$ 18,344,160
Prior years	478,056	437,457	(40,599)	438,606
Penalties and interest	114,599	151,085	36,486	142,098
Total	<u>19,980,750</u>	<u>19,761,590</u>	<u>(219,160)</u>	<u>18,924,864</u>
Other taxes and licenses:				
CATV franchise tax	89,000	-	(89,000)	90,185
Privilege licenses	750,000	765,542	15,542	747,295
Local option sales tax	4,406,738	4,518,899	112,161	4,511,012
One-half cent sales tax (2003)	2,388,940	2,185,812	(203,128)	2,328,156
One-half cent sales tax (1983)	2,565,107	2,445,977	(119,130)	2,518,861
One-half cent sales tax (1986)	2,280,455	2,341,978	61,523	2,329,295
Gross receipt on short term vehicle tax	168,096	174,815	6,719	173,012
Total	<u>12,648,336</u>	<u>12,433,023</u>	<u>(215,313)</u>	<u>12,697,816</u>
Unrestricted intergovernmental revenues:				
Utility franchise tax	3,027,545	2,806,225	(221,320)	2,842,416
Beer and wine tax	335,105	301,235	(33,870)	335,106
Payment in lieu of taxes (PILOT)	3,500	5,915	2,415	4,927
State Owned Buildings Fire Protection	2,039	1,797	(242)	1,853
ABC revenue	62,800	69,999	7,199	61,102
Total	<u>3,430,989</u>	<u>3,185,171</u>	<u>(245,818)</u>	<u>3,245,404</u>
Restricted intergovernmental revenues:				
Federal – 104F transportation grant	269,095	167,042	(102,053)	201,127
Federal – FEMA	-	-	-	-
Federal – FTA Section 5303 grant	49,416	30,795	(18,621)	-
Federal – DEA Task Force	12,000	16,438	4,438	21,306
State – Mosquito Control grant	-	2,795	2,795	4,919
State – CAMA permits	-	100	100	-
State – Street-aid Allocation	1,769,307	1,769,306	(1)	1,785,575
State – FEMA Match	-	-	-	-
State – Wellness Incentive grant	-	-	-	-
State – 5305 State grant funds	6,177	3,849	(2,328)	-
State – Arts Council	1,500	1,500	-	1,500
Local – Juvenile Transportation	100	107	7	100
Local – EAP ongoing grant	3,000	3,000	-	366
Local – NCLM Safety grant	1,000	-	(1,000)	1,248
Local – Police Dept Community Services Contribution	300	-	(300)	-
Local – TDA Contribution for Sturgeon City	150,000	150,000	-	-
Local – NARTEST-Court Ordered Payment	9,000	600	(8,400)	6,884
Metropolitan Planning Organization	57,491	17,491	(40,000)	17,491
Total	<u>2,328,386</u>	<u>2,163,023</u>	<u>(165,363)</u>	<u>2,040,516</u>

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
Permits and fees:				
Taxi permits	\$ 10,700	\$ 11,777	\$ 1,077	\$ 11,921
Development review fees	60,000	42,227	(17,773)	46,620
Planning fees	100,000	22,100	(77,900)	40,650
Inspection fees	670,000	616,980	(53,020)	779,657
Erosion control fees	9,000	6,113	(2,887)	13,100
Fire protection permit	17,000	20,565	3,565	21,751
Nuisance abatement fees	19,500	28,561	9,061	32,571
Total	<u>886,200</u>	<u>748,323</u>	<u>(137,877)</u>	<u>946,270</u>
Sales and services:				
Utility patching service	30,000	18,755	(11,245)	42,768
Recreation fees	525,974	531,174	5,200	500,626
Recreation concession	52,778	55,034	2,256	50,388
Photocopy and map sales	200	295	95	425
Credit reports	7,500	7,706	206	9,230
Powell Bill equipment use allowance	30,500	18,400	(12,100)	33,912
Property Leases	77,100	77,100	-	38,898
Youth Center	-	-	-	72
Annexation/street closing petition	1,500	1,500	-	2,500
Funeral escorts	5,000	5,050	50	5,325
Wrecker rotation member	8,000	7,750	(250)	8,000
Miscellaneous Sales	1,500	1,232	(268)	404
NC DOT	3,361	3,362	1	1,891
Total	<u>743,413</u>	<u>727,358</u>	<u>(16,055)</u>	<u>694,439</u>
Investment earnings:				
Investment earnings	38,724	68,836	30,112	60,704
Investment earnings - Powell Bill	419	435	16	497
Total	<u>39,143</u>	<u>69,271</u>	<u>30,128</u>	<u>61,201</u>
Miscellaneous:				
Police court fees	61,560	62,788	1,228	75,643
Parking fines	20	-	(20)	-
Program income-Powell Bill	-	17,350	17,350	25,350
Miscellaneous	225,201	336,123	110,922	319,957
Contributions	23,150	23,350	200	8,750
Total	<u>309,931</u>	<u>439,611</u>	<u>129,680</u>	<u>429,700</u>
Total revenues	<u>40,367,148</u>	<u>39,527,370</u>	<u>(839,778)</u>	<u>39,040,210</u>

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Expenditures:				
General government				
Mayor and Council				
Salaries and employee benefits		\$ 60,212		\$ 60,414
Operating expenses		121,043		119,234
Other departmental expenses		133,219		208,633
Overhead allocation from General Fund		(200,338)		(193,204)
Total		114,136		195,077
City Manager				
Salaries and employee benefits		463,072		422,353
Operating expenses		40,925		39,397
Maintenance and repair		310		-
Contracted services		-		6,782
Other departmental expenses		75,983		67,451
Overhead allocation from General Fund		(274,767)		(244,029)
Total		305,523		291,954
Human Resources				
Salaries and employee benefits		421,535		372,183
Operating expenses		169,218		176,211
Contracted services		18,310		12,835
Other departmental expenses		64,737		49,176
Overhead allocation from General Fund		(175,079)		(168,754)
Total		498,721		441,651
City Clerk				
Salaries and employee benefits		163,679		163,763
Operating expenses		15,102		17,776
Other departmental expenses		38,729		39,588
Overhead allocation from General Fund		(42,796)		(27,766)
Total		174,714		193,361
Elections				
Contracted services		-		17,012
Total		-		17,012
Finance				
Salaries and employee benefits		1,326,273		1,289,869
Operating expenses		318,364		250,040
Maintenance and repairs		25		362
Contracted services		402,319		446,724
Other departmental expenses		198,816		181,823
Capital outlay		13,185		15,755
Overhead allocation from General Fund		(966,687)		(940,334)
Total		1,292,295		1,244,239

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Community Programs				
Salaries and employee benefits		\$ 169,080		\$ 166,910
Operating expenses		75,243		69,989
Maintenance and repairs		3,755		88
Contracted services		55,903		11,936
Other departmental expenses		35,597		63,540
Overhead allocation from General Fund		(40,209)		(39,422)
Total		<u>299,369</u>		<u>273,041</u>
Legal				
Salaries and employee benefits		179,781		179,427
Operating expenses		13,926		12,486
Contracted services		3,078		73,281
Other departmental expenses		8,441		7,438
Overhead allocation from General Fund		(139,832)		(139,874)
Total		<u>65,394</u>		<u>132,758</u>
Planning				
Salaries and employee benefits		718,077		488,574
Operating expenses		103,670		60,092
Maintenance and repairs		6,047		-
Contracted services		3,879		6,000
Other departmental expenses		64,729		52,405
Capital outlay		-		104,042
Overhead allocation from General Fund		(97,138)		(58,833)
Total		<u>799,264</u>		<u>652,280</u>
Transportation				
Salaries and employee benefits		191,641		167,538
Operating expenses		22,458		19,424
Contracted services		88,758		117,597
Other departmental expenses		26,318		32,179
Total		<u>329,175</u>		<u>336,738</u>
Non-departmental				
Salaries and employee benefits		526		
Operating expenses		85,291		109,269
Utilities, maintenance and repairs		4,980		-
Contracted services		15,207		27,313
Other departmental expenses		64,016		-
Reserve for insurance deductible		211,385		122,611
Miscellaneous payments		207,189		209,169
Capital outlay		-		13,299
Bad debts		18,772		(5,216)
Total		<u>607,366</u>		<u>476,445</u>
Total general government	5,911,102	4,485,957	1,425,145	4,254,556

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Public works				
Inspections				
Salaries and employee benefits		\$ 512,738		\$ 751,281
Operating expenses		73,310		103,252
Contracted services		8		300
Other departmental expenses		123,088		85,912
Capital outlay		25,378		-
Total		734,522		940,745
Code Enforcement				
Salaries and employee benefits		223,947		224,686
Operating expenses		24,338		19,335
Contracted services		7,174		12,129
Other departmental expenses		31,558		23,180
Total		287,017		279,330
Administration				
Salaries and employee benefits		43,847		29,645
Operating expenses		2,299		1,974
Other departmental expenses		9,471		7,001
Total		55,617		38,620
Engineering				
Salaries and employee benefits		162,495		259,657
Operating expenses		22,211		21,351
Maintenance and repairs		3,464		-
Contracted services		4,641		23,225
Other departmental expenses		36,036		33,190
Overhead allocation from General Fund		(113,884)		(167,024)
Total		114,963		170,399
Maintenance				
Salaries and employee benefits		508,648		509,551
Operating expenses		84,755		73,614
Utilities		10,554		9,312
Maintenance and repairs		55,585		30,670
Contracted services		64,981		70,426
Other departmental expenses		65,992		50,883
Capital outlay		7,726		41,736
Overhead allocation from General Fund		(120,978)		(104,364)
Total		677,263		681,828

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Streets - Powell Bill				
Salaries and employee benefits		\$ 426,198		\$ 365,744
Operating expenses		295,714		359,247
Maintenance and repairs		29,172		45,057
Contracted services		8,073		8,970
Total		<u>759,157</u>		<u>779,018</u>
Streets - Non-Powell Bill				
Salaries and employee benefits		602,351		678,829
Operating expenses		139,503		139,327
Utilities		576,574		368,553
Maintenance and repairs		508		1,045
Street lighting		396,108		400,245
Contracted services		14,314		63,954
Other departmental expenses		81,630		75,064
Mosquito control		18,255		22,582
Capital outlay		101,217		8,195
Overhead allocation from General Fund		(73,156)		(79,956)
Total		<u>1,857,304</u>		<u>1,677,838</u>
Streets - Traffic Signal Control				
Salaries and employee benefits		102,204		-
Operating expenses		9,282		-
Maintenance and repairs		2,952		-
Other departmental expenses		22,065		-
Capital outlay		55,486		-
Total		<u>191,989</u>		<u>-</u>
Total public works	5,734,937	4,677,832	1,057,105	4,567,778
Public safety				
Police				
Salaries and employee benefits		8,712,568		8,617,486
Employer contribution to separation allowance trust fund		266,476		211,317
Operating expenses		1,557,319		1,494,303
Utilities		54,460		50,452
Maintenance and repairs		31,535		28,081
Contracted services		30,438		16,446
Other departmental expenses		1,307,856		1,054,300
Capital outlay		592,224		312,828
Total		<u>12,552,876</u>		<u>11,785,213</u>

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Fire				
Salaries and employee benefits	\$ -	\$ 4,973,299	\$ -	\$ 5,000,305
Operating expenses		479,898		449,790
Utilities		77,420		69,167
Maintenance and repairs		50,738		50,790
Contracted services		45,657		37,146
Other departmental expenses		416,470		377,535
Capital outlay		213,981		1,021,746
Total		<u>6,257,463</u>		<u>7,006,479</u>
Total public safety	<u>20,913,326</u>	<u>18,810,339</u>	<u>2,102,987</u>	<u>18,791,692</u>
Cultural and recreational				
Recreation				
Salaries and employee benefits		2,217,950		2,170,260
Operating expenses		600,397		557,041
Utilities		273,022		257,014
Maintenance and repairs		109,658		62,634
Contracted services		840,842		768,298
Other departmental expenses		297,019		293,473
Capital outlay		108,947		268,424
Total cultural and recreational	<u>4,752,225</u>	<u>4,447,835</u>	<u>304,390</u>	<u>4,377,144</u>
Debt service				
Principal retirements	3,599,100	2,858,417	740,683	1,344,185
Payment to refund principal	-	-	-	1,908,789
Interest and fees	1,295,219	1,120,423	174,796	209,374
Debt issuance costs	-	-	-	281,596
Total debt service	<u>4,894,319</u>	<u>3,978,840</u>	<u>915,479</u>	<u>3,743,944</u>
Total expenditures	<u>42,205,909</u>	<u>36,400,803</u>	<u>5,805,106</u>	<u>35,735,114</u>
Revenues over (under) expenditures	<u>(1,838,761)</u>	<u>3,126,567</u>	<u>4,965,328</u>	<u>3,305,096</u>

City of Jacksonville, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Debt issued	\$ 1,922,277	\$ 1,692,109	\$ (230,168)	\$ 3,092,403
Premium on debt issued	-	-	-	458,680
Appropriated fund balance	3,763,088	-	(3,763,088)	-
Sales of general capital assets	45,000	88,536	43,536	138,078
Sales of capital assets - Powell Bill	-	-	-	1,598
Transfers in--				
From Major Capital Project Fund	543,864	493,864	(50,000)	574,924
From Major Enterprise Fund	20,360	20,360	-	-
From Non-Major Governmental Fund	995,752	748,370	(247,382)	691,839
From Non-Major Enterprise Fund	75,085	-	(75,085)	75,085
Transfers (out)--				
To Major Capital Project Fund	(263,000)	(263,000)	-	(2,795,115)
To Major Enterprise Fund	(2,039,875)	(1,419,938)	619,937	(2,390,008)
To Non-Major Governmental Fund	(3,223,790)	(3,223,790)	-	(3,145,333)
To Non-Major Enterprise Fund	-	-	-	-
To Internal Service Fund	-	-	-	(109,088)
Total other financing (uses)	<u>1,838,761</u>	<u>(1,863,489)</u>	<u>(3,702,250)</u>	<u>(3,406,937)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,263,078</u>	<u>\$ 1,263,078</u>	<u>(101,841)</u>
Fund balance:				
Beginning of year, July 1		<u>18,495,163</u>		<u>18,597,004</u>
End of year, June 30		<u>\$ 19,758,241</u>		<u>\$ 18,495,163</u>

MAJOR CAPITAL PROJECTS FUND

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

Individual Project Descriptions:

City Hall Expansion Capital Project – accounts for funds used in the design and construction of the expansion and renovation of City Hall.

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

Marine Corps Museum Capital Project – accounts for funds donated for the construction of the Museum of the Marine.

Wilson Bay Initiative Capital Project – accounts for funds used in the Wilson Bay Initiative.

Vietnam Veterans Memorial Capital Project – accounts for funds donated by the City for the eventual construction of a Vietnam Veterans Memorial.

Youth Center Capital Project – accounts for funds used in the construction of a Jacksonville Youth Center.

Fire Training Facility Capital Project – accounts for funds used in conjunction with funds donated from Coastal Carolina Community College and Onslow County Volunteer Fire Service for the construction of a Fire Training Facility.

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

Sturgeon City Boardwalk III Capital Project – accounts for funds used in the construction of the Sturgeon City Boardwalk III.

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

Firing Range Improvements Capital Project – accounts for funds used to improve the firing range.

Buddy Phillips Bridge Improvements Capital Project – accounts for funds used to improve the Buddy Phillips Bridge.

Relocation of Northwoods Fire Station Capital Project – accounts for funds used in the relocation of the Northwoods Fire Station.

MAJOR CAPITAL PROJECTS FUND

(Continued)

Sturgeon City Boardwalk IV Capital Project – accounts for funds used for the continued construction of the Sturgeon City Boardwalk.

Northeast Creek Ramp and Boardwalk Capital Project – accounts for funds used to repair the boat ramp located at Northeast Creek Park.

Jack Amyette Center Renovations Capital Project – accounts for funds used for renovations to the Jack Amyette Center.

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

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

Wooten Park Capital Project – accounts for funds used to make improvements to Wooten Park.

JTDA – Museum of the Marine Capital Project – accounts for the Jacksonville Tourism Development Authority (JTDA) contribution to the Museum of the Marine.

New Bridge Streetscape Capital Project – accounts for funds for streetscape improvements to New Bridge Street and Johnson Boulevard.

Jacksonville Commons Phase III Capital Project – accounts for funds used for construction of a storage building for the Athletics programs.

Richard Ray Park Phase II Capital Project – accounts for the funds used for continued upgrades to Richard Ray Park.

City Hall Envelope Capital Project – accounts for funds used for repairs to the exterior of the City Hall Building.

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

Jacksonville Landing Park Capital Project – accounts for funds used to construct a welcome center and Park.

Jack Amyette Center Phase II Capital Project – accounts for funds used for continued upgrades to the Jack Amyette Center.

MAJOR CAPITAL PROJECTS FUND

(Continued)

LP Willingham Splash Pad Capital Project – accounts for funds used in the construction of an interactive splash pad/ spray ground at LP Willingham Park.

Riverwalk Park Restrooms Capital Project – accounts for funds used in the construction of a restroom facility at Riverwalk Park.

Phillips Park Capital Project – accounts for funds used for new construction and improvements at Phillips Park.

Phillips Park Seawall Capital Project – accounts for funds used to remove the seawall and remediate that area at Phillips Park.

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

Riverwalk Park Parking Lot Capital Project – accounts for funds used for the construction of a parking lot at Riverwalk Park.

City of Jacksonville, North Carolina
Major Capital Projects Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and investments	\$ 7,869,383	\$ 8,550,160
Restricted cash and investments	23,050,976	28,994,490
Accounts receivable (net)	2,120	71,114
Total Assets	<u>\$ 30,922,479</u>	<u>\$ 37,615,764</u>
Liabilities and Fund Balances		
Accounts payable and accrued liabilities	\$ 2,385,285	\$ 960,102
Interfund payable	-	207,171
Total Liabilities	<u>2,385,285</u>	<u>1,167,273</u>
Fund Balances:		
Restricted:		
Stabilization by State Statute	2,120	71,114
Capital Projects	16,338,963	24,427,140
Assigned:		
Subsequent year's expenditures	12,196,111	12,343,897
Unassigned:	-	(393,660)
Total Fund Balances	<u>28,537,194</u>	<u>36,448,491</u>
Total Liabilities and Fund Balances	<u>\$ 30,922,479</u>	<u>\$ 37,615,764</u>

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

From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental revenues:					
NC Transp Enhancement Grant	\$ 650,000	\$ -	\$ -	\$ -	\$ (650,000)
Part F Grant	815,000	-	-	-	(815,000)
104F Transportation	120,899	120,898	-	120,898	(1)
CCCC Joint Project	13,000	13,000	-	13,000	-
Onslow County Joint Project	12,876	12,876	-	12,876	-
Contribution - Onslow County	410,307	210,308	200,000	410,308	1
NCDENR	518,020	300,837	-	300,837	(217,183)
Contributions - JTDA	500,000	400,000	100,000	500,000	-
Total Restricted Intergovernmental Revenues	3,040,102	1,057,919	300,000	1,357,919	(1,682,183)
Investment earnings	390,319	387,992	1,181	389,173	(1,146)
Miscellaneous Revenues	13,900	10,000	3,900	13,900	-
Contributions	613,847	449,259	139,406	588,665	(25,182)
Lawsuit Settlement	638,000	-	638,000	638,000	-
Total revenues	4,696,168	1,905,170	1,082,487	2,987,657	(1,708,511)
Expenditures:					
General Government	14,499,903	9,165,373	1,141,883	10,307,256	(4,192,647)
Public Works	345,500	51,345	(227)	51,118	(294,382)
Public Safety	34,707,148	4,686,775	7,913,435	12,600,210	(22,106,938)
Cultural and Recreation	7,085,499	1,977,352	1,287,866	3,265,218	(3,820,281)
Non Capitalized Expenditures	2,182,648	1,095,601	-	1,095,601	(1,087,047)
Total expenditures	58,820,698	16,976,446	10,342,957	27,319,403	(31,501,295)
Revenues (under) expenditures	(54,124,530)	(15,071,276)	(9,260,470)	(24,331,746)	29,792,784
Other financing sources (uses):					
Debt issued	34,444,571	32,023,116	1,147,000	33,170,116	(1,274,455)
Premium on debt issued	2,290,000	2,290,000	-	2,290,000	-
Transfers in--					
From Capital Reserve Fund	8,137,689	6,610,689	1,526,946	8,137,635	(54)
From General Fund	10,938,219	10,675,219	263,000	10,938,219	-
From Proprietary Fund	14,105	14,105	-	14,105	-
From Major Enterprise Fund	100,000	-	100,000	100,000	-
Transfers (out)--					
To Capital Reserve Fund	(1,223,260)	(10,432)	(1,193,909)	(1,204,341)	18,919
To General Fund	(576,794)	(82,930)	(493,864)	(576,794)	-
Total other financing sources	54,124,530	51,519,767	1,349,173	52,868,940	(1,255,590)
Net Change In Fund Balance	\$ -	\$ 36,448,491	\$ (7,911,297)	\$ 28,537,194	\$ 28,537,194

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 21013
With Comparative Totals for June 30, 2012

	NC24 Culvert Trail	Marine Corps Museum	Vietnam Veterans Memorial	Country Club Park	Police/Fire Facility
Assets					
Current Assets:					
Cash and cash equivalents	\$ 122,470	\$ 756,065	\$ 329,807	\$ 41,820	\$ 4,180,911
Restricted cash and cash equivalents	-	-	-	-	16,756,743
Accounts receivable	-	-	-	-	-
Total Current Assets	<u>122,470</u>	<u>756,065</u>	<u>329,807</u>	<u>41,820</u>	<u>20,937,654</u>
Total Assets	<u>\$ 122,470</u>	<u>\$ 756,065</u>	<u>\$ 329,807</u>	<u>\$ 41,820</u>	<u>\$ 20,937,654</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 2,345,129
Interfund payable	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,345,129</u>
Fund Balances:					
Restricted					
Stabilization by State Statute	-	-	-	-	-
Capital Projects	15,661	-	-	-	15,661,474
Assigned:					
Capital Projects	106,809	756,065	329,807	41,820	2,931,051
Unassigned	-	-	-	-	-
Total Fund Balance	<u>122,470</u>	<u>756,065</u>	<u>329,807</u>	<u>41,820</u>	<u>18,592,525</u>
Total Liabilities and Fund Balances	<u>\$ 122,470</u>	<u>\$ 756,065</u>	<u>\$ 329,807</u>	<u>\$ 41,820</u>	<u>\$ 20,937,654</u>

Sturgeon City Boardwalk III	Buddy Phillips Bridge Improvements	Relocation of Northwoods Fire Station	Northeast Creek Ramp and Boardwalk	Jack Amyette Center Renovations	Freedom Fountain
\$ 22,394	\$ 294,382	\$ 6,135	\$ 19,223	\$ 81,575	\$ 25,724
-	-	2,491,664	-	-	-
-	-	-	-	-	2,120
<u>22,394</u>	<u>294,382</u>	<u>2,497,799</u>	<u>19,223</u>	<u>81,575</u>	<u>27,844</u>
<u>\$ 22,394</u>	<u>\$ 294,382</u>	<u>\$ 2,497,799</u>	<u>\$ 19,223</u>	<u>\$ 81,575</u>	<u>\$ 27,844</u>
\$ -	\$ -	\$ 7,842	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	7,842	-	-	-
-	-	-	-	-	2,120
-	224,758	32,274	-	9,081	11,000
22,394	69,624	2,457,683	19,223	72,494	14,724
-	-	-	-	-	-
<u>22,394</u>	<u>294,382</u>	<u>2,489,957</u>	<u>19,223</u>	<u>81,575</u>	<u>27,844</u>
<u>\$ 22,394</u>	<u>\$ 294,382</u>	<u>\$ 2,497,799</u>	<u>\$ 19,223</u>	<u>\$ 81,575</u>	<u>\$ 27,844</u>

Continued on next page,

City of Jackosville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet

June 30, 21013

With Comparative Totals for June 30, 2012

	Richard Ray Park Garden Improvements	Wooten Park	JTDA - Museum of the Marine	New Bridge Streetscape	Richard Ray Park Phase II
Assets					
Current Assets:					
Cash and cash equivalents	\$ 7,835	\$ 230,907	\$ 200,415	\$ 121,012	\$ 899
Restricted cash and cash equivalents	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Total Current Assets	7,835	230,907	200,415	121,012	899
Total Assets	\$ 7,835	\$ 230,907	\$ 200,415	\$ 121,012	\$ 899
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 450	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-
Total Liabilities	-	450	-	-	-
Fund Balances:					
Restricted					
Stabilization by State Statute	-	-	-	-	-
Capital Projects	-	217,918	-	-	-
Assigned:					
Capital Projects	7,835	12,539	200,415	121,012	899
Unassigned	-	-	-	-	-
Total Fund Balance	7,835	230,457	200,415	121,012	899
Total Liabilities and Fund Balances	\$ 7,835	\$ 230,907	\$ 200,415	\$ 121,012	\$ 899

Statement 5,
continued,

<u>City Hall Envelope</u>	<u>Sturgeon City Education Center</u>	<u>Jacksonville Landing Park</u>	<u>Jack Amyette Phase II</u>	<u>LP Willingham Splash Pad</u>	<u>Phillips Park</u>
\$ 25,696	\$ -	\$ 438,351	\$ 300,000	\$ 95,500	\$ 500,000
-	3,802,569	-	-	-	-
-	-	-	-	-	-
<u>25,696</u>	<u>3,802,569</u>	<u>438,351</u>	<u>300,000</u>	<u>95,500</u>	<u>500,000</u>
<u>\$ 25,696</u>	<u>\$ 3,802,569</u>	<u>\$ 438,351</u>	<u>\$ 300,000</u>	<u>\$ 95,500</u>	<u>\$ 500,000</u>
\$ -	\$ 9,073	\$ 580	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	9,073	580	-	-	-
-	-	-	-	-	-
-	166,796	-	-	-	-
25,696	3,626,700	437,771	300,000	95,500	500,000
-	-	-	-	-	-
<u>25,696</u>	<u>3,793,496</u>	<u>437,771</u>	<u>300,000</u>	<u>95,500</u>	<u>500,000</u>
<u>\$ 25,696</u>	<u>\$ 3,802,569</u>	<u>\$ 438,351</u>	<u>\$ 300,000</u>	<u>\$ 95,500</u>	<u>\$ 500,000</u>

Statement 5,
continued.

	<u>Totals</u>			
	<u>Labyrinth Garden</u>	<u>Riverwalk Parking Lot</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Assets				
Current Assets:				
Cash and cash equivalents	\$ 2,100	\$ 66,162	\$ 7,869,383	\$ 8,550,160
Restricted cash and cash equivalents	-	-	23,050,976	28,994,490
Accounts receivable	-	-	2,120	71,114
Total Current Assets	<u>2,100</u>	<u>66,162</u>	<u>30,922,479</u>	<u>37,615,764</u>
Total Assets	<u>\$ 2,100</u>	<u>\$ 66,162</u>	<u>\$ 30,922,479</u>	<u>\$ 37,615,764</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 22,211	\$ 2,385,285	\$ 960,102
Interfund payable	-	-	-	207,171
Total Liabilities	<u>-</u>	<u>22,211</u>	<u>2,385,285</u>	<u>1,167,273</u>
Fund Balances:				
Restricted				
Stabilization by State Statute			2,120	71,114
Capital Projects		1	16,338,963	24,427,140
Assigned:				
Capital Projects	2,100	43,950	12,196,111	12,343,897
Unassigned	-	-	-	(393,660)
Total Fund Balance	<u>2,100</u>	<u>43,951</u>	<u>28,537,194</u>	<u>36,448,491</u>
Total Liabilities and Fund Balances	<u>\$ 2,100</u>	<u>\$ 66,162</u>	<u>\$ 30,922,479</u>	<u>\$ 37,615,764</u>

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	City Hall Expansion	NC24 Culvert Trail	Marine Corps Museum	Wilson Bay Initiative
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	499	-
Contributions	-	-	-	-
Lawsuit Settlement	638,000	-	-	-
Total revenues	<u>638,000</u>	<u>-</u>	<u>499</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
General Government	(245,027)	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreation	-	8,458	-	-
Non-capitalized expenditures	-	-	-	-
Total expenditures	<u>(245,027)</u>	<u>8,458</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>883,027</u>	<u>(8,458)</u>	<u>499</u>	<u>-</u>
Other financing sources (uses):				
Debt Issued	-	-	-	-
Transfers in	50,000	-	-	-
Transfers (out)	(964,020)	-	-	(13,474)
Total other financing sources (uses)	<u>(914,020)</u>	<u>-</u>	<u>-</u>	<u>(13,474)</u>
Net change in fund balance	(30,993)	(8,458)	499	(13,474)
Fund balances:				
Beginning of year, July 1	<u>30,993</u>	<u>130,928</u>	<u>755,566</u>	<u>13,474</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 122,470</u>	<u>\$ 756,065</u>	<u>\$ -</u>

Continued on next page,

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Vietnam Veterans Memorial	Youth Center	Fire Training Facility	Country Club Park	Sturgeon City Boardwalk III
Revenues:					
Restricted intergovernmental revenues	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Investment earnings	267	-	-	-	-
Contributions	-	-	-	-	-
Lawsuit Settlement	-	-	-	-	-
Total revenues	<u>100,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Capital Outlay:					
General Government	-	(6,018)	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-
Non-capitalized expenditures	-	-	-	-	-
Total expenditures	<u>-</u>	<u>(6,018)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>100,267</u>	<u>6,018</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Debt Issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	(7,151)	(5,241)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(7,151)</u>	<u>(5,241)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	100,267	(1,133)	(5,241)	-	-
Fund balances:					
Beginning of year, July 1	<u>229,540</u>	<u>1,133</u>	<u>5,241</u>	<u>41,820</u>	<u>22,394</u>
End of year, June 30	<u>\$ 329,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,820</u>	<u>\$ 22,394</u>

Police/Fire Facility	Firing Range Improvements	Buddy Phillips Bridge Improvements	Relocation of Northwoods Fire Station	Sturgeon City Boardwalk IV	Northeast Creek Ramp & Boardwalk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,795,005	248	(227)	118,182	-	-
-	-	-	-	-	269,543
-	-	-	-	-	-
7,795,005	248	(227)	118,182	-	269,543
(7,795,005)	(248)	227	(118,182)	-	(269,543)
-	-	-	-	-	-
-	-	-	-	-	48,000
(413,864)	(7,777)	-	(93,000)	(50,000)	-
(413,864)	(7,777)	-	(93,000)	(50,000)	48,000
(8,208,869)	(8,025)	227	(211,182)	(50,000)	(221,543)
26,801,394	8,025	294,155	2,701,139	50,000	240,766
\$ 18,592,525	\$ -	\$ 294,382	\$ 2,489,957	\$ -	\$ 19,223

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Jack Amyette Center Renovations	Freedom Fountain	Richard Ray Park Garden Improvements	Wooten Park
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Contributions	-	114,406	10,000	-
Lawsuit Settlement	-	-	-	-
Total revenues	<u>-</u>	<u>114,406</u>	<u>10,000</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
General Government	-	322,388	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreation	129,671	-	4,512	69,487
Non-capitalized expenditures	-	-	-	-
Total expenditures	<u>129,671</u>	<u>322,388</u>	<u>4,512</u>	<u>69,487</u>
Revenues over (under) expenditures	<u>(129,671)</u>	<u>(207,982)</u>	<u>5,488</u>	<u>(69,487)</u>
Other financing sources (uses):				
Debt Issued	-	-	-	-
Transfers in	-	37,000	-	205,000
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>37,000</u>	<u>-</u>	<u>205,000</u>
Net change in fund balance	(129,671)	(170,982)	5,488	135,513
Fund balances:				
Beginning of year, July 1	<u>211,246</u>	<u>198,826</u>	<u>2,347</u>	<u>94,944</u>
End of year, June 30	<u>\$ 81,575</u>	<u>\$ 27,844</u>	<u>\$ 7,835</u>	<u>\$ 230,457</u>

Schedule 6
Continued,

JTDA - Museum of the Marine	New Bridge Streetscape	Jacksonville Commons Phase III	Richard Ray Park Phase II	City Hall Envelope
\$ -	\$ -	\$ -	\$ -	\$ -
415	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	481,533
-	-	-	-	-
-	-	78,663	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>78,663</u>	<u>-</u>	<u>481,533</u>
<u>415</u>	<u>-</u>	<u>(78,663)</u>	<u>-</u>	<u>(481,533)</u>
-	-	-	-	-
-	-	69,946	-	20,000
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>69,946</u>	<u>-</u>	<u>20,000</u>
415	-	(8,717)	-	(461,533)
<u>200,000</u>	<u>121,012</u>	<u>8,717</u>	<u>899</u>	<u>487,229</u>
<u>\$ 200,415</u>	<u>\$ 121,012</u>	<u>\$ -</u>	<u>\$ 899</u>	<u>\$ 25,696</u>

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Sturgeon City Education Center	Jacksonville Landing Park	Jack Amyette Phase II	LP Willingham Splash Pad
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ 200,000	\$ -	\$ -
Investment earnings	-	-	-	-
Contributions	-	3,900	-	-
Lawsuit Settlement	-	-	-	-
Total revenues	<u>-</u>	<u>203,900</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
General Government	204,704	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreation	-	711,632	-	-
Non-capitalized expenditures	-	-	-	-
Total expenditures	<u>204,704</u>	<u>711,632</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(204,704)</u>	<u>(507,732)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Debt Issued	-	1,147,000	-	-
Transfers in	-	-	300,000	95,500
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,147,000</u>	<u>300,000</u>	<u>95,500</u>
Net change in fund balance	(204,704)	639,268	300,000	95,500
Fund balances:				
Beginning of year, July 1	<u>3,998,200</u>	<u>(201,497)</u>	<u>-</u>	<u>-</u>
End of year, June 30	<u>\$ 3,793,496</u>	<u>\$ 437,771</u>	<u>\$ 300,000</u>	<u>\$ 95,500</u>

Riverwalk Park Restrooms	Phillips Park	Phillips Park Seawall	Labyrinth Garden	Riverwalk Parking Lot	Totals	
					June 30, 2013	June 30, 2012
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 468,020
-	-	-	-	-	1,181	1,596
-	-	-	15,000	-	143,306	383,509
-	-	-	-	-	638,000	-
-	-	-	15,000	-	1,082,487	853,125
-	-	23,754	-	360,549	1,141,883	1,343,405
-	-	-	-	-	(227)	51,345
-	-	-	-	-	7,913,435	999,270
3,000	-	-	12,900	-	1,287,866	1,334,790
-	-	-	-	-	-	9,499
3,000	-	23,754	12,900	360,549	10,342,957	3,738,309
(3,000)	-	(23,754)	2,100	(360,549)	(9,260,470)	\$ (2,885,184)
-	-	-	-	-	1,147,000	29,180,000
60,000	500,000	100,000	-	404,500	1,889,946	4,779,415
(57,000)	-	(76,246)	-	-	(1,687,773)	(1,258,710)
3,000	500,000	23,754	-	404,500	1,349,173	32,700,705
-	500,000	-	2,100	43,951	(7,911,297)	29,815,521
-	-	-	-	-	36,448,491	6,632,970
\$ -	\$ 500,000	\$ -	\$ 2,100	\$ 43,951	\$ 28,537,194	\$ 36,448,491

City of Jacksonville, North Carolina
City Hall Expansion Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Contribution - Onslow County	\$ 10,307	\$ 10,308	\$ -	\$ 10,308	\$ 1
Investment earnings	249,674	249,674	-	249,674	-
Lawsuit Settlement	638,000	-	638,000	638,000	-
Total revenues	897,981	259,982	638,000	897,982	1
Expenditures:					
Capital outlay:					
Other improvements		7,229,810	(245,027)	6,984,783	
Total expenditures	6,983,552	7,229,810	(245,027)	6,984,783	(1,231)
Revenues over (under) expenditures:	(6,085,571)	(6,969,828)	883,027	(6,086,801)	(1,230)
Other financing sources (uses):					
Debt issued	5,030,308	5,030,308	-	5,030,308	-
Transfers in--					
From Capital Reserve Fund	1,705,908	1,705,908	-	1,705,908	-
From General Fund	300,500	250,500	50,000	300,500	-
From Proprietary Fund	14,105	14,105	-	14,105	-
Transfers (out) --					
To Capital Reserve Fund	(965,250)	-	(964,020)	(964,020)	1,230
Total other financing sources	6,085,571	7,000,821	(914,020)	6,086,801	1,230
Net change in fund balance	\$ -	\$ 30,993	(30,993)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			30,993		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
NC24 Culvert Trail Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
104F Transportation	\$ 120,899	\$ 120,898	\$ -	\$ 120,898	\$ (1)
NCDOT Enhancement grant	650,000	-	-	-	(650,000)
Total revenues	770,899	120,898	-	120,898	(650,001)
Expenditures:					
Capital outlay:					
Other improvements		346,970	8,458	355,428	
Total expenditures	1,127,899	346,970	8,458	355,428	772,471
Revenues (under) expenditures	(357,000)	(226,072)	(8,458)	(234,530)	122,470
Other financing sources:					
Transfers in--					
From Capital Reserve Fund	357,000	357,000	-	357,000	-
Total other financing sources	357,000	357,000	-	357,000	-
Net change in fund balance	\$ -	\$ 130,928	(8,458)	\$ 122,470	\$ 122,470
Fund Balance:					
Beginning of year, July 1			130,928		
End of year, June 30			\$ 122,470		

City of Jacksonville, North Carolina
Marine Corps Museum Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment Earnings	\$ 57,290	\$ 55,566	\$ 499	\$ 56,065	\$ (1,225)
Total revenues	57,290	55,566	499	56,065	(1,225)
Expenditures:					
Capital outlay:					
Other improvements		100,000	-	100,000	
Total expenditures	857,290	100,000	-	100,000	757,290
Revenues over (under) expenditures	(800,000)	(44,434)	499	(43,935)	756,065
Other financing sources:					
Transfers in--					
From Capital Reserve Fund	800,000	800,000	-	800,000	-
Total other financing sources	800,000	800,000	-	800,000	-
Net change in fund balance	\$ -	\$ 755,566	499	\$ 756,065	\$ 756,065
Fund Balance:					
Beginning of year, July 1			755,566		
End of year, June 30			\$ 756,065		

City of Jacksonville, North Carolina
Wilson Bay Initiative Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		270,428	-	270,428	
Total expenditures	252,300	270,428	-	270,428	(18,128)
Revenues (under) expenditures	(252,300)	(270,428)	-	(270,428)	(18,128)
Other financing sources (uses):					
Transfers in--					
From General Fund	1,391	1,391	-	1,391	-
From Capital Reserve Fund	291,725	291,725	-	291,725	-
Transfers out--					
To General Fund	(1,391)	(1,391)	-	(1,391)	-
To Capital Reserve Fund	(39,425)	(7,823)	(13,474)	(21,297)	(18,128)
Total other financing sources (uses)	252,300	283,902	(13,474)	270,428	(18,128)
Net change in fund balance	\$ -	\$ 13,474	(13,474)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			13,474		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Vietnam Veterans Memorial Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Jacksonville TDA	\$ 300,000	\$ 200,000	\$ 100,000	\$ 300,000	\$ -
Investment Earnings	82,970	82,754	267	83,021	51
Total revenues	382,970	282,754	100,267	383,021	51
Expenditures:					
Capital outlay:					
Other improvements		753,214	-	753,214	
Total expenditures	1,082,970	753,214	-	753,214	329,756
Revenues over (under) expenditures	(700,000)	(470,460)	100,267	(370,193)	329,807
Other financing sources:					
Transfers in--					
From Capital Reserve Fund	700,000	700,000	-	700,000	-
Total other financing sources	700,000	700,000	-	700,000	-
Net change in fund balance	\$ -	\$ 229,540	100,267	\$ 329,807	\$ 329,807
Fund Balance:					
Beginning of year, July 1			229,540		
End of year, June 30			\$ 329,807		

City of Jacksonville, North Carolina
Youth Center Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		309,420	(6,018)	303,402	
Total expenditures	303,402	309,420	(6,018)	303,402	-
Revenues over (under) expenditures	(303,402)	(309,420)	6,018	(303,402)	-
Other financing sources (uses):					
Debt issued	102,808	102,808	-	102,808	-
Transfers in--					
From General Fund	106,848	106,848	-	106,848	-
From Capital Reserve	103,506	103,506	-	103,506	-
Transfers (out)--					
To Capital Reserve	(9,760)	(2,609)	(7,151)	(9,760)	-
Total other financing sources	303,402	310,553	(7,151)	303,402	-
Net change in fund balance	\$ -	\$ 1,133	(1,133)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			1,133		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Fire Training Facility Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Contributions from Coastal Carolina					
Community College	\$ 13,000	\$ 13,000	\$ -	\$ 13,000	\$ -
Onslow County Volunteer Firefighters	12,876	12,876	-	12,876	-
Total revenues	<u>25,876</u>	<u>25,876</u>	<u>-</u>	<u>25,876</u>	<u>-</u>
Expenditures:					
Non-capitalized expenditures		242,388	-	242,388	
Total expenditures	<u>242,388</u>	<u>242,388</u>	<u>-</u>	<u>242,388</u>	<u>-</u>
Revenues (under) expenditures	<u>(216,512)</u>	<u>(216,512)</u>	<u>-</u>	<u>(216,512)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	161,753	161,753	-	161,753	-
From Capital Reserve Fund	60,000	60,000	-	60,000	-
Transfers (out)--					
To Capital Reserve Fund	<u>(5,241)</u>	<u>-</u>	<u>(5,241)</u>	<u>(5,241)</u>	<u>-</u>
Total other financing sources	<u>216,512</u>	<u>221,753</u>	<u>(5,241)</u>	<u>216,512</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,241</u>	<u>(5,241)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>5,241</u>		
End of year, June 30			<u>\$ -</u>		

City of Jacksonville, North Carolina
Country Club Park Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Part F Grant	\$ 325,000	\$ -	\$ -	\$ -	\$ (325,000)
Total revenues	325,000	-	-	-	(325,000)
Expenditures:					
Capital outlay:					
Other improvements		33,180	-	33,180	
Total expenditures	650,000	33,180	-	33,180	616,820
Revenues (under) expenditures	(325,000)	(33,180)	-	(33,180)	291,820
Other financing sources:					
Debt Issued	250,000	-	-	-	(250,000)
Transfers in--					
From Capital Reserve Fund	75,000	75,000	-	75,000	-
Total other financing sources	325,000	75,000	-	75,000	(250,000)
Net change in fund balance	\$ -	\$ 41,820	-	\$ 41,820	\$ 41,820
Fund balance:					
Beginning of year, July 1			41,820		
End of year, June 30			\$ 41,820		

City of Jacksonville, North Carolina
Sturgeon City Boardwalk Phase III Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
NCDENR	\$ 300,000	\$ 232,817	\$ -	\$ 232,817	\$ (67,183)
Total revenues	300,000	232,817	-	232,817	(67,183)
Expenditures:					
Capital outlay:					
Other improvements		310,423	-	310,423	
Total expenditures	400,000	310,423	-	310,423	89,577
Revenues (under) expenditures	(100,000)	(77,606)	-	(77,606)	22,394
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	100,000	100,000	-	100,000	-
Total other financing sources	100,000	100,000	-	100,000	-
Net change in fund balance	\$ -	\$ 22,394	-	\$ 22,394	\$ 22,394
Fund Balance:					
Beginning of year, July 1			22,394		
End of year, June 30			\$ 22,394		

City of Jacksonville, North Carolina
Police/Fire Facility Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
NCDENR	\$ 68,020	\$ 68,020	\$ -	\$ 68,020	\$ -
Total revenues	68,020	68,020	-	68,020	-
Expenditures:					
Capital outlay:					
Other improvements		4,264,886	7,795,005	12,059,891	
Total expenditures	31,676,871	4,264,886	7,795,005	12,059,891	19,616,980
Revenues (under) expenditures	(31,608,851)	(4,196,866)	(7,795,005)	(11,991,871)	19,616,980
Other financing sources (uses):					
Debt issued	21,569,455	20,545,000	-	20,545,000	(1,024,455)
Premium on debt issued	1,755,000	1,755,000	-	1,755,000	-
Transfers in --					
From General fund	8,698,260	8,698,260	-	8,698,260	-
Transfers (out) --					
To General fund	(413,864)	-	(413,864)	(413,864)	-
Total other financing sources	31,608,851	30,998,260	(413,864)	30,584,396	(1,024,455)
Net change in fund balance	\$ -	\$ 26,801,394	(8,208,869)	\$ 18,592,525	\$ 18,592,525
Fund Balance:					
Beginning of year, July 1			26,801,394		
End of year, June 30			\$ 18,592,525		

City of Jacksonville, North Carolina
Firing Range Improvements Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Miscellaneous Revenue	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -
Total revenues	10,000	10,000	-	10,000	-
Expenditures:					
Capital outlay:					
Other improvements		172,029	248	172,277	
Total expenditures	172,277	172,029	248	172,277	-
Revenues (under) expenditures	(162,277)	(162,029)	(248)	(162,277)	-
Other financing sources (uses):					
Transfers in --					
From General Fund	200,593	200,593	-	200,593	-
From Capital Reserve Fund	51,000	51,000	-	51,000	-
Transfers (out) --					
To General Fund	(81,539)	(81,539)	-	(81,539)	-
To Capital Reserve Fund	(7,777)	-	(7,777)	(7,777)	-
Total other financing sources (uses)	162,277	170,054	(7,777)	162,277	
Net change in fund balance	\$ -	\$ 8,025	(8,025)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			8,025		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Buddy Phillips Bridge Improvements Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		51,345	(227)	51,118	
Total expenditures	345,500	51,345	(227)	51,118	294,382
Revenues over (under) expenditures	(345,500)	(51,345)	227	(51,118)	294,382
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	345,500	345,500	-	345,500	-
Total other financing sources	345,500	345,500	-	345,500	-
Net change in fund balance	\$ -	\$ 294,155	227	\$ 294,382	\$ 294,382
Fund Balance:					
Beginning of year, July 1			294,155		
End of year, June 30			\$ 294,382		

City of Jacksonville, North Carolina
Relocation of Northwoods Fire Station Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Contributions	\$ 13,000	\$ 13,000	\$ -	\$ 13,000	\$ -
Total revenues	13,000	13,000	-	13,000	-
Expenditures:					
Capital outlay:					
Other improvements		249,861	118,182	368,043	
Total expenditures	2,858,000	249,861	118,182	368,043	2,489,957
Revenues (under) expenditures	(2,845,000)	(236,861)	(118,182)	(355,043)	2,489,957
Other financing sources (uses):					
Debt Issued	2,660,000	2,660,000	-	2,660,000	-
Premium on debt issued	220,000	220,000	-	220,000	-
Transfers in --					
From General Fund	6,250	6,250	-	6,250	-
From Capital Reserve Fund	51,750	51,750	-	51,750	-
Transfers (out) --					
To General Fund	(80,000)	-	(80,000)	(80,000)	-
To Capital Reserve Fund	(13,000)	-	(13,000)	(13,000)	-
Total other financing sources	2,845,000	2,938,000	(93,000)	2,845,000	-
Net change in fund balance	\$ -	\$ 2,701,139	(211,182)	\$ 2,489,957	\$ 2,489,957
Fund Balance:					
Beginning of year, July 1			2,701,139		
End of year, June 30			\$ 2,489,957		

City of Jacksonville, North Carolina
Sturgeon City Boardwalk Phase IV Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
NCDENR	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
Total revenues	150,000	-	-	-	(150,000)
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	150,000	-	-	-	150,000
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	50,000	50,000	-	50,000	-
Transfers (out) --					
To Capital Reserve Fund	(50,000)	-	(50,000)	(50,000)	-
Total other financing sources	-	50,000	(50,000)	-	-
Net change in fund balance	\$ -	\$ 50,000	(50,000)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			50,000		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
NE Creek Boat Ramp and Boardwalk Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		64,234	269,543	333,777	
Total expenditures	353,000	64,234	269,543	333,777	19,223
Revenues (under) expenditures	(353,000)	(64,234)	(269,543)	(333,777)	19,223
Other financing sources:					
Transfers in --					
From General Fund	153,000	105,000	48,000	153,000	-
From Capital Reserve Fund	200,000	200,000	-	200,000	-
Total other financing sources	353,000	305,000	48,000	353,000	-
Net change in fund balance	\$ -	\$ 240,766	(221,543)	\$ 19,223	\$ 19,223
Fund Balance:					
Beginning of year, July 1			240,766		
End of year, June 30			\$ 19,223		

City of Jacksonville, North Carolina
Jack Amyette Center Renovation Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30,2013

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		183,754	129,671	313,425	
Total expenditures	395,000	183,754	129,671	313,425	81,575
Revenues (under) expenditures	(395,000)	(183,754)	(129,671)	(313,425)	81,575
Other financing sources:					
Transfers in --					
From General Fund	395,000	395,000	-	395,000	-
Total other financing sources	395,000	395,000	-	395,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 211,246</u>	<u>(129,671)</u>	<u>\$ 81,575</u>	<u>\$ 81,575</u>
Fund Balance:					
Beginning of year, July 1			211,246		
End of year, June 30			<u>\$ 81,575</u>		

City of Jacksonville, North Carolina
Freedom Fountain Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30, 2013

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Contributions	\$ 539,847	\$ 426,259	\$ 114,406	\$ 540,665	\$ 818
Total revenues	539,847	426,259	114,406	540,665	818
Expenditures:					
Capital outlay:					
Other improvements		603,357	322,388	925,745	
Total expenditures	952,771	603,357	322,388	925,745	27,026
Revenues over (under) expenditures	(412,924)	(177,098)	(207,982)	(385,080)	27,844
Other financing sources:					
Transfers in --					
From General Fund	412,924	375,924	37,000	412,924	-
Total other financing sources	412,924	375,924	37,000	412,924	-
Net change in fund balance	\$ -	\$ 198,826	(170,982)	\$ 27,844	\$ 27,844
Fund Balance:					
Beginning of year, July 1			198,826		
End of year, June 30			\$ 27,844		

City of Jacksonville, North Carolina
Richard Ray Park Garden Improvements
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Contributions	\$ 20,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ -
Total revenues	20,000	10,000	10,000	20,000	-
Expenditures:					
Capital outlay:					
Other improvements		7,915	4,512	12,427	
Total expenditures	20,262	7,915	4,512	12,427	7,835
Revenues over (under) expenditures	(262)	2,085	5,488	7,573	7,835
Other financing sources:					
Transfers in --					
From General Fund	262	262	-	262	-
Total other financing sources	262	262	-	262	-
Net change in fund balance	\$ -	\$ 2,347	5,488	\$ 7,835	\$ 7,835
Fund Balance:					
Beginning of year, July 1			2,347		
End of year, June 30			\$ 7,835		

City of Jacksonville, North Carolina
Wooten Park Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		3,556	69,487	73,043	
Total expenditures	303,500	3,556	69,487	73,043	230,457
Revenues (under) expenditures	(303,500)	(3,556)	(69,487)	(73,043)	230,457
Other financing sources:					
Transfers in --					
From General Fund	146,500	98,500	48,000	146,500	-
From Capital Reserve	57,000	-	57,000	57,000	-
From Water Sewer Fund	100,000	-	100,000	100,000	-
Total other financing sources	303,500	98,500	205,000	303,500	-
Net change in fund balance	\$ -	\$ 94,944	135,513	\$ 230,457	\$ 230,457
Fund Balance:					
Beginning of year, July 1			94,944		
End of year, June 30			\$ 230,457		

City of Jacksonville, North Carolina
JTDA - Museum of the Marine Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Contributions - JTDA	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ -
Investment earnings	385	-	415	415	30
Total revenues	200,385	200,000	415	200,415	30
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	200,385	-	-	-	(200,385)
Revenues over expenditures	-	200,000	415	200,415	200,415
Net change in fund balance	\$ -	\$ 200,000	415	\$ 200,415	\$ 200,415
Fund Balance:					
Beginning of year, July 1			200,000		
End of year, June 30			\$ 200,415		

City of Jacksonville, North Carolina
New Bridge Streetscape Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		5,988	-	5,988	
Total expenditures	127,000	5,988	-	5,988	121,012
Revenues (under) expenditures	(127,000)	(5,988)	-	(5,988)	121,012
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	127,000	127,000	-	127,000	-
Total other financing sources	127,000	127,000	-	127,000	-
Net change in fund balance	\$ -	\$ 121,012	-	\$ 121,012	\$ 121,012
Fund Balance:					
Beginning of year, July 1			121,012		
End of year, June 30			\$ 121,012		

City of Jacksonville, North Carolina
Jacksonville Commons Phase III Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		82,471	78,663	161,134	
Total expenditures	161,188	82,471	78,663	161,134	54
Revenues (under) expenditures	(161,188)	(82,471)	(78,663)	(161,134)	54
Other financing sources:					
Transfers in --					
From General Fund	21,188	21,188	-	21,188	-
From Capital reserve Fund	140,000	70,000	69,946	139,946	(54)
Total other financing sources	161,188	91,188	69,946	161,134	(54)
Net change in fund balance	\$ -	\$ 8,717	(8,717)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			8,717		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Richard Ray Park Phase II Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		35,351	-	35,351	
Total expenditures	36,250	35,351	-	35,351	899
Revenues (under) expenditures	(36,250)	(35,351)	-	(35,351)	899
Other financing sources:					
Transfers in --					
From General Fund	36,250	36,250	-	36,250	-
Total other financing sources	36,250	36,250	-	36,250	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 899</u>	-	<u>\$ 899</u>	<u>\$ 899</u>
Fund Balance:					
Beginning of year, July 1			<u>899</u>		
End of year, June 30			<u>\$ 899</u>		

City of Jacksonville, North Carolina
City Hall Envelope Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		744,571	481,533	1,226,104	
Total expenditures	1,251,800	744,571	481,533	1,226,104	25,696
Revenues (under) expenditures	(1,251,800)	(744,571)	(481,533)	(1,226,104)	25,696
Other financing sources:					
Transfers in --					
From General Fund	49,500	29,500	20,000	49,500	-
From Capital Reserve Fund	1,202,300	1,202,300	-	1,202,300	-
Total other financing sources	1,251,800	1,231,800	20,000	1,251,800	-
Net change in fund balance	\$ -	\$ 487,229	(461,533)	\$ 25,696	\$ 25,696
Fund Balance:					
Beginning of year, July 1			487,229		
End of year, June 30			\$ 25,696		

City of Jacksonville, North Carolina
Sturgeon City Education Center Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		1,800	204,704	206,504	
Total expenditures	4,000,000	1,800	204,704	206,504	3,793,496
Revenues (under) expenditures	(4,000,000)	(1,800)	(204,704)	(206,504)	3,793,496
Other financing sources:					
Debt Issued	3,685,000	3,685,000	-	3,685,000	-
Premium on debt issued	315,000	315,000	-	315,000	-
Total other financing sources	4,000,000	4,000,000		4,000,000	-
Net change in fund balance	\$ -	\$ 3,998,200	(204,704)	\$ 3,793,496	\$ 3,793,496
Fund Balance:					
Beginning of year, July 1			3,998,200		
End of year, June 30			\$ 3,793,496		

City of Jacksonville, North Carolina
Jacksonville Landing Park Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Contributions - Onslow County	\$ 400,000	\$ 200,000	\$ 200,000	\$ 400,000	\$ -
Miscellaneous Revenue	3,900	-	3,900	3,900	-
Total revenues	<u>403,900</u>	<u>200,000</u>	<u>203,900</u>	<u>403,900</u>	<u>-</u>
Expenditures:					
Capital outlay:					
Other improvements		909,497	711,632	1,621,129	
Total expenditures	<u>2,058,900</u>	<u>909,497</u>	<u>711,632</u>	<u>1,621,129</u>	<u>437,771</u>
Revenues (under) expenditures	<u>(1,655,000)</u>	<u>(709,497)</u>	<u>(507,732)</u>	<u>(1,217,229)</u>	<u>437,771</u>
Other financing sources:					
Debt Issued	1,147,000	-	1,147,000	1,147,000	-
Transfers in --					
From General Fund	188,000	188,000	-	188,000	-
From Capital Reserve Fund	<u>320,000</u>	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>-</u>
Total other financing sources	<u>1,655,000</u>	<u>508,000</u>	<u>1,147,000</u>	<u>1,655,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (201,497)</u>	639,268	<u>\$ 437,771</u>	<u>\$ 437,771</u>
Fund Balance:					
Beginning of year, July 1			<u>(201,497)</u>		
End of year, June 30			<u>\$ 437,771</u>		

City of Jacksonville, North Carolina
Jack Amyette Phase II Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

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

City of Jacksonville, North Carolina
LP Willingham Splash Pad Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Contributions - BOLD	\$ 26,000	\$ -	\$ -	\$ -	\$ (26,000)
Total revenues	26,000	-	-	-	(26,000)
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	121,500	-	-	-	121,500
Revenues (under) expenditures	(95,500)	-	-	-	95,500
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	95,500	-	95,500	95,500	-
Total other financing sources	95,500	-	95,500	95,500	-
Net change in fund balance	\$ -	\$ -	95,500	\$ 95,500	\$ 95,500
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 95,500		

City of Jacksonville, North Carolina
Riverwalk Park Restrooms Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	3,000	3,000	
Total expenditures	3,000	-	3,000	3,000	-
Revenues (under) expenditures	(3,000)	-	(3,000)	(3,000)	
Other financing sources (uses):					
Transfers in --					
From Capital Reserve Fund	60,000	-	60,000	60,000	-
Transfers out --					
To Capital Reserve Fund	(57,000)	-	(57,000)	(57,000)	-
Total other financing sources	3,000	-	3,000	3,000	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Phillips Park Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
PART F Grant	\$ 490,000	\$ -	\$ -	\$ -	\$ (490,000)
Total revenues	490,000	-	-	-	(490,000)
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	990,000	-	-	-	990,000
Revenues (under) expenditures	(500,000)	-	-	-	500,000
Other financing sources:					
Transfers in --					
From Capital reserve Fund	500,000	-	500,000	500,000	-
Total other financing sources	500,000	-	500,000	500,000	-
Net change in fund balance	\$ -	\$ -	500,000	\$ 500,000	\$ 500,000
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 500,000		

City of Jacksonville, North Carolina
Phillips Park Seawall Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	23,754	23,754	
Total expenditures	24,193	-	23,754	23,754	439
Revenues (under) expenditures	(24,193)	-	(23,754)	(23,754)	439
Other financing sources (uses):					
Transfers in --					
From Capital Reserve Fund	100,000	-	100,000	100,000	-
Transfers out --					
To Capital Reserve Fund	(75,807)	-	(76,246)	(76,246)	(439)
Total other financing sources	24,193	-	23,754	23,754	(439)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Labyrinth Garden Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Contributions	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	\$ -
Total revenues	15,000	-	15,000	15,000	-
Expenditures:					
Capital outlay:					
Other improvements		-	12,900	12,900	
Total expenditures	15,000	-	12,900	12,900	2,100
Revenues (under) expenditures	-	-	2,100	2,100	2,100
Net change in fund balance	\$ -	\$ -	2,100	\$ 2,100	\$ 2,100
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 2,100		

City of Jacksonville, North Carolina
Riverwalk Parking Lot Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital outlay:					
Other improvements		-	360,549	360,549	
Total expenditures	404,500	-	360,549	360,549	43,951
Revenues (under) expenditures	(404,500)	-	(360,549)	(360,549)	43,951
Other financing sources:					
Transfers in --					
From General Fund	60,000	-	60,000	60,000	-
From Capital Reserve Fund	344,500	-	344,500	344,500	-
Total other financing sources	404,500	-	404,500	404,500	-
Net change in fund balance	\$ -	\$ -	43,951	\$ 43,951	\$ 43,951
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 43,951		

WATER AND SEWER FUND

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

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Net Position
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 33,558,772	\$ 34,680,704
Accounts receivable (net)	2,913,153	2,700,589
Inventories	295,720	299,732
Prepaid items	1,075	860
Total Current Assets	<u>36,768,720</u>	<u>37,681,885</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	5,110,014	8,640,381
Deferred charges	-	47,338
Capital assets (net)	133,743,024	135,069,518
Total Noncurrent Assets	<u>138,853,038</u>	<u>143,757,237</u>
Total Assets	<u>175,621,758</u>	<u>181,439,122</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	2,455,261	2,151,329
Compensated absences payable-current	133,929	130,899
Installment purchases payable-current	3,193,607	3,189,233
Loans payable-current	2,447,786	2,447,786
Bonds payable-current	1,654,827	1,414,575
Total Current Liabilities	<u>9,885,410</u>	<u>9,333,822</u>
Noncurrent Liabilities:		
Compensated absences payable-noncurrent	62,008	76,379
Customer deposits	780,439	951,757
Other postemployment benefits	29,622	29,173
Installment purchases payable-noncurrent	7,882,350	11,074,266
Loans payable-noncurrent	50,522,655	52,048,153
Bonds payable-noncurrent	36,726,528	38,030,096
Total Noncurrent Liabilities	<u>96,003,602</u>	<u>102,209,824</u>
Total Liabilities	<u>105,889,012</u>	<u>111,543,646</u>
Deferred Inflows of Resources	<u>96,438</u>	<u>107,941</u>
Net Position		
Invested in capital assets, net of related debt	36,425,284	35,553,128
Unrestricted	33,211,024	34,234,407
Total Net Position	<u>\$ 69,636,308</u>	<u>\$ 69,787,535</u>

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 22,247,424	\$ 23,178,499
Total operating revenues	<u>22,247,424</u>	<u>23,178,499</u>
Operating expenses:		
Water/Sewer Operations	6,969,586	6,926,007
Water Supply	1,953,922	1,863,161
Wastewater Treatment	2,204,625	2,482,252
Non-capitalized expenses - projects	265,050	-
Depreciation	10,034,792	9,690,860
Total operating expenses	<u>21,427,975</u>	<u>20,962,280</u>
Operating income	<u>819,449</u>	<u>2,216,219</u>
Nonoperating revenues (expenses):		
Investment earnings	55,423	96,152
Gain (loss) on sale of capital assets	(24,559)	41,056
Miscellaneous revenues	646,493	552,317
Interest on long-term debt	(3,009,421)	(4,948,503)
Debt issuance costs	-	(492)
Total nonoperating (expenses)	<u>(2,332,064)</u>	<u>(4,259,470)</u>
Income before capital contributions and transfers	<u>(1,512,615)</u>	<u>(2,043,251)</u>
Capital contributions:		
ONWASA contribution	37,272	40,158
State Revolving Fund-ARRA forgiveness loan	75,000	173,532
NC Department of Transportation	-	160,175
NC Department of Commerce	125,000	-
Developer contributions	932,943	508,017
Total capital contributions	<u>1,170,215</u>	<u>881,882</u>
Income before transfers	<u>(342,400)</u>	<u>(1,161,369)</u>
Transfers:		
Transfers in	338,886	348,304
Transfers out	(100,375)	(106,099)
Total transfers	<u>238,511</u>	<u>242,205</u>
Increase (Decrease) in Net Position	(103,889)	(919,164)
Net Position		
Beginning of year, July 1, as previously reported	69,787,535	70,706,699
Restatement for accounting change	(47,338)	-
Beginning of year, July 1, as restated	<u>69,740,197</u>	<u>70,706,699</u>
End of year, June 30	<u>\$ 69,636,308</u>	<u>\$ 69,787,535</u>

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers	\$ 21,986,537	\$ 23,950,083
Cash paid for goods and services	(5,237,738)	(7,419,065)
Cash paid to employees	(5,821,788)	(5,784,437)
Customer deposits	(171,318)	138,485
Net cash provided by operating activities	<u>10,755,693</u>	<u>10,885,066</u>
Cash flows from noncapital financing activities:		
Transfers in	338,886	348,304
Transfers (out)	(100,375)	(106,099)
Miscellaneous revenues	646,493	552,317
Net cash provided (used) by noncapital financing activities	<u>885,004</u>	<u>794,522</u>
Cash flows from capital and related financing activities:		
Capital contributions	339,992	373,865
Debt issued	1,338,473	8,430,047
Principal paid on long-term debt	(7,064,630)	(12,706,404)
Interest paid on long-term debt	(3,059,619)	(4,952,812)
Debt issuance costs	-	(47,830)
Acquisition and construction of capital assets	(7,927,915)	(6,151,271)
Proceeds from sale of capital assets	25,282	41,056
Net cash provided (used) by capital and related financing activities	<u>(16,348,417)</u>	<u>(15,013,349)</u>
Cash flows from investing activities:		
Interest earned on investments	55,423	96,152
Net cash provided by investing activities	<u>55,423</u>	<u>96,152</u>
Net increase (decrease) in cash and cash equivalents	(4,652,297)	(3,237,609)
Cash and cash equivalents, July 1	<u>43,321,085</u>	<u>46,558,694</u>
Cash and cash equivalents, June 30	<u>\$ 38,668,788</u>	<u>\$ 43,321,085</u>

Continued on next page.

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2013 and 2012

	2013	2012
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 819,449	\$ 2,216,219
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	10,034,792	9,690,860
Bad debt expense	36,820	5,074
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(249,384)	815,166
(Increase) decrease in inventories	4,012	47,492
(Increase) decrease in prepaid items	(215)	470
Increase (decrease) in accounts payable and accrued liabilities	304,381	(1,999,614)
Increase (decrease) in compensated absences payable	(11,341)	14,496
Increase (decrease) in unearned revenues	(11,504)	(43,582)
Increase (decrease) in customer deposits	(171,318)	138,485
Total adjustments	9,936,243	8,668,847
Net cash provided by operating activities	\$ 10,755,692	\$ 10,885,066
Noncash investing, capital, and financing activities:		
Capital contributed by developers	\$ 830,223	\$ 508,017

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

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating revenues:				
Charges for sales and services:				
Water sales	\$ 8,268,749	\$ 7,715,250	\$ (553,499)	\$ 7,650,734
Water tap fees	40,000	11,683	(28,317)	27,250
Water facility fees	700,000	371,075	(328,925)	947,225
Water Meter Purchases	87,410	34,968	(52,442)	88,341
Sewer sales	12,410,270	12,031,097	(379,173)	11,527,291
Sewer tap fees	-	-	-	(153)
Sewer facility fees	1,200,000	771,585	(428,415)	1,629,237
Sewer grease trap violations	2,000	2,975	975	2,475
Late penalty charges	210,000	223,934	13,934	235,894
New account service charges	210,000	213,480	3,480	256,832
Inflow and Infiltration Fee	832,687	865,264	32,577	800,259
Onslow County leachate	2,000	-	(2,000)	14
Other operating revenue	8,000	6,113	(1,887)	13,100
Total	<u>23,971,116</u>	<u>22,247,424</u>	<u>(1,723,692)</u>	<u>23,178,499</u>
Nonoperating revenues:				
Interest earned on investments	55,329	55,423	94	96,152
Sale of capital assets	7,000	(24,559)	(31,559)	41,056
Miscellaneous revenue	595,543	646,493	50,950	552,317
ONWASA contributions	-	37,272	37,272	40,158
State Revolving Fund-ARRA Forgiveness loan	-	75,000	75,000	173,532
NC Department of Transportation	-	-	-	160,175
NC Department of Commerce	-	125,000	125,000	-
Developer contributions	-	932,943	932,943	508,017
Total	<u>657,872</u>	<u>1,847,572</u>	<u>1,189,700</u>	<u>1,571,407</u>
Total revenues	<u>24,628,988</u>	<u>24,094,996</u>	<u>(533,992)</u>	<u>24,749,906</u>
Expenditures:				
Water/Sewer operations				
Administration				
Salaries and employee benefits		275,653		261,373
Supplies		6,075		9,385
Insurance		3,198		2,077
Maintenance and Repair		6		-
Contracted services-info technology		59,725		56,973
Contracted services		26,835		56,910
Bad debt		36,820		5,074
Overhead allocation from General Fund		1,572,969		1,541,698
Other departmental expenditures		123,778		142,475
Total		<u>2,105,059</u>		<u>2,075,965</u>

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

Schedule 43
Page 2 of 4

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Engineering				
Salaries and employee benefits		\$ 681,418		\$ 694,105
Supplies		4,277		5,175
Insurance		4,531		4,138
Contracted services		201,229		219,957
Contracted services-info technology		78,219		56,009
Other departmental expenditures		46,888		44,922
Total		<u>1,016,562</u>		<u>1,024,306</u>
Metering distribution				
Salaries and employee benefits		252,485		295,405
Supplies		51,409		149,718
Insurance		3,471		2,940
Utilities		3,473		2,376
Maintenance and repair		235		-
Contracted services		10,464		18,532
Contracted services-info technology		37,247		28,004
Other departmental expenditures		65,283		54,976
Total		<u>424,067</u>		<u>551,951</u>
Utilities maintenance				
Salaries and employee benefits		1,381,238		1,390,800
Supplies		186,794		188,075
Insurance		20,066		25,137
Utilities		274,256		249,612
Maintenance and repair		560,815		691,866
Contracted services		605,476		341,021
Contracted services-info technology		100,567		80,513
Other departmental expenditures		294,686		306,761
Total		<u>3,423,898</u>		<u>3,273,785</u>
Total Water/Sewer operations	<u>9,069,915</u>	<u>6,969,586</u>	<u>2,100,329</u>	<u>6,926,007</u>
Water supply				
Salaries and employee benefits		776,879		763,410
Supplies		102,627		128,806
Insurance		83,799		67,421
Utilities		537,108		599,312
Maintenance and repair		169,830		69,621
Contracted services		112,194		92,942
Contracted services-info technology		89,393		80,513
Other departmental expenditures		82,092		61,136
Total water supply	<u>2,329,364</u>	<u>1,953,922</u>	<u>375,442</u>	<u>1,863,161</u>

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

Schedule 43
Page 3 of 4

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Wastewater treatment				
Salaries and employee benefits		\$ 870,254		\$ 859,541
Supplies		132,488		131,607
Insurance		37,732		33,674
Utilities		624,784		605,998
Maintenance and repair		152,119		114,560
Contracted services		143,841		525,801
Contracted services-info technology		55,870		45,508
Other departmental expenditures		187,537		165,563
	<u>2,542,503</u>	<u>2,204,625</u>	<u>337,878</u>	<u>2,482,252</u>
Total wastewater treatment				
Total	<u>13,941,782</u>	<u>11,128,133</u>	<u>2,813,649</u>	<u>11,271,420</u>
Budgetary appropriations:				
Interest paid	3,945,971	3,009,421	936,550	4,948,503
Debt principal	8,572,331	7,064,630	1,507,701	6,808,797
Debt refunding	-	-	-	5,897,607
Bond Issuance costs	-	-	-	492
Increase (decrease) in inventory	-	(4,012)	4,012	(47,492)
(Increase) decrease in compensated absences payable	-	11,341	(11,341)	(14,496)
Increase (decrease) in prepaid expenditures	-	215	(215)	(470)
Debt issued	(437,185)	(444,444)	7,259	(5,971,024)
Premium on debt issued	-	-	-	(405,767)
Appropriated retained earnings	(4,098,003)	-	(4,098,003)	-
Transfers (in)--				
From Water/Sewer Capital Projects	(688,906)	(688,905)	(1)	(187,241)
From Non-Major Governmental Funds	(338,886)	(338,886)	-	(348,304)
Transfers out--				
To Water/Sewer Capital Projects	3,015,215	3,015,214	1	2,941,760
To Water/Sewer Capital Reserve	-	-	-	80,000
To General Fund	375	375	-	-
To Non-Major Governmental Funds	100,000	100,000	-	70,564
To Non-Major Internal Service Funds	-	-	-	17,786
Non-capitalized expenditures - projects	-	265,050	(265,050)	-
Capital outlay	616,294	545,589	70,705	857,720
	<u>10,687,206</u>	<u>12,535,587</u>	<u>(1,848,381)</u>	<u>14,648,435</u>
Total budgetary appropriations				
Total expenditures	<u>\$ 24,628,988</u>	<u>\$ 23,663,720</u>	<u>\$ 965,268</u>	<u>\$ 25,919,855</u>

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

For the Fiscal Year Ended June 30, 2013
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 24,094,996		\$ 24,749,906
Total expenditures		<u>23,663,720</u>		<u>25,919,855</u>
Revenues over expenditures		<u>431,276</u>		<u>(1,169,949)</u>
Budgetary appropriations (above):				
Payment of debt principal		7,064,630		6,808,797
Payment of refunded debt		-		5,897,607
Debt issued		(444,444)		(5,971,024)
Premium on debt issued		-		(405,767)
Increase (decrease) in inventory		(4,012)		(47,492)
(Increase) decrease in compensated absences payable		11,341		(14,496)
Increase (decrease) in prepaid expenditures		215		(470)
Capital outlay		545,589		857,720
Transfers		<u>2,326,309</u>		<u>2,816,770</u>
Total budgetary appropriations		<u>9,499,628</u>		<u>9,941,645</u>
Depreciation (Statement 40)		<u>(10,034,792)</u>		<u>(9,690,860)</u>
Increase (Decrease) in net assets (Statement 40)		<u>\$ (103,889)</u>		<u>\$ (919,164)</u>

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

City of Jacksonville, North Carolina
Water Capital Projects Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 63,516	\$ 63,516	\$ -	\$ 63,516	\$ -
ONWASA	131,123	40,158	37,272	77,430	(53,693)
NC Dept. of Commerce	125,000	-	125,000	125,000	-
ARRA funds-SRF	1,500,000	1,425,000	75,000	1,500,000	-
Total revenues	1,819,639	1,528,674	237,272	1,765,946	(53,693)
Expenditures:					
Fire Protection Water Improvements	190,000	48,833	43,808	92,641	97,359
Water Treatment Plant	47,223,393	41,588,434	889,696	42,478,130	4,745,263
Water Interconnection ONWASA	231,816	140,851	37,272	178,123	53,693
Water Interconnection MCBCL	107,000	-	-	-	107,000
Water System Improvements Ph II	5,432,224	3,526,189	1,091,346	4,617,535	814,689
Piney Green & 17 Water Service Area	365,000	35,900	165,337	201,237	163,763
Water Line Replacement (Hargett St.)	1,109,950	23,500	427,739	451,239	658,711
New Base Entry Utility Relocation	324,292	-	108,097	108,097	216,195
North Marine Towne Center	357,740	-	335,061	335,061	22,679
Commerce Grant - Test Well	250,000	-	-	-	250,000
Total expenditures	55,591,415	45,363,707	3,098,356	48,462,063	7,129,352
Revenues over (under) expenditures	(53,771,776)	(43,835,033)	(2,861,084)	(46,696,117)	7,075,659
Other financing sources:					
Debt issued--					
Installment purchases	1,992,152	1,992,152	-	1,992,152	-
Loans payable - SRF	41,495,263	39,916,012	75,000	39,991,012	(1,504,251)
Revenue bonds	8,600,492	7,614,463	(423,921)	7,190,542	(1,409,950)
Transfers in--					
From Water/Sewer Fund	1,666,879	1,411,436	255,443	1,666,879	-
From Water/Sewer Capital Reserve	16,990	16,990	-	16,990	-
Total other financing sources	53,771,776	50,951,053	(93,478)	50,857,575	(2,914,201)
Excess of revenues and other sources over (under) expenditures	\$ -	\$ 7,116,020	(2,954,562)	\$ 4,161,458	\$ 4,161,458
Fund Balance					
Beginning of year, July 1			7,116,020		
End of year, June 30			\$ 4,161,458		

City of Jacksonville, North Carolina
Sewer Capital Projects Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 9,220	\$ 9,220	\$ -	\$ 9,220	\$ -
Inflow and infiltration fee	2,800,512	2,800,512	-	2,800,512	-
ONWASA	68,500	68,500	-	68,500	-
Total revenues	<u>2,878,232</u>	<u>2,878,232</u>	<u>-</u>	<u>2,878,232</u>	<u>-</u>
Expenditures:					
Pump Station Rehabilitation	5,141,173	4,238,877	875,821	5,114,698	26,475
Inflow/Infiltration	5,103,855	5,103,855	-	5,103,855	-
Relocate Utilities Bypass	290,527	25,476	265,050	290,526	1
Land Application Expansion	42,279,351	42,279,351	-	42,279,351	-
Public Service Complex Phase II	527,542	247,424	14,855	262,279	265,263
Collins Branch Trunk Ext.	130,989	130,989	-	130,989	-
Ellis Park Infrastructure	317,582	166,794	150,788	317,582	-
Barrus Lift Station Improvements	1,102,500	966,860	117,455	1,084,315	18,185
Western Pkwy Utilities Relocation	409,000	-	-	-	409,000
FY11 Sewer Lines	467,000	-	-	-	467,000
Springdale Life Station	748,380	744,058	4,322	748,380	-
Ellis Lift Station Site Improvements	68,400	3,400	-	3,400	65,000
Parkwood Regional Life Station	795,710	132,106	215,599	347,705	448,005
Western Trunk Sewer Lower	170,000	-	-	-	170,000
WW Collection System Main F1	313,000	-	-	-	313,000
Piney Green Sewer w/ ONWASA	4,108,500	1,465	519,319	520,784	3,587,716
SCADA Upgrade	1,194,000	268,363	244,968	513,331	680,669
Henderson/CC Villa Station	2,352,141	313,270	1,867,990	2,181,260	170,881
Canterbury Lift Station Replacement	621,430	6,625	4,580	11,205	610,225
Memorial Lift Station Replacement	118,310	9,680	53,612	63,292	55,018
College Street Sewer Replacement	317,426	22,927	-	22,927	294,499
Rebuild Step Screens/Land App.	132,787	132,787	-	132,787	-
NCDOT Sewer Relocation PG Rd.	383,421	-	-	-	383,421
Inflow/Infiltration Phase II	1,240,285	-	96,451	96,451	1,143,834
Brookview Forcemain Replacement	800,000	-	80,967	80,967	719,033
Barn Street Sewer Replacement	109,000	-	-	-	109,000
Wilmington Hwy. Sewer Service	413,000	-	8,865	8,865	404,135
Jean Circle Water & Sewer	44,550	-	21,280	21,280	23,270
Zack Circle Water & Sewer	307,000	-	7,100	7,100	299,900
Total expenditures	<u>70,006,859</u>	<u>54,794,307</u>	<u>4,549,022</u>	<u>59,343,329</u>	<u>10,663,530</u>
Revenues (under) expenditures	<u>(67,128,627)</u>	<u>(51,916,075)</u>	<u>(4,549,022)</u>	<u>(56,465,097)</u>	<u>10,663,530</u>

City of Jacksonville, North Carolina
Sewer Capital Projects Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Other financing sources (uses):					
Debt issued--					
Installment purchases	\$ 8,148,919	\$ 8,148,919	\$ -	\$ 8,148,919	\$ -
Loans payable - SRF	17,500,000	16,652,712	847,288	17,500,000	-
Revenue bonds	36,255,541	26,720,318	395,662	27,115,980	(9,139,561)
Transfers in--					
From Water/Sewer Fund	10,301,590	7,541,818	2,759,772	10,301,590	-
From General Capital Reserve	634,120	634,120	-	634,120	-
Transfers (out)--					
To Water/Sewer Fund	(5,327,571)	(4,638,666)	(688,905)	(5,327,571)	-
To General Capital Reserve	(383,972)	(383,972)	-	(383,972)	-
Total other financing sources	<u>67,128,627</u>	<u>54,675,249</u>	<u>3,313,817</u>	<u>57,989,066</u>	<u>9,139,561</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 2,759,174</u>	<u>(1,235,205)</u>	<u>\$ 1,523,969</u>	<u>\$ 1,523,969</u>
Fund Balance					
Beginning of year, July 1			<u>2,759,174</u>		
End of year, June 30			<u>\$ 1,523,969</u>		

City of Jacksonville, North Carolina
Water/Sewer Capital Reserve Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Interest on investments	\$ 467,383	\$ 466,521	\$ 368	\$ 466,889	\$ (494)
Total revenues	467,383	466,521	368	466,889	(494)
Expenditures:					
Water supply and distribution	402,727	-	-	-	402,727
Sewage collection and treatment	109,539	-	-	-	109,539
Total expenditures	512,266	-	-	-	512,266
Revenues over expenditures	(44,883)	466,521	368	466,889	511,772
Other financing sources (uses):					
Transfers in--					
From Water/Sewer Fund	1,041,931	1,041,931	-	1,041,931	-
From Water Capital Projects	590,435	590,435	-	590,435	-
From Sewer Capital Projects	1,471,891	1,471,891	-	1,471,891	-
Transfers (out)--					
To Water/Sewer Fund	(500,000)	(500,000)	-	(500,000)	-
To Water Capital Projects	(270,291)	(270,291)	-	(270,291)	-
To Sewer Capital Projects	(1,249,083)	(1,249,083)	-	(1,249,083)	-
To General Capital Reserve Fund	(1,040,000)	(1,040,000)	-	(1,040,000)	-
Total other financing sources (uses)	44,883	44,883	-	44,883	-
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ 511,404	368	\$ 511,772	\$ 511,772
Fund Balance					
Beginning of year, July 1			511,404		
End of year, June 30			\$ 511,772		



SOLID WASTE FUND

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

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Fund Net Position
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 96,000	\$ 241,625
Accounts receivable (net)	298,422	235,153
Total Current Assets	<u>394,422</u>	<u>476,778</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	245,167	-
Capital assets (net)	916,011	858,011
Total Noncurrent Assets	<u>1,161,178</u>	<u>858,011</u>
Total Assets	<u>1,555,600</u>	<u>1,334,789</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	500,991	251,394
Compensated absences payable - current	48,723	45,994
Installment purchases payable - current	237,337	228,911
Total Current Liabilities	<u>787,051</u>	<u>526,299</u>
Noncurrent Liabilities:		
Compensated absences payable - noncurrent	42,113	43,920
Other postemployment benefits	25,098	24,650
Installment purchases payable - noncurrent	551,818	428,939
Total Noncurrent Liabilities	<u>619,029</u>	<u>497,509</u>
Total Liabilities	<u>1,406,080</u>	<u>1,023,808</u>
Net Position		
Invested in capital assets, net of related debt	372,023	200,161
Unrestricted	(222,503)	110,820
Total Net Position	<u>\$ 149,520</u>	<u>\$ 310,981</u>

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 3,537,164	\$ 2,807,152
Total operating revenues	<u>3,537,164</u>	<u>2,807,152</u>
Operating expenses:		
Solid Waste Operations	4,807,238	4,868,989
Depreciation	<u>346,713</u>	<u>319,504</u>
Total operating expenses	<u>5,153,951</u>	<u>5,188,493</u>
Operating (loss)	<u>(1,616,787)</u>	<u>(2,381,341)</u>
Nonoperating revenues (expenses):		
Investment earnings	290	482
Gain on sale of capital assets	-	31,260
Restricted revenue - State	45,786	53,319
Miscellaneous revenue	230	194
Interest on long-term debt	<u>(10,918)</u>	<u>(15,622)</u>
Total nonoperating revenues	<u>35,388</u>	<u>69,633</u>
Loss before transfers	<u>(1,581,399)</u>	<u>(2,311,708)</u>
Transfers:		
Transfers in	<u>1,419,938</u>	<u>2,390,008</u>
Total transfers	<u>1,419,938</u>	<u>2,390,008</u>
Change in Net Position	(161,461)	78,300
Net Position:		
Beginning of year, July 1	<u>310,981</u>	<u>232,681</u>
End of year, June 30	<u>\$ 149,520</u>	<u>\$ 310,981</u>

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,470,839	\$ 2,764,106
Cash paid for goods and services	(2,711,026)	(3,054,421)
Cash paid to employees	(1,842,189)	(1,812,156)
Net cash (used) by operating activities	<u>(1,082,376)</u>	<u>(2,102,471)</u>
Cash flows from noncapital financing activities:		
Transfers in	1,419,938	2,390,008
Miscellaneous non-operating revenue	230	194
Restricted Intergovernmental - State	45,786	53,319
Net cash provided by noncapital financing activities	<u>1,465,954</u>	<u>2,443,521</u>
Cash flows from capital and related financing activities:		
Debt issued	407,714	348,633
Principal paid on long-term debt	(276,409)	(320,957)
Interest paid on long-term debt	(10,918)	(15,622)
Purchase of capital assets	(404,713)	(353,477)
Proceeds from sale of assets	-	31,260
Net cash (used) by capital related financing activities	<u>(284,326)</u>	<u>(310,163)</u>
Cash flows from investing activities:		
Interest earned on investments	<u>290</u>	<u>482</u>
Net cash provided by investing activities	<u>290</u>	<u>482</u>
Net increase (decrease) in cash and cash equivalents	99,542	31,369
Cash and cash equivalents, July 1	<u>241,625</u>	<u>210,256</u>
Cash and cash equivalents, June 30	<u>\$ 341,167</u>	<u>\$ 241,625</u>

Continued on next page.

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2013 and 2012

Statement 49,
continued.

	<u>2013</u>	<u>2012</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:		
Operating (loss)	<u>\$ (1,616,787)</u>	<u>\$ (2,381,341)</u>
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation	346,713	319,504
Bad debt expense	3,056	2,530
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(66,325)	(43,046)
Increase (decrease) in accounts payable and accrued liabilities	250,045	1,869
Increase (decrease) in compensated absences payable	<u>922</u>	<u>(1,987)</u>
Total adjustments	<u>534,411</u>	<u>278,870</u>
Net cash (used) by operating activities	<u><u>\$ (1,082,376)</u></u>	<u><u>\$ (2,102,471)</u></u>

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

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating revenues:				
Charges for sales and services:				
Commercial fees	\$ 2,096,064	\$ 2,103,317	\$ 7,253	\$ 2,035,356
Commercial pickups	1,000	3,183	2,183	1,020
Residential fees	1,394,496	1,375,647	(18,849)	708,899
Recycling revenues	-	127	127	7,650
Other operating revenues	46,000	54,890	8,890	54,227
	<u>3,537,560</u>	<u>3,537,164</u>	<u>(396)</u>	<u>2,807,152</u>
Nonoperating revenues:				
Restricted revenue - State	50,000	45,786	(4,214)	53,319
Sale of capital assets	-	-	-	31,260
Miscellaneous revenue	100	230	130	194
Interest earned on investments	255	290	35	482
	<u>50,355</u>	<u>46,306</u>	<u>(4,049)</u>	<u>85,255</u>
Total revenues	<u>3,587,915</u>	<u>3,583,470</u>	<u>(4,445)</u>	<u>2,892,407</u>
Expenditures:				
Salaries and employee benefits		1,579,098		1,562,459
Unleaded fuel		211,735		220,160
Supplies		91,649		73,829
Maintenance and repair		270,949		270,489
Contracted services - landfill		2,267,103		2,307,985
Contracted services - internal services		43,922		38,919
Bad debt		3,056		2,530
Overhead allocation from General Fund		264,461		255,110
Other expenditures		75,265		137,508
	<u>5,302,810</u>	<u>4,807,238</u>	<u>495,572</u>	<u>4,868,989</u>
Budgetary appropriations:				
Interest paid	22,890	10,918	11,972	15,622
Debt principal	302,045	276,409	25,636	320,957
Decr. (Incr.) in compensated absences payable	-	(922)	922	1,987
Debt issued	(407,714)	(407,714)	-	(348,633)
Transfers (in)--				
From General Fund	(2,039,875)	(1,419,938)	(619,937)	(2,390,008)
Capital outlay	407,714	404,713	3,001	353,477
Appropriated retained earnings	45	-	45	-
	<u>(1,714,895)</u>	<u>(1,136,534)</u>	<u>(578,361)</u>	<u>(2,046,598)</u>
Total budgetary appropriations	<u>(1,714,895)</u>	<u>(1,136,534)</u>	<u>(578,361)</u>	<u>(2,046,598)</u>
Total expenditures	<u>\$ 3,587,915</u>	<u>\$ 3,670,704</u>	<u>\$ (82,789)</u>	<u>\$ 2,822,391</u>

Continued on next page.

City of Jacksonville, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenses--
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2013
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

Schedule 50,
continued.

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 3,583,470		\$ 2,892,407
Total expenditures		<u>3,670,704</u>		<u>2,822,391</u>
Excess of revenues over expenditures		<u>(87,234)</u>		<u>70,016</u>
Budgetary appropriations (above):				
Payment of debt principal		276,409		320,957
Debt issued		(407,714)		(348,633)
Decrease (Increase) in compensated absences payable		(922)		1,987
Capital outlay		<u>404,713</u>		<u>353,477</u>
Total budgetary appropriations		<u>272,486</u>		<u>327,788</u>
Depreciation (Statement 48)		<u>(346,713)</u>		<u>(319,504)</u>
Change in Net Position (Statement 48)		<u>\$ (161,461)</u>		<u>\$ 78,300</u>

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



STORMWATER FUND

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

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Statement of Net Position
June 30, 2013
With Comparative Totals for June 30, 2012

	<u>Stormwater/Water Quality Fund Totals</u>	
	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 870,688	\$ 480,547
Accounts receivable (net)	192,938	178,493
Total Current Assets	<u>1,063,626</u>	<u>659,040</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	346,734	1,670,000
Capital assets (net)	<u>7,517,569</u>	<u>5,920,915</u>
Total Noncurrent Assets	<u>7,864,303</u>	<u>7,590,915</u>
Total Assets	<u>8,927,929</u>	<u>8,249,955</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	136,604	475,238
Compensated absences - current	33,976	31,165
Installment purchases payable-current	<u>485,002</u>	<u>478,437</u>
Total Current Liabilities	<u>655,582</u>	<u>984,840</u>
Noncurrent Liabilities:		
Compensated absences payable	17,808	22,132
Installment purchases payable-noncurrent	<u>3,068,690</u>	<u>3,379,495</u>
Total Noncurrent Liabilities	<u>3,086,498</u>	<u>3,401,627</u>
Total Liabilities	<u>3,742,080</u>	<u>4,386,467</u>
Net Position		
Invested in capital assets, net of related debt	4,310,611	3,732,983
Unrestricted	<u>875,238</u>	<u>130,505</u>
Total Net Position	<u>\$ 5,185,849</u>	<u>\$ 3,863,488</u>

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Stormwater/Water Quality Fund Totals	
	June 30, 2013	June 30, 2012
Operating revenues:		
Total operating revenues	\$ 2,885,148	\$ 2,163,960
Operating expenses:		
Stormwater/Water Quality Operations	1,993,060	2,029,794
Depreciation	378,195	293,305
Total operating expenses	2,371,255	2,323,099
Operating income (loss)	513,893	(159,139)
Nonoperating revenues (expenses):		
Investment earnings	1,356	2,369
Gain on sale of capital assets	11,260	31,646
Tax rebate - Build America Bond interest	39,230	47,013
Miscellaneous	480	489
Interest on long-term debt	(121,875)	(135,369)
Total nonoperating (expenses)	(69,549)	(53,852)
Income (loss) before contributions and transfers	444,344	(212,991)
Capital Contributions		
Developer contributions	878,017	409,707
Total contributions	878,017	409,707
Income before transfers	1,322,361	196,716
Operating transfers		
Transfers out	-	(75,085)
Total transfers	-	(75,085)
Change in Net Position	1,322,361	121,631
Net position:		
Beginning of year, July 1	3,863,488	3,741,857
End of year, June 30	\$ 5,185,849	\$ 3,863,488

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013

With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Stormwater/Water Quality Totals	
	June 30,	June 30,
	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$ 2,855,152	\$ 2,087,069
Cash paid for goods and services	(884,144)	(184,729)
Cash paid to employees	(1,433,512)	(1,426,601)
Net cash provided by operating activities	<u>537,496</u>	<u>475,739</u>
Cash flows from noncapital financing activities:		
Transfers (out)	-	(75,085)
Advances from other funds	-	(45,000)
Miscellaneous revenue	480	489
Net cash (used) by noncapital financing activities	<u>480</u>	<u>(119,596)</u>
Cash flows from capital and related financing activities:		
Debt issued	197,167	192,629
Principal paid on long term debt	(501,407)	(495,818)
Interest paid on long term debt	(121,875)	(135,369)
Tax rebate - Build America Bond interest	39,230	47,013
Acquisition and construction of capital assets	(1,096,832)	(2,697,060)
Sale of capital assets	11,260	31,646
Net cash (used) by capital and related financing activities	<u>(1,472,457)</u>	<u>(3,056,959)</u>
Cash flows from investing activities:		
Interest earned on investments	1,356	2,369
Net cash provided by investing activities	<u>1,356</u>	<u>2,369</u>
Net increase (decrease) in cash and cash equivalents	(933,125)	(2,698,447)
Cash and cash equivalents, July 1	2,150,547	4,848,994
Cash and cash equivalents, June 30	<u>\$ 1,217,422</u>	<u>\$ 2,150,547</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 513,893	\$ (159,139)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	378,195	293,305
Bad debt expense	15,551	4,556
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(29,996)	(76,891)
Increase (decrease) in accounts payable	(338,634)	410,509
Increase (decrease) in compensated absences payable	(1,513)	3,399
Total adjustments	<u>23,603</u>	<u>634,878</u>
Net cash provided by operating activities	<u>\$ 537,496</u>	<u>\$ 475,739</u>
Noncash investing, capital, and financing activities:		
Capital contributed by developers	<u>\$ 878,017</u>	<u>\$ 409,707</u>

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

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating revenues:				
Commercial fees	\$ 1,953,863	\$ 2,031,175	\$ 77,312	\$ 1,462,593
Residential fees	822,745	811,573	(11,172)	647,951
Permits and fees	50,450	42,400	(8,050)	53,416
Total operating revenues	<u>2,827,058</u>	<u>2,885,148</u>	<u>58,090</u>	<u>2,163,960</u>
Nonoperating revenues:				
Interest earned on investments	1,272	1,356	84	2,369
Sale of capital assets	-	11,260	11,260	31,646
Tax rebate - Build America Bond interest	41,140	39,230	(1,910)	47,013
Miscellaneous revenue	300	480	180	489
Developer contributions	-	878,017	878,017	409,707
Total nonoperating revenues	<u>42,712</u>	<u>930,343</u>	<u>887,631</u>	<u>491,224</u>
Total revenues	<u>2,869,770</u>	<u>3,815,491</u>	<u>945,721</u>	<u>2,655,184</u>
Expenditures:				
Stormwater/Water Quality				
Salaries and employee benefits		1,024,565		1,061,395
Supplies		34,352		52,391
Insurance		14,167		13,956
Maintenance and repair		31,887		18,427
Contracted services		87,695		91,575
Contracted services-internal service		93,120		108,623
Bad debt		15,551		4,556
Overhead allocation from General Fund		407,434		368,605
Other expenditures		284,289		310,266
Total	<u>2,163,865</u>	<u>1,993,060</u>	<u>170,805</u>	<u>2,029,794</u>
Budgetary appropriations:				
Interest paid	123,146	121,875	1,271	135,369
Debt principal	492,100	501,407	(9,307)	495,818
(Increase) in compensated absences payable	-	1,513	(1,513)	(3,399)
Debt issued	(197,167)	(197,167)	-	(192,629)
Transfers in--				
From Proprietary Fund	(120,000)	(120,000)	-	-
Transfers out--				
To General Fund	-	-	-	75,085
To Capital Projects	303,700	303,700	-	15,513
Capital outlay	206,503	206,090	413	193,545
Appropriated retained earnings	(102,377)	-	(102,377)	-
Total budgetary appropriations	<u>705,905</u>	<u>817,418</u>	<u>(111,513)</u>	<u>719,302</u>
Total expenditures	<u>\$ 2,869,770</u>	<u>\$ 2,810,478</u>	<u>\$ 59,292</u>	<u>\$ 2,749,096</u>

Continued on next page.

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2013
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues		\$ 3,815,491	\$ 2,655,184
Total expenditures		<u>2,810,478</u>	<u>2,749,096</u>
Excess of revenues over expenditures		<u>1,005,013</u>	<u>(93,912)</u>
Budgetary appropriations (above):			
Payment of debt principal		501,407	495,818
Debt issued		(197,167)	(192,629)
(Increase) in compensated absences payable		1,513	(3,399)
Transfers		183,700	15,513
Capital outlay		<u>206,090</u>	<u>193,545</u>
Total budgetary appropriations		<u>695,543</u>	<u>508,848</u>
Depreciation (Statement 52)		<u>(378,195)</u>	<u>(293,305)</u>
Change in Net Position (Statement 52)		<u>\$ 1,322,361</u>	<u>\$ 121,631</u>

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

City of Jacksonville, North Carolina
Stormwater/Water Quality Capital Project Fund
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 4,109	\$ 3,259	\$ 908	\$ 4,167	\$ 58
Total revenues	4,109	3,259	908	4,167	58
Expenses:					
Capital outlay:					
Brynn Marr Area	1,617,136	177,342	-	177,342	1,439,794
Parkwood Area	4,154,776	2,997,103	823,182	3,820,285	334,491
Heritage Square	148,500	76,358	-	76,358	72,142
Downtown Central/Wilson Bay	850,910	117,089	2,560	119,649	731,261
Center Street Area	90,000	-	65,000	65,000	25,000
Total expenses	6,861,322	3,367,892	890,742	4,258,634	2,602,688
Revenues (under) expenses	(6,857,213)	(3,364,633)	(889,834)	(4,254,467)	2,602,746
Other financing sources:					
Debt issued--					
Installment purchases	1,138,936	-	-	-	(1,138,936)
Build America Bonds	3,987,697	3,987,697	-	3,987,697	-
Loans payable - SRF	1,223,910	-	-	-	(1,223,910)
Transfers in--					
From General Fund	66,000	66,000	-	66,000	-
From Proprietary Fund	560,670	256,970	303,700	560,670	-
Transfers out--					
To Proprietary Fund	(120,000)	-	(120,000)	(120,000)	-
Total other financing sources	6,857,213	4,310,667	183,700	4,494,367	(2,362,846)
Net change in fund balance	\$ -	\$ 946,034	(706,134)	\$ 239,900	\$ 239,900
Fund Balance:					
Beginning of year, July 1			946,034		
End of year, June 30			\$ 239,900		



NON-MAJOR FUNDS

- Non-Major Governmental Funds
- Internal Service Funds



NON-MAJOR GOVERNMENTAL FUNDS

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

INDIVIDUAL FUND DESCRIPTIONS

Community Development Fund:

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

CREATE Project – accounts for the revenues and expenditures of the CREATE Project.

Continuum of Care Project – accounts for the revenues and expenditures of the Continuum of Care Project.

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

Law Enforcement Grants Fund:

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

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

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

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

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

Governor's Crime Commission Domestic Violence Grant – accounts for the revenues and expenditures of the Governor's Crime Commission Domestic Violence Grant Program.

2012 Justice Assistance Grant – accounts for the revenues and expenditures of the 2012 Justice Assistance Grant Program.

2013 Justice Assistance Grant – accounts for the revenues and expenditures of the 2013 Justice Assistance Grant Program.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Law Enforcement Grants Fund continued:

Governor's Crime Commission Robbery/Burglary Grant – accounts for the revenues and expenditures of the Governor's Crime Commission Robbery/Burglary Grant Program.

COPS Universal Hiring Grant – accounts for the revenues and expenditures of the COPS Universal Hiring Grant Program.

2012 COPS Universal Hiring Grant – accounts for the revenues and expenditures of the 2012 COPS Universal Hiring Grant Program.

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

Project Safe Neighborhood Grant – accounts for the revenues and expenditures of the Project Safe Neighborhood Grant Program.

Governor's Crime Commission-Business Watch Grant – accounts for the revenues and expenditures of the Governor's Crime Commission-Business Watch Grant Program.

Federal Treasury Seizures Grant – accounts for the revenues and expenditures of the Federal Treasury Seizures Grant Program.

E-911 Fund:

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

Public Safety Fund:

SAFER Grant – accounts for the revenues and expenditures of the Fire Department's Staffing for Adequate Fire and Emergency Response Grant Program.

Transportation Fund:

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

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

Non-Capitalized Projects Fund:

Northeast Creek Lagoons Project – accounts for the revenues and expenditures of the Northeast Creek Lagoons Project.

Chaney Creek Restoration II Control Project – accounts for the revenues and expenditures of the Chaney Creek Restoration II Project.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Non-Capitalized Projects Fund continued:

ARRA EECBG Project – accounts for the revenues and expenditures for the American Recovery and Reinvestment Act’s Energy Efficiency and Conservation Block Grant Project.

Street Improvements Fund:

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

Ellis Park Infrastructure Project – accounts for the revenues and expenditures of the Ellis Park Infrastructure Project.

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

FY11 Street Reclamation Project – accounts for the revenues and expenditures of the FY11 Street Reclamation Project.

FY12 Street Reclamation Project – accounts for the revenues and expenditures of the FY12 Street Reclamation Project.

FY13 Street Reclamation Project – accounts for the revenues and expenditures of the FY13 Street Reclamation Project.

Enough Lane Improvement Project – accounts for the revenues and expenditures of the Enough Lane Improvement Project.

FY12 Sidewalk Installation Project – accounts for the revenues and expenditures of the FY12 Sidewalk Installation Project.

FY13 Sidewalk Installation Project – accounts for the revenues and expenditures of the FY13 Sidewalk Installation Project.

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

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

Tallman and Court Street Improvement Project – accounts for the revenues and expenditures of the Tallman and Court Street Improvement Project.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Special Revenue Fund:

Hurricane Irene – accounts for the revenues and expenditures of Hurricane Irene reclamation project.

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

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

June 30, 2013

With Comparative Totals for June 30, 2012

	Community Development			
	CDBG	CREATE Project	Continuum of Care	Affordable Housing Construction
Assets				
Cash and cash equivalents	\$ -	\$ 223,900	\$ 23,400	\$ 231,052
Restricted cash and cash equivalents	25,264	-	-	-
Accounts receivable	45,494	-	-	-
Notes receivable	2,538,526	-	-	-
Total Assets	\$ 2,609,284	\$ 223,900	\$ 23,400	\$ 231,052
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 689,295	\$ -	\$ -	\$ 734
Interfund payable	20,109	-	-	-
Total Liabilities	709,404	-	-	734
Fund Balance:				
Restricted:				
Streets	-	-	-	-
Public Safety	-	-	-	-
Community Development	2,584,020	223,900	23,400	230,318
Capital Projects	-	-	-	-
Unassigned	(684,140)	-	-	-
Total Fund Balance	1,899,880	223,900	23,400	230,318
Total Liabilities and Fund Balances	\$ 2,609,284	\$ 223,900	\$ 23,400	\$ 231,052

Continued on next page,

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

June 30, 2013

With Comparative Totals for June 30, 2012

	Law Enforcement Grants					
	School Resource Officer	Bulletproof Vest	Highway Safety Grant	Federal DEA	State DEA	GCC Domestic Violence
Assets						
Cash and cash equivalents	\$ 178,889	\$ 15,531	\$ -	\$ -	\$ -	\$ 22,568
Restricted cash and cash equivalents	-	-	-	151,748	107,021	-
Accounts receivable	-	12,300	20,315	-	-	10,498
Notes receivable	-	-	-	-	-	-
Total Assets	\$ 178,889	\$ 27,831	\$ 20,315	\$ 151,748	\$ 107,021	\$ 33,066
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 12,902	\$ -	\$ 13,663	\$ -	\$ -	\$ 2,452
Interfund payable	-	-	5,095	-	-	-
Total Liabilities	12,902	-	18,758	-	-	2,452
Fund Balance:						
Restricted:						
Streets	-	-	-	-	-	-
Public Safety	165,987	27,831	1,557	151,748	107,021	30,614
Community Development	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	165,987	27,831	1,557	151,748	107,021	30,614
Total Liabilities and Fund Balances	\$ 178,889	\$ 27,831	\$ 20,315	\$ 151,748	\$ 107,021	\$ 33,066

Law Enforcement Grants						E-911 Fund
2012 JAG Grant Non- ARRA	Cops Universal Hiring Grant	2012 Cops Universal Hiring Grant	800MHZ Radio System Upgrade	Project Safe Neighborhood	Federal Treasury Seizures	Emergency Telephone System
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	2,782	714,302
313	79,235	29,348	67,188	640	-	54,810
-	-	-	-	-	-	-
<u>\$ 313</u>	<u>\$ 79,235</u>	<u>\$ 29,348</u>	<u>\$ 67,188</u>	<u>\$ 640</u>	<u>\$ 2,782</u>	<u>\$ 769,112</u>
\$ -	\$ 8,212	\$ 3,213	\$ 22,496	\$ -	\$ -	\$ 11,602
219	71,765	26,135	66,290	640	-	-
<u>219</u>	<u>79,977</u>	<u>29,348</u>	<u>88,786</u>	<u>640</u>	<u>-</u>	<u>11,602</u>
-	-	-	-	-	-	-
94	-	-	-	-	2,782	757,510
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(742)	-	(21,598)	-	-	-
<u>94</u>	<u>(742)</u>	<u>-</u>	<u>(21,598)</u>	<u>-</u>	<u>2,782</u>	<u>757,510</u>
<u>\$ 313</u>	<u>\$ 79,235</u>	<u>\$ 29,348</u>	<u>\$ 67,188</u>	<u>\$ 640</u>	<u>\$ 2,782</u>	<u>\$ 769,112</u>

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

June 30, 2013

With Comparative Totals for June 30, 2012

	Fire Grants Fund	Transportation Fund		Non-Capitalized Projects Fund	Street Improvements	
	SAFER Grant	City Transportation Project	Transit Project - ARRA Fund	Northeast Creek Lagoons	Streets Powell Bill	Developer Contributed Sidewalks
Assets						
Cash and cash equivalents	\$ 3,484	\$ -	\$ -	\$ 111,464	\$ -	\$ -
Restricted cash and cash equivalents	-	426,181	6,075	-	481,523	20,867
Accounts receivable	6,935	466,249	-	-	-	-
Notes receivable	-	-	-	-	-	-
Total Assets	<u>\$ 10,419</u>	<u>\$ 892,430</u>	<u>\$ 6,075</u>	<u>\$ 111,464</u>	<u>\$ 481,523</u>	<u>\$ 20,867</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 8,554	\$ 112,240	\$ -	\$ 39,309	\$ -	\$ -
Interfund payable	-	185,540	-	-	-	-
Total Liabilities	<u>8,554</u>	<u>297,780</u>	<u>-</u>	<u>39,309</u>	<u>-</u>	<u>-</u>
Fund Balance - Reserved:						
Restricted:						
Streets	-	-	-	-	481,523	20,867
Public Safety	1,865	-	-	-	-	-
Community Development	-	892,430	6,075	72,155	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	-	(297,780)	-	-	-	-
Total Fund Balance	<u>1,865</u>	<u>594,650</u>	<u>6,075</u>	<u>72,155</u>	<u>481,523</u>	<u>20,867</u>
Total Liabilities and Fund Balances	<u>\$ 10,419</u>	<u>\$ 892,430</u>	<u>\$ 6,075</u>	<u>\$ 111,464</u>	<u>\$ 481,523</u>	<u>\$ 20,867</u>

Street Improvements Fund

<u>FY13 Street Reclamation</u>	<u>Enouch Lane Improvements</u>	<u>FY12 Sidewalks</u>	<u>FY13 Sidewalks</u>	<u>NCDOT TIP Sidewalks Piney Green</u>	<u>Hargett Street Pedestrian Improvements NPB</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,000
987,000	25,800	57,730	176,025	68,509	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 987,000</u>	<u>\$ 25,800</u>	<u>\$ 57,730</u>	<u>\$ 176,025</u>	<u>\$ 68,509</u>	<u>\$ 171,000</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
987,000	25,800	57,730	176,025	68,509	171,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>987,000</u>	<u>25,800</u>	<u>57,730</u>	<u>176,025</u>	<u>68,509</u>	<u>171,000</u>
<u>\$ 987,000</u>	<u>\$ 25,800</u>	<u>\$ 57,730</u>	<u>\$ 176,025</u>	<u>\$ 68,509</u>	<u>\$ 171,000</u>

City of Jacksonville, North Carolina
Non-Major Governmental funds
Combining Balance Sheet
June 30, 2013
With Comparative Totals for June 30, 2012

	Special Revenue		Totals	
	Hurricane Irene	General Capital Reserve Fund	June 30, 2013	June 30, 2012
Assets				
Cash and cash equivalents	\$ 225,605	\$ 866,749	\$ 2,073,642	\$ 1,787,355
Restricted cash and cash equivalents	-	-	3,250,827	3,612,245
Accounts receivable	-	-	793,325	1,199,944
Notes receivable	-	-	2,538,526	2,663,598
Total Assets	\$ 225,605	\$ 866,749	\$ 8,656,320	\$ 9,263,142
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 924,672	\$ 1,240,887
Interfund payable	-	-	375,793	596,300
Total Liabilities	-	-	1,300,465	1,837,187
Fund Balance - Reserved:				
Restricted:				
Streets	-	-	1,988,454	2,163,565
Public Safety	225,605	-	1,472,614	1,721,203
Community Development	-	-	4,032,298	4,456,525
Capital Projects	-	866,749	866,749	540,208
Unassigned	-	-	(1,004,260)	(1,455,546)
Total Fund Balance	225,605	866,749	7,355,855	7,425,955
Total Liabilities and Fund Balances	\$ 225,605	\$ 866,749	\$ 8,656,320	\$ 9,263,142

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Community Development Fund			
	CDBG	CREATE Project	Continuum of Care	Affordable Housing Construction
Revenues:				
Restricted intergovernmental revenues	\$ 126,506	\$ -	\$ -	\$ -
Investment earnings	40	245	-	42
Miscellaneous	119,385	-	-	8,657
Total revenues	<u>245,931</u>	<u>245</u>	<u>-</u>	<u>8,699</u>
Expenditures:				
General Government	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreational	-	-	-	-
Economic and Physical Development	297,709	-	-	31,115
Capital outlay	-	-	-	-
Total expenditures	<u>297,709</u>	<u>-</u>	<u>-</u>	<u>31,115</u>
Revenues over (under) expenditures	<u>(51,778)</u>	<u>245</u>	<u>-</u>	<u>(22,416)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(51,778)	245	-	(22,416)
Fund balances:				
Beginning of year, July 1	1,951,658	223,655	23,400	252,734
End of year, June 30	<u>\$ 1,899,880</u>	<u>\$ 223,900</u>	<u>\$ 23,400</u>	<u>\$ 230,318</u>

Continued on next page.

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

For the Fiscal Year Ended June 30, 2013

With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Law Enforcement Grants Fund				
	School Resource Officer	Bulletproof Vest	Highway Safety	Federal DEA	State DEA
Revenues:					
Restricted intergovernmental revenues	\$ 272,093	\$ 12,300	\$ 36,763	\$ 125,681	\$ 17,621
Investment earnings	-	-	-	162	125
Miscellaneous	-	-	-	-	-
Total revenues	<u>272,093</u>	<u>12,300</u>	<u>36,763</u>	<u>125,843</u>	<u>17,746</u>
Expenditures:					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	374,925	19,600	19,500	91,506	10,905
Cultural and Recreational	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-
Capital outlay	-	-	29,517	52,382	9,584
Total expenditures	<u>374,925</u>	<u>19,600</u>	<u>49,017</u>	<u>143,888</u>	<u>20,489</u>
Revenues over (under) expenditures	<u>(102,832)</u>	<u>(7,300)</u>	<u>(12,254)</u>	<u>(18,045)</u>	<u>(2,743)</u>
Other financing sources (uses):					
Transfers in	148,242	19,680	13,811	-	-
Transfers (out)	<u>(17,075)</u>	<u>-</u>	<u>-</u>	<u>(36,246)</u>	<u>(1,560)</u>
Total other financing sources (uses)	<u>131,167</u>	<u>19,680</u>	<u>13,811</u>	<u>(36,246)</u>	<u>(1,560)</u>
Net change in fund balance	28,335	12,380	1,557	(54,291)	(4,303)
Fund balances:					
Beginning of year, July 1	<u>137,652</u>	<u>15,451</u>	<u>-</u>	<u>206,039</u>	<u>111,324</u>
End of year, June 30	<u><u>\$ 165,987</u></u>	<u><u>\$ 27,831</u></u>	<u><u>\$ 1,557</u></u>	<u><u>\$ 151,748</u></u>	<u><u>\$ 107,021</u></u>

Law Enforcement Grants Fund					
GCC Domestic Violence	2012 JAG Grant Non- ARRA	2013 JAG- Non-ARRA	Robbery Burglary Grant	COPS Universal Hiring Grant	2012 COPS Universal Hiring Grant
\$ 36,362	\$ 313	\$ 20,370	\$ -	\$ 293,559	\$ 103,697
-	-	-	-	-	-
-	-	-	-	-	-
36,362	313	20,370	-	293,559	103,697
-	-	-	-	-	-
-	-	-	-	-	-
48,546	1,472	-	-	294,301	103,697
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22,588	-	-	-
48,546	1,472	22,588	-	294,301	103,697
(12,184)	(1,159)	(2,218)	-	(742)	-
42,798	-	2,218	-	-	-
-	-	-	(11,538)	-	-
42,798	-	2,218	(11,538)	-	-
30,614	(1,159)	-	(11,538)	(742)	-
-	1,253	-	11,538	-	-
\$ 30,614	\$ 94	\$ -	\$ -	\$ (742)	\$ -

Continued on next page.

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

For the Fiscal Year Ended June 30, 2013

With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Law Enforcement Grants Fund			
	800 MHz Radio System	Project Safe Neighborhood	Business Watch Grant	Federal Treasury Seizures
Revenues:				
Restricted intergovernmental revenues	\$ 92,307	\$ 9,280	\$ 2,250	\$ -
Investment earnings	-	-	-	8
Miscellaneous	-	-	-	-
Total revenues	<u>92,307</u>	<u>9,280</u>	<u>2,250</u>	<u>8</u>
Expenditures:				
General Government	-	-	-	-
Public Works	-	-	-	-
Public Safety	126,487	9,280	2,700	-
Cultural and Recreational	-	-	-	-
Economic and Physical Development	-	-	-	-
Capital outlay	-	-	-	7,083
Total expenditures	<u>126,487</u>	<u>9,280</u>	<u>2,700</u>	<u>7,083</u>
Revenues over (under) expenditures	<u>(34,180)</u>	<u>-</u>	<u>(450)</u>	<u>(7,075)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	(85)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(85)</u>	<u>-</u>
Net change in fund balance	(34,180)	-	(535)	(7,075)
Fund balances:				
Beginning of year, July 1	12,582	-	535	9,857
End of year, June 30	<u>\$ (21,598)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,782</u>

Statement 57
continued,

<u>E-911 Fund</u>	<u>Fire Grants Fund</u>	<u>Transportation Fund</u>	
<u>Emergency Telephone System</u>	<u>SAFER Grant</u>	<u>City Transportation Project</u>	<u>Transit ARRA Project</u>
\$ 333,471	\$ 56,246	\$ 737,099	\$ 1,730
387	-	-	-
-	-	145,933	-
<u>333,858</u>	<u>56,246</u>	<u>883,032</u>	<u>1,730</u>
-	-	-	-
-	-	-	-
175,264	258,555	-	-
-	-	-	-
-	-	951,691	1,730
136,633	-	134,399	1,800
<u>311,897</u>	<u>258,555</u>	<u>1,086,090</u>	<u>3,530</u>
<u>21,961</u>	<u>(202,309)</u>	<u>(203,058)</u>	<u>(1,800)</u>
-	75,659	357,000	-
-	-	-	-
<u>-</u>	<u>75,659</u>	<u>357,000</u>	<u>-</u>
21,961	(126,650)	153,942	(1,800)
<u>735,549</u>	<u>128,515</u>	<u>440,708</u>	<u>7,875</u>
<u>\$ 757,510</u>	<u>\$ 1,865</u>	<u>\$ 594,650</u>	<u>\$ 6,075</u>

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

For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Non-Capitalized Projects Fund			Street Improvements Fund	
	Northeast Creek Lagoons	Chaney Creek Restoration II	ARRA - EECBG	Streets Powell Bill	Ellis Park Infrastructure
Revenues:					
Restricted intergovernmental revenues	\$ -	\$ -	\$ 3,394	\$ -	\$ -
Investment earnings	-	-	-	1,839	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>3,394</u>	<u>1,839</u>	<u>-</u>
Expenditures:					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Cultural and Recreational	85,335	-	-	-	-
Economic and Physical Development	-	-	3,641	-	-
Capital outlay	-	-	1,033	-	-
Total expenditures	<u>85,335</u>	<u>-</u>	<u>4,674</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(85,335)</u>	<u>-</u>	<u>(1,280)</u>	<u>1,839</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	1,280	1,254,614	-
Transfers (out)	-	(50,000)	-	(1,167,000)	(175,008)
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>1,280</u>	<u>87,614</u>	<u>(175,008)</u>
Net change in fund balance	(85,335)	(50,000)	-	89,453	(175,008)
Fund balances:					
Beginning of year, July 1	157,490	50,000	-	392,070	175,008
End of year, June 30	<u>\$ 72,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,523</u>	<u>\$ -</u>

Street Improvements Fund

Developer Contributed Sidewalks	FY11 Street Reclamation	FY12 Street Reclamation	FY13 Street Reclamation	Enough Lane Improvements
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
5,111	-	-	-	-
5,111	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	228,146	926,259	-	-
-	228,146	926,259	-	-
5,111	(228,146)	(926,259)	-	-
-	-	-	987,000	-
-	(9,346)	(5,130)	-	-
-	(9,346)	(5,130)	987,000	-
5,111	(237,492)	(931,389)	987,000	-
15,756	237,492	931,389	-	25,800
\$ 20,867	\$ -	\$ -	\$ 987,000	\$ 25,800

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	Street Improvements Fund			
	FY12 Sidewalks	FY13 Sidewalk Installation	NCDOT TIP Sidewalks Piney Green	Hargett Street Pedestrian Improvements
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General Government	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreational	-	-	-	-
Economic and Physical Development	-	-	-	-
Capital outlay	31,667	3,975	-	-
Total expenditures	<u>31,667</u>	<u>3,975</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(31,667)</u>	<u>(3,975)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	180,000	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>180,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(31,667)	176,025	-	-
Fund balances:				
Beginning of year, July 1	89,397	-	68,509	171,000
End of year, June 30	<u>\$ 57,730</u>	<u>\$ 176,025</u>	<u>\$ 68,509</u>	<u>\$ 171,000</u>

Street Improvements Fund	Special Revenue		Totals	
Tallman & Court Street Improvements	Hurricane Irene	General Capital Reserve Fund	June 30, 2013	June 30, 2012
\$ -	\$ 31,239	\$ -	\$ 2,312,281	\$ 4,580,972
-	-	395	3,243	8,785
-	-	23,732	302,818	728,248
-	31,239	24,127	2,618,342	5,318,005
-	-	-	-	2,058,096
-	-	-	-	422,928
-	-	-	1,536,738	2,017,712
-	-	-	85,335	72,293
-	-	-	1,285,886	896,066
(1,087)	-	-	1,583,979	1,124,493
(1,087)	-	-	4,491,938	6,591,588
1,087	31,239	24,127	(1,873,596)	(1,273,583)
-	-	2,837,918	5,920,220	5,434,524
(58,231)	(50,000)	(2,535,504)	(4,116,723)	(4,572,031)
(58,231)	(50,000)	302,414	1,803,497	862,493
(57,144)	(18,761)	326,541	(70,099)	(411,090)
57,144	244,366	540,208	7,425,954	7,837,045
\$ -	\$ 225,605	\$ 866,749	\$ 7,355,855	\$ 7,425,955

Transfers in	\$ 5,920,220	Transfers out	\$ 4,116,723
Transfers within Non-Major Governmental funds	(1,502,521)	Transfers within Non-Major Governmental funds	(1,502,521)
	<u>\$ 4,417,699</u>		<u>\$ 2,614,202</u>

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Community Development Block Grant (CDBG)
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Entitlement Grant 2011 CD1101					
Entitlement Grant 2011	\$ 482,684	\$ 371,683	\$ 111,001	\$ 482,684	\$ -
Program income	253,987	2,053,164	72,230	2,125,394	1,871,407
Investment earnings	100	53	34	87	(13)
Total	<u>736,771</u>	<u>2,424,900</u>	<u>183,265</u>	<u>2,608,165</u>	<u>1,871,394</u>
Entitlement Grant 2012 CD1201					
Entitlement Grant 2012	366,460	-	15,505	15,505	(350,955)
Program income	82,807	-	47,155	47,155	(35,652)
Investment earnings	56	-	6	6	(50)
Total	<u>449,323</u>	<u>-</u>	<u>62,666</u>	<u>62,666</u>	<u>(386,657)</u>
Total revenues	<u>1,186,094</u>	<u>2,424,900</u>	<u>245,931</u>	<u>2,670,831</u>	<u>(1,484,737)</u>
Expenditures:					
Entitlement Grant 2011 CD1101					
Administration		48,218	66,410	114,628	
Housing rehabilitation		122,914	108,253	231,167	
Commercial rehabilitation		208,469	3,980	212,449	
Economic development		41,267	-	41,267	
Affordable housing		30,284	-	30,284	
Clearance		22,090	68,120	90,210	
Acquisition of property		-	1,862	1,862	
Total	<u>736,771</u>	<u>473,242</u>	<u>248,625</u>	<u>721,867</u>	<u>14,904</u>
Entitlement Grant 2012 CD1201					
Administration		-	15,141	15,141	
Housing rehabilitation		-	14,334	14,334	
Clearance		-	17,284	17,284	
Acquisition of property		-	2,325	2,325	
Total	<u>449,323</u>	<u>-</u>	<u>49,084</u>	<u>49,084</u>	<u>400,239</u>
Total expenditures	<u>1,186,094</u>	<u>473,242</u>	<u>297,709</u>	<u>770,951</u>	<u>415,143</u>
Revenues over expenditures	<u>-</u>	<u>1,951,658</u>	<u>(51,778)</u>	<u>1,899,880</u>	<u>1,899,880</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,951,658</u>	<u>(51,778)</u>	<u>\$ 1,899,880</u>	<u>\$ 1,899,880</u>
Fund balance:					
Beginning of year, July 1			<u>1,951,658</u>		
End of year, June 30			<u>\$ 1,899,880</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
CREATE Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Program income	\$ 703,889	\$ 698,424	\$ -	\$ 698,424	\$ (5,465)
Investment earnings	945	655	245	900	(45)
Total revenues	<u>704,834</u>	<u>699,079</u>	<u>245</u>	<u>699,324</u>	<u>(5,510)</u>
Expenditures:					
Affordable Housing		553,924	-	553,924	
Total expenditures	<u>783,334</u>	<u>553,924</u>	<u>-</u>	<u>553,924</u>	<u>229,410</u>
Revenues over (under) expenditures	<u>(78,500)</u>	<u>145,155</u>	<u>245</u>	<u>145,400</u>	<u>223,900</u>
Other financing sources:					
Transfers in--					
From Community Development Grant	78,500	78,500	-	78,500	-
Total other financing sources	<u>78,500</u>	<u>78,500</u>	<u>-</u>	<u>78,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 223,655</u>	<u>245</u>	<u>\$ 223,900</u>	<u>\$ 223,900</u>
Fund balance:					
Beginning of year, July 1			<u>223,655</u>		
End of year, June 30			<u>\$ 223,900</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Continuum of Care Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project	Actual		Variance Positive (Negative)
	Authorization	Prior Years	Current Year	
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Continuum of Care		1,700	-	1,700
Total expenditures	25,100	1,700	-	23,400
Revenues (under) expenditures	(25,100)	(1,700)	-	23,400
Other financing sources:				
Transfers in--				
From General Fund	25,100	25,100	-	-
Total other financing sources	25,100	25,100	-	-
Net change in fund balance	\$ -	\$ 23,400	-	\$ 23,400
Fund balance:				
Beginning of year, July 1			23,400	
End of year, June 30			\$ 23,400	

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Affordable Housing Construction Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Home CD0501					
Program income	\$ 870,699	\$ 677,080	\$ 8,657	\$ 685,737	\$ (184,962)
Investment earnings	12,698	8,460	42	8,502	(4,196)
Total revenues	<u>883,397</u>	<u>685,540</u>	<u>8,699</u>	<u>694,239</u>	<u>(189,158)</u>
Expenditures:					
Operating expenditures		517,159	31,115	548,274	
Total expenditures	<u>967,768</u>	<u>517,159</u>	<u>31,115</u>	<u>548,274</u>	<u>419,494</u>
Revenues over (under) expenditures	<u>(84,371)</u>	<u>168,381</u>	<u>(22,416)</u>	<u>145,965</u>	<u>230,336</u>
Other financing sources:					
Transfers in--					
From Affordable Home Ownership	84,371	84,353	-	84,353	(18)
Total other financing sources	<u>84,371</u>	<u>84,353</u>	<u>-</u>	<u>84,353</u>	<u>(18)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 252,734</u>	<u>(22,416)</u>	<u>\$ 230,318</u>	<u>\$ 230,318</u>
Fund balance:					
Beginning of year, July 1			252,734		
End of year, June 30			<u>\$ 230,318</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
School Resource Officer Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Onslow County Board of Education	\$ 3,285,252	\$ 3,013,158	\$ 272,093	\$ 3,285,251	\$ (1)
Investment earnings	7,376	7,376	-	7,376	-
Total revenues	<u>3,292,628</u>	<u>3,020,534</u>	<u>272,093</u>	<u>3,292,627</u>	<u>(1)</u>
Expenditures:					
Salaries and employee benefits		3,648,889	314,420	3,963,309	
Operating expenditures		432,708	60,505	493,213	
Capital outlay		181,261	-	181,261	
Total expenditures	<u>4,803,770</u>	<u>4,262,858</u>	<u>374,925</u>	<u>4,637,783</u>	<u>165,987</u>
Revenues (under) expenditures	<u>(1,511,142)</u>	<u>(1,242,324)</u>	<u>(102,832)</u>	<u>(1,345,156)</u>	<u>165,986</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	1,675,395	1,527,153	148,242	1,675,395	-
Transfers (out)--					
To General Fund	(162,448)	(145,372)	(17,075)	(162,447)	1
To Special Revenue Fund- Hurricane Ophelia	(1,805)	(1,805)	-	(1,805)	-
Total other financing sources	<u>1,511,142</u>	<u>1,379,976</u>	<u>131,167</u>	<u>1,511,143</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 137,652</u>	28,335	<u>\$ 165,987</u>	<u>\$ 165,987</u>
Fund balance:					
Beginning of year, July 1			<u>137,652</u>		
End of year, June 30			<u>\$ 165,987</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Bulletproof Vest Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Bureau of Justice Grant	\$ 131,352	\$ 121,373	\$ 9,800	\$ 131,173	\$ (179)
NCLM Bulletproof Grant	24,500	22,000	2,500	24,500	-
Total revenues	155,852	143,373	12,300	155,673	(179)
Expenditures:					
Operating expenditures		270,158	19,600	289,758	
Total expenditures	317,768	270,158	19,600	289,758	28,010
Revenues (under) expenditures	(161,916)	(126,785)	(7,300)	(134,085)	27,831
Other financing sources:					
Transfers in--					
From General Fund	161,916	142,236	19,680	161,916	-
Total other financing sources	161,916	142,236	19,680	161,916	-
Net change in fund balance	\$ -	\$ 15,451	12,380	\$ 27,831	\$ 27,831
Fund balance:					
Beginning of year, July 1			15,451		
End of year, June 30			\$ 27,831		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Highway Safety Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Highway Safety Grant	\$ 41,434	\$ -	\$ 36,763	\$ 36,763	\$ (4,671)
Total revenues	41,434	-	36,763	36,763	(4,671)
Expenditures:					
Operating expenditures		-	19,500	19,500	
Capital outlay		-	29,517	29,517	
Total expenditures	55,245	-	49,017	49,017	6,228
Revenues (under) expenditures	(13,811)	-	(12,254)	(12,254)	1,557
Other financing sources:					
Transfers in--					
From Special Revenue Fund	13,811	-	13,811	13,811	-
Total other financing sources (uses)	13,811	-	13,811	13,811	-
Net change in fund balance	\$ -	\$ -	1,557	\$ 1,557	\$ 1,557
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 1,557		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Federal DEA Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Drug enforcement	\$ 758,474	\$ 640,137	\$ 125,681	\$ 765,818	\$ 7,344
Investment earnings	34,100	32,187	162	32,349	(1,751)
Gain/Loss from Insurance	22,625	22,625	-	22,625	-
Total revenues	<u>815,199</u>	<u>694,949</u>	<u>125,843</u>	<u>820,792</u>	<u>5,593</u>
Expenditures:					
Operating expenditures		460,784	91,506	552,290	
Capital outlay		259,205	52,382	311,587	
Total expenditures	<u>1,010,034</u>	<u>719,989</u>	<u>143,888</u>	<u>863,877</u>	<u>146,157</u>
Revenues over (under) expenditures	<u>(194,835)</u>	<u>(25,040)</u>	<u>(18,045)</u>	<u>(43,085)</u>	<u>151,750</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	245,167	245,166	-	245,166	(1)
From Special Revenue Fund	2,962	2,961	-	2,961	(1)
Transfers (out)--					
To Special Revenue Fund	<u>(53,294)</u>	<u>(17,048)</u>	<u>(36,246)</u>	<u>(53,294)</u>	<u>-</u>
Total other financing sources	<u>194,835</u>	<u>231,079</u>	<u>(36,246)</u>	<u>194,833</u>	<u>(2)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 206,039</u>	<u>(54,291)</u>	<u>\$ 151,748</u>	<u>\$ 151,748</u>
Fund balance:					
Beginning of year, July 1			<u>206,039</u>		
End of year, June 30			<u>\$ 151,748</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
State DEA Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project		Actual		Variance Positive (Negative)
	Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
Drug enforcement	\$ 194,704	\$ 178,004	\$ 17,621	\$ 195,625	\$ 921
Investment earnings	23,032	22,924	125	23,049	17
Total revenues	<u>217,736</u>	<u>200,928</u>	<u>17,746</u>	<u>218,674</u>	<u>938</u>
Expenditures:					
Operating expenditures		145,220	10,905	156,125	
Capital outlay		85,906	9,584	95,490	
Total expenditures	<u>357,698</u>	<u>231,126</u>	<u>20,489</u>	<u>251,615</u>	<u>106,083</u>
Revenues over (under) expenditures	<u>(139,962)</u>	<u>(30,198)</u>	<u>(2,743)</u>	<u>(32,941)</u>	<u>107,021</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	161,422	161,422	-	161,422	-
From Special Revenue	1,934	1,934	-	1,934	-
Transfers (out)--					
To Special Revenue Fund	(23,394)	(21,834)	(1,560)	(23,394)	-
Total other financing sources	<u>139,962</u>	<u>141,522</u>	<u>(1,560)</u>	<u>139,962</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 111,324</u>	<u>(4,303)</u>	<u>\$ 107,021</u>	<u>\$ 107,021</u>
Fund balance:					
Beginning of year, July 1			<u>111,324</u>		
End of year, June 30			<u>\$ 107,021</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Governor's Crime Commission Domestic Violence In
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Domestic Violence Grant	\$ 128,393	\$ -	\$ 36,362	\$ 36,362	\$ (92,031)
Total revenues	128,393	-	36,362	36,362	(92,031)
Expenditures:					
Salaries and employee benefits		-	42,510	42,510	
Operating expenditures		-	6,036	6,036	
Total expenditures	171,191	-	48,546	48,546	122,645
Revenues (under) expenditures	(42,798)	-	(12,184)	(12,184)	30,614
Other financing sources:					
Transfers in--					
From General Fund	20,363	-	20,363	20,363	-
From Special Revenue Fund	22,435	-	22,435	22,435	-
Transfers out--					
To General Fund	-	-	-	-	-
To Special Revenue Fund	-	-	-	-	-
Total other financing sources	42,798	-	42,798	42,798	-
Net change in fund balance	\$ -	\$ -	30,614	\$ 30,614	\$ 30,614
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 30,614		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
2012 JAG Grant Non-ARRA
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
JAG Grant - Non ARRA	\$ 28,847	\$ 28,534	\$ 313	\$ 28,847	\$ -
Total revenues	28,847	28,534	313	28,847	-
Expenditures:					
Operating expenditures		15,830	1,472	17,302	
Capital outlay		12,704	-	12,704	
Total expenditures	30,100	28,534	1,472	30,006	94
Revenues (under) expenditures	(1,253)	-	(1,159)	(1,159)	94
Other financing sources:					
Transfers in--					
From General Fund	1,253	1,253	-	1,253	-
Transfers (out)--					
To Special Revenue Fund	-	-	-	-	-
Total other financing sources	1,253	1,253	-	1,253	-
Net change in fund balance	\$ -	\$ 1,253	(1,159)	\$ 94	\$ 94
Fund balance:					
Beginning of year, July 1			1,253		
End of year, June 30			\$ 94		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
2013 JAG Grant Non-ARRA
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
JAG Grant - Non ARRA	\$ 20,370	\$ -	\$ 20,370	\$ 20,370	\$ -
Total revenues	20,370	-	20,370	20,370	-
Expenditures:					
Operating expenditures		-	-	-	
Capital outlay		-	22,588	22,588	
Total expenditures	22,588	-	22,588	22,588	-
Revenues (under) expenditures	(2,218)	-	(2,218)	(2,218)	-
Other financing sources:					
Transfers in--					
From General Fund	658		658	658	-
From Special Revenue Fund	1,560	-	1,560	1,560	-
Total other financing sources	2,218	-	2,218	2,218	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Governor's Crime Commission Robbery Burglary Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Robbery Burglary Grant	\$ 149,697	\$ 129,975	\$ -	\$ 129,975	\$ (19,722)
Total revenues	149,697	129,975	-	129,975	(19,722)
Expenditures:					
Salaries and employee benefits		173,909	-	173,909	
Operating expenditures		5,194	-	5,194	
Total expenditures	198,825	179,103	-	179,103	19,722
Revenues (under) expenditures	(49,128)	(49,128)	-	(49,128)	-
Other financing sources:					
Transfers in--					
From General Fund	60,666	60,666	-	60,666	-
Transfers (out)--					
To General Fund	(11,538)	-	(11,538)	(11,538)	-
Total other financing sources	49,128	60,666	(11,538)	49,128	-
Net change in fund balance	\$ -	\$ 11,538	(11,538)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			11,538		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
COPS Universal Hiring Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
COPS Universal Hiring Grant	\$ 964,596	\$ 383,895	\$ 293,559	\$ 677,454	\$ (287,142)
Total	964,596	383,895	293,559	677,454	(287,142)
Total revenues	964,596	383,895	293,559	677,454	(287,142)
Expenditures:					
Salaries and employee benefits		383,895	294,301	678,196	
Total	964,596	383,895	294,301	678,196	286,400
Total expenditures	964,596	383,895	294,301	678,196	286,400
Revenues (under) expenditures	-	-	(742)	(742)	(742)
Net change in fund balance	\$ -	\$ -	(742)	\$ (742)	\$ (742)
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ (742)		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
2012 COPS Universal Hiring Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
COPS Universal Hiring Grant	\$ 328,526	\$ 34,879	\$ 103,697	\$ 138,576	\$ (189,950)
Total	328,526	34,879	103,697	138,576	(189,950)
Total revenues	328,526	34,879	103,697	138,576	(189,950)
Expenditures:					
Salaries and employee benefits		34,879	103,697	138,576	
Total	328,526	34,879	103,697	138,576	189,950
Total expenditures	328,526	34,879	103,697	138,576	189,950
Revenues (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
800 MHz Radio System
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Onslow County	\$ 286,278	\$ 108,254	\$ 92,307	\$ 200,561	\$ (85,717)
Installment Purchase	3,765,396	-	-	-	(3,765,396)
Total revenues	4,051,674	108,254	92,307	200,561	(3,851,113)
Expenditures:					
Operating expenditures		95,672	126,487	222,159	
Total expenditures	4,051,674	95,672	126,487	222,159	3,829,515
Revenues over (under) expenditures	-	12,582	(34,180)	(21,598)	(21,598)
Other financing sources (uses):					
Transfers in--					
From Capital Reserve Fund	83,500	83,500	-	83,500	-
Transfers (out)--					
To Capital Reserve	(83,500)	(83,500)	-	(83,500)	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	\$ -	\$ 12,582	(34,180)	\$ (21,598)	\$ (21,598)
Fund balance:					
Beginning of year, July 1			12,582		
End of year, June 30			\$ (21,598)		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Project Safe Neighborhood
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Grants	\$ 9,600	\$ -	\$ 9,280	\$ 9,280	\$ (320)
Total revenues	9,600	-	9,280	9,280	(320)
Expenditures:					
Operating expenditures		-	9,280	9,280	
Total expenditures	9,600	-	9,280	9,280	320
Revenues (under) expenditures	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Governor's Crime Commission-Business Watch
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Governor's Crime Commission	\$ 3,694	\$ 1,189	\$ 2,250	\$ 3,439	\$ (255)
Total revenues	3,694	1,189	2,250	3,439	(255)
Expenditures:					
Operating expenditures		1,110	2,700	3,810	
Capital outlay		775	-	775	
Total expenditures	4,840	1,885	2,700	\$ 4,585	255
Revenues (under) expenditures	(1,146)	(696)	(450)	(1,146)	-
Other financing sources (uses):					
Transfers in--					
From General Fund	1,231	1,231	-	1,231	-
Transfers (out)--					
To General Fund	(85)	-	(85)	(85)	-
Total other financing sources	1,146	1,231	(85)	1,146	-
Net change in fund balance	\$ -	\$ 535	(535)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			535		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Federal Treasury Seizures
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Drug Enforcement	\$ 28,322	\$ 28,311	\$ -	\$ 28,311	\$ (11)
Investment earnings	15	15	8	23	8
Total revenues	<u>28,337</u>	<u>28,326</u>	<u>8</u>	<u>28,334</u>	<u>(3)</u>
Expenditures:					
Operating expenditures		18,469	7,083	25,552	
Total expenditures	<u>28,337</u>	<u>18,469</u>	<u>7,083</u>	<u>25,552</u>	<u>2,785</u>
Revenues over (under) expenditures	<u>-</u>	<u>9,857</u>	<u>(7,075)</u>	<u>2,782</u>	<u>2,782</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,857</u>	<u>(7,075)</u>	<u>\$ 2,782</u>	<u>\$ 2,782</u>
Fund balance:					
Beginning of year, July 1			<u>9,857</u>		
End of year, June 30			<u>\$ 2,782</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Emergency Telephone System
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 2,096,743	\$ 1,825,681	\$ 333,471	\$ 2,159,152	\$ 62,409
Interest earned	32,686	25,914	387	26,301	(6,385)
Total revenues	<u>2,129,429</u>	<u>1,851,595</u>	<u>333,858</u>	<u>2,185,453</u>	<u>56,024</u>
Expenditures:					
Implemental functions		531,403	8,603	540,006	
Telephone		85,614	77,414	163,028	
Furniture		1,722	3,222	4,944	
Software maintenance		68,314	65,447	133,761	
Hardware maintenance		70,283	18,191	88,474	
Training		1,065	2,387	3,452	
Capital outlay		321,037	136,633	457,670	
S.L. 2010-158 Expenditures		384,291	-	384,291	
Total expenditures	<u>2,477,113</u>	<u>1,463,729</u>	<u>311,897</u>	<u>1,775,626</u>	<u>701,487</u>
Revenues over (under) expenditures	<u>(347,684)</u>	<u>387,866</u>	<u>21,961</u>	<u>409,827</u>	<u>757,511</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	11,171	11,171	-	11,171	-
From Special Revenue Fund	445,390	445,388	-	445,388	(2)
Transfers (out)--					
To General Fund	(33,659)	(33,658)	-	(33,658)	1
To ITS Internal Service Fund	(75,218)	(75,218)	-	(75,218)	-
Total other financing sources (uses)	<u>347,684</u>	<u>347,683</u>	<u>-</u>	<u>347,683</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 735,549</u>	<u>21,961</u>	<u>\$ 757,510</u>	<u>\$ 757,510</u>
Fund balance:					
Beginning of year, July 1			<u>735,549</u>		
End of year, June 30			<u>\$ 757,510</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
SAFER Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
SAFER Grant	\$ 541,900	\$ 481,568	\$ 56,246	\$ 537,814	\$ (4,086)
Total revenues	541,900	481,568	56,246	537,814	(4,086)
Expenditures:					
Salaries and employee benefits		774,732	258,555	1,033,287	
Operating Expenditures		16,154	-	16,154	
Total expenditures	1,055,392	790,886	258,555	1,049,441	5,951
Revenues (under) expenditures	(513,492)	(309,318)	(202,309)	(511,627)	1,865
Other financing sources:					
Transfers in--					
From General Fund	513,492	437,833	75,659	513,492	-
Total other financing sources	513,492	437,833	75,659	513,492	-
Net change in fund balance	\$ -	\$ 128,515	(126,650)	\$ 1,865	\$ 1,865
Fund balance:					
Beginning of year, July 1			128,515		
End of year, June 30			\$ 1,865		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
City Transportation Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
FY 2006-2007 Jacksonville Transit	TR0602				
NCDOT SMAP FY 2006-2007	\$ 136,677	\$ 136,676	\$ -	\$ 136,676	\$ (1)
NCDOT State match	47,217	45,984	60	46,044	(1,173)
FTA Section 5307	650,468	639,757	480	640,237	(10,231)
Jacksonville Transit fares	32,913	32,913	-	32,913	-
ADA fares	410	410	-	410	-
Total	<u>867,685</u>	<u>855,740</u>	<u>540</u>	<u>856,280</u>	<u>(11,405)</u>
FY 2008-2009 Jacksonville Transit	TR0802				
NCDOT SMAP FY 2008-2009	152,709	152,708	-	152,708	(1)
NCDOT State match	180,460	111,021	6,707	117,728	(62,732)
FTA Section 5307	1,917,492	1,213,403	53,656	1,267,059	(650,433)
Jacksonville Transit fares	79,197	79,197	-	79,197	-
ADA fares	3,183	3,183	-	3,183	-
Miscellaneous	16,631	16,630	-	16,630	(1)
Total	<u>2,349,672</u>	<u>1,576,142</u>	<u>60,363</u>	<u>1,636,505</u>	<u>(713,167)</u>
FY 2009-2010 Jacksonville Transit	TR1001				
NCDOT SMAP FY 2009-2010	135,955	135,955	-	135,955	-
NCDOT State match	72,999	4,937	5,783	10,720	(62,279)
FTA Section 5307	1,159,598	339,338	73,096	412,434	(747,164)
Jacksonville Transit fares	110,214	110,214	-	110,214	-
ADA fares	5,718	5,718	-	5,718	-
Miscellaneous	6,257	6,257	-	6,257	-
Total	<u>1,490,741</u>	<u>602,419</u>	<u>78,879</u>	<u>681,298</u>	<u>(809,443)</u>
FY 2010-2011 Jacksonville Transit	TR1101				
NCDOT SMAP FY 2010-2011	170,978	170,978	-	170,978	-
NCDOT State match	62,250	-	-	-	(62,250)
FTA Section 5307	1,177,754	383,274	-	383,274	(794,480)
Jacksonville Transit fares	105,600	105,600	-	105,600	-
ADA fares	5,855	5,855	-	5,855	-
Miscellaneous	56	56	-	56	-
Total	<u>1,522,493</u>	<u>665,763</u>	<u>-</u>	<u>665,763</u>	<u>(856,730)</u>
FY 2011-2012 Jacksonville Transit	TR1201				
NCDOT SMAP FY 2011-2012	164,110	164,110	-	164,110	-
NCDOT State match	70,205	-	-	-	(70,205)
FTA Section 5307	1,125,941	451,169	-	451,169	(674,772)
Jacksonville Transit fares	120,911	125,641	-	125,641	4,730
ADA fares	8,098	3,368	-	3,368	(4,730)
Miscellaneous	1,106	1,106	-	1,106	-
Total	<u>1,490,371</u>	<u>745,394</u>	<u>-</u>	<u>745,394</u>	<u>(744,977)</u>
FY 2012-2013 Jacksonville Transit	TR1301				
NCDOT SMAP FY 2011-2012	164,000	-	158,175	158,175	(5,825)
NCDOT State match	89,000	-	-	-	(89,000)
FTA Section 5307	1,203,000	-	439,142	439,142	(763,858)
Jacksonville Transit fares	100,000	-	134,775	134,775	34,775
ADA fares	5,000	-	9,550	9,550	4,550
Miscellaneous	1,608	-	1,608	1,608	-
Total	<u>1,562,608</u>	<u>-</u>	<u>743,250</u>	<u>743,250</u>	<u>(819,358)</u>
Total revenues	<u>9,283,570</u>	<u>4,445,458</u>	<u>883,032</u>	<u>5,328,490</u>	<u>(3,955,080)</u>

Non-Major Governmental Funds

City Transportation Project

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

From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures:					
FY 2006-2007 Jacksonville Transit	TR0602				
Salaries and employee benefits		55,045	-	55,045	
Operating expenditures		443,909	-	443,909	
Capital outlay		491,212	600	491,812	
Refund to grantor		32,697	-	32,697	
Total	<u>1,037,618</u>	<u>1,022,863</u>	<u>600</u>	<u>1,023,463</u>	<u>14,155</u>
FY 2008-2009 Jacksonville Transit	TR0802				
Salaries and employee benefits		84,062	-	84,062	
Operating expenditures		656,465	14,474	670,939	
Capital outlay		1,087,076	42,429	1,129,505	
Refund to grantor		16,644	-	16,644	
Total	<u>2,716,908</u>	<u>1,844,247</u>	<u>56,903</u>	<u>1,901,150</u>	<u>815,758</u>
FY 2009-2010 Jacksonville Transit	TR1001				
Salaries and employee benefits		51,688	-	51,688	
Operating expenditures		617,172	-	617,172	
Capital outlay		64,555	91,370	155,925	
Refund to grantor		12,540	-	12,540	
Total	<u>1,751,196</u>	<u>745,955</u>	<u>91,370</u>	<u>837,325</u>	<u>913,871</u>
FY 2010-2011 Jacksonville Transit	TR1101				
Salaries and employee benefits		114,034	-	114,034	
Operating expenditures		727,179	-	727,179	
Total	<u>1,823,946</u>	<u>841,213</u>	<u>-</u>	<u>841,213</u>	<u>982,733</u>
FY 2011-2012 Jacksonville Transit	TR1201				
Salaries and employee benefits		155,790	-	155,790	
Operating expenditures		779,983	-	779,983	
Total	<u>1,776,595</u>	<u>935,773</u>	<u>-</u>	<u>935,773</u>	<u>840,822</u>
FY 2012-2013 Jacksonville Transit	TR1301				
Salaries and employee benefits		-	129,325	129,325	
Operating expenditures		-	807,892	807,892	
Total	<u>1,919,608</u>	<u>-</u>	<u>937,217</u>	<u>937,217</u>	<u>982,391</u>
Total expenditures	<u>11,025,871</u>	<u>5,390,051</u>	<u>1,086,090</u>	<u>6,476,141</u>	<u>4,549,730</u>
Revenues (under) expenditures	<u>(1,742,301)</u>	<u>(944,593)</u>	<u>(203,058)</u>	<u>(1,147,651)</u>	<u>594,650</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	1,850,445	1,493,445	357,000	1,850,445	-
From Special Revenue Fund	65,394	65,394	-	65,394	-
Transfers (out)--					
To Special Revenue Fund	(65,394)	(65,394)	-	(65,394)	-
To General Fund	(108,144)	(108,144)	-	(108,144)	-
Total other financing sources:	<u>1,742,301</u>	<u>1,385,301</u>	<u>357,000</u>	<u>1,742,301</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ 440,708</u>	<u>153,942</u>	<u>\$ 594,650</u>	<u>\$ 594,650</u>
Fund balance:					
Beginning of year, July 1			440,708		
End of year, June 30			<u>\$ 594,650</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Transit Project ARRA Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
ARRA Funding	\$ 1,527,492	\$ 575,807	\$ 1,730	\$ 577,537	\$ (949,955)
Total revenues	<u>1,527,492</u>	<u>575,807</u>	<u>1,730</u>	<u>577,537</u>	<u>(949,955)</u>
Expenditures:					
Operating expenditures		88,209	3,530	91,739	
Capital outlay		<u>512,298</u>	<u>-</u>	<u>512,298</u>	
Total expenditures	<u>1,560,067</u>	<u>600,507</u>	<u>3,530</u>	<u>604,037</u>	<u>956,030</u>
Revenues (under) expenditures	<u>(32,575)</u>	<u>(24,700)</u>	<u>(1,800)</u>	<u>(26,500)</u>	<u>6,075</u>
Other financing sources:					
Transfers in--					
From General Fund	<u>32,575</u>	<u>32,575</u>	<u>-</u>	<u>32,575</u>	<u>-</u>
Total other financing sources	<u>32,575</u>	<u>32,575</u>	<u>-</u>	<u>32,575</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,875</u>	<u>(1,800)</u>	<u>\$ 6,075</u>	<u>\$ 6,075</u>
Fund balance:					
Beginning of year, July 1			<u>7,875</u>		
End of year, June 30			<u>\$ 6,075</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Northeast Creek Lagoons Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital improvements		42,510	85,335	127,845	
Total expenditures	200,000	42,510	85,335	127,845	72,155
Revenues (under) expenditures	(200,000)	(42,510)	(85,335)	(127,845)	72,155
Other financing sources:					
Transfers in--					
From Proprietary Fund	200,000	200,000	-	200,000	-
Total other financing sources	200,000	200,000	-	200,000	-
Net change in fund balance	\$ -	\$ 157,490	(85,335)	\$ 72,155	\$ 72,155
Fund balance:					
Beginning of year, July 1			157,490		
End of year, June 30			\$ 72,155		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Chaney Creek Restoration II Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project	Actual			Variance
	Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Total revenues	\$ 300,000	\$ -	\$ -	\$ -	(300,000)
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	300,000	-	-	-	300,000
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources (uses):					
Transfers in--					
From Capital Reserve	50,000	50,000	-	50,000	-
Transfers (out)--					
To Capital Reserve	(50,000)	-	(50,000)	(50,000)	-
Total other financing sources	-	50,000	(50,000)	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,000</u>	(50,000)	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			50,000		
End of year, June 30			<u>\$ -</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
American Recovery & Reinvestment Act - Energy Efficiency Conservation Block Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
ARRA - EECBG	\$ 781,600	\$ 778,206	\$ 3,394	\$ 781,600	\$ -
Total revenues	781,600	778,206	3,394	781,600	-
Expenditures:					
Operating expenditures		378,846	3,641	382,487	
Capital outlay		399,360	1,033	400,393	
Total expenditures	782,880	778,206	4,674	782,880	-
Revenues (under) expenditures	(1,280)	-	(1,280)	(1,280)	-
Other financing sources (uses):					
Transfers in--					
From General Fund	1,280		1,280	1,280	-
Total other financing sources (uses)	1,280	-	1,280	1,280	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Streets Powell Bill Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Investment earnings	\$ 1,150,860	\$ 1,113,974	\$ 1,839	\$ 1,115,813	\$ (35,047)
Contributions	321,000	321,000	-	321,000	-
Miscellaneous	66,767	66,767	-	66,767	-
Total revenues	<u>1,538,627</u>	<u>1,501,741</u>	<u>1,839</u>	<u>1,503,580</u>	<u>(35,047)</u>
Expenditures:					
Capital Improvements		15,974,762	-	15,974,762	
Total expenditures	<u>16,638,605</u>	<u>15,974,762</u>	<u>-</u>	<u>15,974,762</u>	<u>663,843</u>
Revenues over (under) expenditures	<u>(15,099,978)</u>	<u>(14,473,021)</u>	<u>1,839</u>	<u>(14,471,182)</u>	<u>628,796</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	10,378,475	10,378,475	-	10,378,475	-
From General Fund - Powell Bill	8,071,811	6,917,636	1,006,899	7,924,535	(147,276)
From Capital Reserve Fund	355,702	355,702	-	355,702	-
From Capital Projects - Powell Bill	247,712	-	247,715	247,715	3
From Community Development Fund	2,496	2,496	-	2,496	-
Transfers (out)--					
To General Fund	(463,344)	(463,344)	-	(463,344)	-
To Capital Projects - Powell Bill	(1,167,000)	-	(1,167,000)	(1,167,000)	-
To Powell Bill Projects	(2,325,874)	(2,325,874)	-	(2,325,874)	-
Total other financing sources (uses)	<u>15,099,978</u>	<u>14,865,091</u>	<u>87,614</u>	<u>14,952,705</u>	<u>(147,273)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 392,070</u>	<u>89,453</u>	<u>\$ 481,523</u>	<u>\$ 481,523</u>
Fund balance:					
Beginning of year, July 1			<u>392,070</u>		
End of year, June 30			<u>\$ 481,523</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Ellis Park Infrastructure
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital improvements		329,992	-	329,992	
Total expenditures	505,000	329,992	-	329,992	175,008
Revenues (under) expenditures	(505,000)	(329,992)	-	(329,992)	175,008
Other financing sources (uses):					
Transfers in--					
From General Fund - Powell Bill	505,000	505,000	-	505,000	-
Transfers (out)--					
To Capital Projects - Powell Bill	-	-	(175,008)	(175,008)	(175,008)
Total other financing sources	505,000	505,000	(175,008)	329,992	(175,008)
Net change in fund balance	\$ -	\$ 175,008	(175,008)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			175,008		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Developer Contributed Sidewalks
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Sidewalks	\$ 18,570	\$ 15,756	\$ 5,111	\$ 20,867	\$ 2,297
Total revenues	18,570	15,756	5,111	20,867	2,297
Expenditures:					
Reserve for sidewalk		-	-	-	
Total expenditures	18,570	-	-	-	18,570
Revenues over expenditures	-	15,756	5,111	20,867	20,867
Net change in fund balance	\$ -	\$ 15,756	5,111	\$ 20,867	\$ 20,867
Fund balance:					
Beginning of year, July 1			15,756		
End of year, June 30			\$ 20,867		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY11 Street Reclamation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements	573,588	345,442	228,146	573,588	
Total expenditures	573,588	345,442	228,146	573,588	-
Revenues (under) expenditures	(573,588)	(345,442)	(228,146)	(573,588)	-
Other financing sources (uses):					
Transfers in--					
From General Fund - Powell Bill	520,000	520,000	-	520,000	-
From Capital Projects - Powell Bill	62,934	62,934	-	62,934	-
Transfers out--					
To General Fund - Powell Bill	-	-	-	-	-
To Capital Projects - Powell Bill	(9,346)	-	(9,346)	(9,346)	-
Total other financing sources	573,588	582,934	(9,346)	573,588	-
Net change in fund balance	\$ -	\$ 237,492	(237,492)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			237,492		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY12 Street Reclamation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Interest on Powell Bill	\$ 1,937	\$ 1,937	\$ -	\$ 1,937	\$ -
Total revenues	1,937	1,937	-	1,937	-
Expenditures:					
Capital Improvements		-	926,259	926,259	
Total expenditures	926,259	-	926,259	926,259	-
Revenues over (under) expenditures	(924,322)	1,937	(926,259)	(924,322)	-
Other financing sources (uses):					
Transfers in--					
From General Fund - Powell Bill	779,000	779,000	-	779,000	-
From Capital Projects - Powell Bill	150,452	150,452	-	150,452	-
Transfers out--					
To Capital Projects - Powell Bill	(5,130)	-	(5,130)	(5,130)	-
Total other financing sources	924,322	929,452	(5,130)	924,322	-
Net change in fund balance	\$ -	\$ 931,389	(931,389)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			931,389		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY13 Street Reclamation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Interest on Powell Bill	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	987,000	-	-	-	987,000
Revenues over (under) expenditures	(987,000)	-	-	-	987,000
Other financing sources:					
Transfers in--					
From General Fund - Powell Bill	987,000	-	987,000	987,000	-
Total other financing sources	987,000	-	987,000	987,000	-
Net change in fund balance	\$ -	\$ -	987,000	\$ 987,000	\$ 987,000
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 987,000		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Enouch Lane Improvements
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		2,200	-	2,200	
Total expenditures	28,000	2,200	-	2,200	25,800
Revenues (under) expenditures	(28,000)	(2,200)	-	(2,200)	25,800
Other financing sources:					
Transfers in--					
From General Fund - Powell Bill	28,000	28,000	-	28,000	-
Total other financing sources	28,000	28,000	-	28,000	-
Net change in fund balance	\$ -	\$ 25,800	-	\$ 25,800	\$ 25,800
Fund balance:					
Beginning of year, July 1			25,800		
End of year, June 30			\$ 25,800		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY12 Sidewalk Installation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		28,603	31,667	60,270	
Total expenditures	118,000	28,603	31,667	60,270	57,730
Revenues (under) expenditures	(118,000)	(28,603)	(31,667)	(60,270)	57,730
Other financing sources:					
Transfers in--					
From General Fund - Powell Bill	118,000	118,000	-	118,000	-
Total other financing sources	118,000	118,000	-	118,000	-
Net change in fund balance	\$ -	\$ 89,397	(31,667)	\$ 57,730	\$ 57,730
Fund balance:					
Beginning of year, July 1			89,397		
End of year, June 30			\$ 57,730		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY13 Sidewalk Installation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		-	3,975	3,975	
Total expenditures	180,000	-	3,975	3,975	176,025
Revenues (under) expenditures	(180,000)	-	(3,975)	(3,975)	176,025
Other financing sources:					
Transfers in--					
From General Fund - Powell Bill	180,000	-	180,000	180,000	-
Total other financing sources (uses)	180,000	-	180,000	180,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	176,025	<u>\$ 176,025</u>	<u>\$ 176,025</u>
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 176,025</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
NC DOT TIP Sidewalks - Piney Green Road
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	68,509	-	-	-	68,509
Revenues (under) expenditures	(68,509)	-	-	-	68,509
Other financing sources:					
Transfers in--					
From General Fund - Powell Bill	68,509	68,509	-	68,509	-
Total other financing sources	68,509	68,509	-	68,509	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 68,509</u>	-	<u>\$ 68,509</u>	<u>\$ 68,509</u>
Fund balance:					
Beginning of year, July 1			68,509		
End of year, June 30			<u>\$ 68,509</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Hargett Street Pedestrian Improvements
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	171,000	-	-	-	171,000
Revenues (under) expenditures	(171,000)	-	-	-	171,000
Other financing sources:					
Transfers in--					
From General Fund	171,000	171,000	-	171,000	-
Total other financing sources	171,000	171,000	-	171,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 171,000</u>	-	<u>\$ 171,000</u>	<u>\$ 171,000</u>
Fund balance:					
Beginning of year, July 1			<u>171,000</u>		
End of year, June 30			<u>\$ 171,000</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Tallman & Court Street Improvements
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings-Powell Bill	\$ 227	\$ 227	\$ -	\$ 227	\$ -
Total revenues	227	227	-	227	-
Expenditures:					
Capital Improvements		248,083	(1,087)	246,996	
Total expenditures	246,996	248,083	(1,087)	246,996	-
Revenues over (under) expenditures	(246,769)	(247,856)	1,087	(246,769)	-
Other financing sources (uses):					
Transfers in--					
From Capital Projects - Powell Bill	234,436	234,436	-	234,436	-
From Water/Sewer Fund	70,564	70,564	-	70,564	-
Transfers out--					
To Capital Projects - Powell Bill	(58,231)	-	(58,231)	(58,231)	-
Total other financing sources	246,769	305,000	(58,231)	246,769	-
Net change in fund balance	\$ -	\$ 57,144	(57,144)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			57,144		
End of year, June 30			\$ -		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Hurricane Irene
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
FEMA	\$ 734,447	\$ 708,436	\$ 23,429	\$ 731,865	\$ (2,582)
FEMA State Match	244,816	236,146	7,810	243,956	(860)
Gain/Loss from Insurance	99,695	99,395	-	99,395	(300)
Total revenues	<u>1,078,958</u>	<u>1,043,977</u>	<u>31,239</u>	<u>1,075,216</u>	<u>(3,742)</u>
Expenditures:					
General Fund Emergencies		632,002	-	632,002	
Water/ Sewer Emergencies		217,609	-	217,609	
Total expenditures	<u>1,078,958</u>	<u>849,611</u>	<u>-</u>	<u>849,611</u>	<u>229,347</u>
Revenues over (under) expenditures	<u>-</u>	<u>194,366</u>	<u>31,239</u>	<u>225,605</u>	<u>225,605</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	50,000	50,000	-	50,000	-
Transfers (out)--					
To General Fund	(50,000)	-	(50,000)	(50,000)	-
Total other financing sources	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 244,366</u>	<u>(18,761)</u>	<u>\$ 225,605</u>	<u>\$ 225,605</u>
Fund balance:					
Beginning of year, July 1			<u>244,366</u>		
End of year, June 30			<u>\$ 225,605</u>		

City of Jacksonville, North Carolina
Non-Major Governmental Funds
General Capital Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2013

	Project		Actual		Variance Positive (Negative)
	Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 2,168,146	\$ 2,167,260	\$ 395	\$ 2,167,655	\$ (491)
Investment earnings-Powell Bill	28,736	28,638	-	28,638	(98)
Onslow County Board of Education	53,000	53,000	-	53,000	-
Contributions from developers	304,454	283,223	21,232	304,455	1
Miscellaneous	282,159	279,659	2,500	282,159	-
Total revenues	<u>2,836,495</u>	<u>2,811,780</u>	<u>24,127</u>	<u>2,835,907</u>	<u>(588)</u>
Expenditures:					
Initiatives FY '99		-	-	-	
Reserve for debt retirement		-	-	-	
Reserve for recreation		-	-	-	
Total expenditures	<u>727,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>727,237</u>
Revenues over expenditures	<u>2,109,258</u>	<u>2,811,780</u>	<u>24,127</u>	<u>2,835,907</u>	<u>726,649</u>
Other financing sources (uses):					
Transfers in--					
From General Fund	20,705,453	19,111,444	1,594,009	20,705,453	-
From General Fund - Powell Bill	323,572	323,572	-	323,572	-
From Special Revenue Fund	50,000	-	50,000	50,000	-
From Non-Capital Project Fund	170,000	170,000	-	170,000	-
From Capital Project Funds	2,583,455	1,365,378	1,193,909	2,559,287	(24,168)
From Water/Sewer Fund	5,435,346	5,435,346	-	5,435,346	-
From Water/Sewer Capital Projects	1,423,972	1,423,972	-	1,423,972	-
Transfers (out)--					
To General Fund	(8,807,154)	(7,972,980)	(669,672)	(8,642,652)	164,502
To Capital Project Fund	(19,002,770)	(17,475,768)	(1,526,946)	(19,002,714)	56
To Major Enterprise Fund	(338,886)	-	(338,886)	(338,886)	-
To Proprietary Fund	(4,030,246)	(4,030,536)	-	(4,030,536)	(290)
To Special Revenue Fund	(22,000)	(22,000)	-	(22,000)	-
To Non-Capital Project Fund	(600,000)	(600,000)	-	(600,000)	-
Total other financing (uses)	<u>(2,109,258)</u>	<u>(2,271,572)</u>	<u>302,414</u>	<u>(1,969,158)</u>	<u>140,100</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 540,208</u>	<u>326,541</u>	<u>\$ 866,749</u>	<u>\$ 866,749</u>
Fund balance:					
Beginning of year, July 1			<u>540,208</u>		
End of year, June 30			<u>\$ 866,749</u>		

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services provided to other user departments.

Individual Fund Descriptions:

Fleet Maintenance Internal Service Fund – accounts for fleet management operations provided to City departments.

City Hall Maintenance Internal Service Fund – accounts for building maintenance operations provided to City departments.

Information Technology Services Internal Service Fund – accounts for data processing operations provided to City departments.

Information Technology Services Capital Project Fund – accounts for funds used in obtaining new hardware and software for data processing.

Video/Media Services Internal Service Fund – accounts for video and media operations provided to City departments and Onslow County.

Self-Insurance Fund – accounts for the funds contributed by both the City and its employees to provide health and dental insurance benefits for eligible employees.

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Net Position
June 30, 2013
With Comparative Totals for June 30, 2012

	<u>Fleet Maintenance</u>	<u>City Hall Maintenance</u>	<u>Information Technology Services</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 305,100	\$ 288,627	\$ 417,528
Accounts receivable (net)	158	668	-
Inventories	101,628	-	-
Prepaid items	-	-	15
Total Current Assets	<u>406,886</u>	<u>289,295</u>	<u>417,543</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	<u>2,844</u>	<u>347</u>	<u>-</u>
Capital Assets:			
Capital assets (net)	<u>31,778</u>	<u>17,880</u>	<u>512,470</u>
Total Assets	<u>441,508</u>	<u>307,522</u>	<u>930,013</u>
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	77,336	12,178	50,842
Current portion of long-term debt	<u>10,310</u>	<u>2,584</u>	<u>90,377</u>
Total Current Liabilities	<u>87,646</u>	<u>14,762</u>	<u>141,219</u>
Noncurrent Liabilities:			
Compensated absences payable	21,536	4,261	52,128
Noncurrent portion of long-term debt	<u>22,524</u>	<u>8,836</u>	<u>58,854</u>
Total Noncurrent Liabilities	<u>44,060</u>	<u>13,097</u>	<u>110,982</u>
Total Liabilities	<u>131,706</u>	<u>27,859</u>	<u>252,201</u>
Net Position			
Invested in capital assets, net of related debt	1,788	6,807	363,239
Unrestricted	<u>308,014</u>	<u>272,856</u>	<u>314,573</u>
Total Net Position	<u>\$ 309,802</u>	<u>\$ 279,663</u>	<u>\$ 677,812</u>

Video/ Media Services	Self Insurance	Totals	
		June 30, 2013	June 30, 2012
\$ 275,074	\$ 1,658,180	\$ 2,944,509	\$ 3,025,689
38,413	5,185	44,424	668
-	-	101,628	79,943
-	76,100	76,115	78,013
<u>313,487</u>	<u>1,739,465</u>	<u>3,166,676</u>	<u>3,184,313</u>
-	-	3,191	20,005
80,749	-	642,877	542,379
<u>394,236</u>	<u>1,739,465</u>	<u>3,812,744</u>	<u>3,746,697</u>
23,209	439,329	602,894	605,855
6,723	-	109,994	99,840
<u>29,932</u>	<u>439,329</u>	<u>712,888</u>	<u>705,695</u>
20,784	-	98,709	96,112
1,497	-	91,711	83,037
<u>22,281</u>	<u>-</u>	<u>190,420</u>	<u>179,149</u>
<u>52,213</u>	<u>439,329</u>	<u>903,308</u>	<u>884,844</u>
72,529	-	444,363	379,507
269,494	1,300,136	2,465,073	2,482,346
<u>\$ 342,023</u>	<u>\$ 1,300,136</u>	<u>\$ 2,909,436</u>	<u>\$ 2,861,853</u>

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	<u>Fleet Maintenance</u>	<u>City Hall Maintenance</u>	<u>Information Technology Services</u>
Operating revenues:			
Charges to other funds	\$ 2,512,577	\$ 249,668	\$ 2,868,507
Other operating revenue	4,902	113	933
Total operating revenues	<u>2,517,479</u>	<u>249,781</u>	<u>2,869,440</u>
Operating expenses:			
Operations	2,539,143	229,439	2,275,684
Depreciation	9,844	1,919	290,952
Total operating expenses	<u>2,548,987</u>	<u>231,358</u>	<u>2,566,636</u>
Operating income (loss)	<u>(31,508)</u>	<u>18,423</u>	<u>302,804</u>
Nonoperating revenues (expenses):			
Investment earnings	203	187	169
Gain (loss) on sale of capital assets	9,163	-	695
Interest on long-term debt	(383)	(82)	(2,114)
Total nonoperating revenues	<u>8,983</u>	<u>105</u>	<u>(1,250)</u>
Income (loss) before transfers	<u>(22,525)</u>	<u>18,528</u>	<u>301,554</u>
Operating transfers:			
Transfers in	-	-	-
Transfers (out)	-	-	(19,985)
Total transfers	<u>-</u>	<u>-</u>	<u>(19,985)</u>
Net income (loss)	(22,525)	18,528	281,569
Net position:			
Beginning of year, July 1	<u>332,327</u>	<u>261,135</u>	<u>396,243</u>
End of year, June 30	<u>\$ 309,802</u>	<u>\$ 279,663</u>	<u>\$ 677,812</u>

Video/ Media Services	Self Insurance	Totals	
		June 30, 2013	June 30, 2012
\$ 421,180	\$ 3,161,414	\$ 9,213,346	\$ 8,785,913
278	1,388,717	1,394,943	1,320,095
<u>421,458</u>	<u>4,550,131</u>	<u>10,608,289</u>	<u>10,106,008</u>
456,773	4,662,285	10,163,324	9,446,650
87,021	-	389,736	317,679
<u>543,794</u>	<u>4,662,285</u>	<u>10,553,060</u>	<u>9,764,329</u>
<u>(122,336)</u>	<u>(112,154)</u>	<u>55,229</u>	<u>341,679</u>
335	947	1,841	3,880
3,400	-	13,258	1,230
(181)	-	(2,760)	(2,742)
<u>3,554</u>	<u>947</u>	<u>12,339</u>	<u>2,368</u>
<u>(118,782)</u>	<u>(111,207)</u>	<u>67,568</u>	<u>344,047</u>
-	-	-	157,371
-	-	(19,985)	-
-	-	(19,985)	157,371
(118,782)	(111,207)	47,583	501,418
460,805	1,411,343	2,861,853	2,360,435
<u>\$ 342,023</u>	<u>\$ 1,300,136</u>	<u>\$ 2,909,436</u>	<u>\$ 2,861,853</u>

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	<u>Fleet Maintenance</u>	<u>City Hall Maintenance</u>	<u>Information Technology Services</u>
Cash flows from operating activities:			
Cash receipts from interfund services provided	\$ 2,517,321	\$ 249,781	\$ 2,869,440
Cash payments for interfund services (used)	<u>(2,542,112)</u>	<u>(231,102)</u>	<u>(2,298,778)</u>
Net cash provided (used) by operating activities	<u>(24,791)</u>	<u>18,679</u>	<u>570,662</u>
Cash flows from noncapital financing activities:			
Transfers in / (out)	-	-	(19,985)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(19,985)</u>
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(7,632)	(1,506)	(108,467)
Interest paid on long-term debt	(383)	(82)	(2,114)
Debt issued	30,900	12,925	100,000
Purchase of capital assets	(27,937)	(12,579)	(417,770)
Proceeds from sale of assets	<u>9,163</u>	<u>-</u>	<u>695</u>
Net cash (used) for capital and related financing activities	<u>4,111</u>	<u>(1,242)</u>	<u>(427,656)</u>
Cash flows from investing activities:			
Interest earned on investments	<u>203</u>	<u>187</u>	<u>169</u>
Net cash provided by investing activities	<u>203</u>	<u>187</u>	<u>169</u>
Net increase (decrease) in cash and cash equivalents	(20,477)	17,624	123,190
Cash and cash equivalents, July 1	<u>328,421</u>	<u>271,350</u>	<u>294,338</u>
Cash and cash equivalents, June 30	<u>\$ 307,944</u>	<u>\$ 288,974</u>	<u>\$ 417,528</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>\$ (31,508)</u>	<u>\$ 18,423</u>	<u>\$ 302,804</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	9,844	1,919	290,952
Change in assets and liabilities:			
(Increase) decrease accounts receivable	(158)	-	-
(Increase) decrease in inventories	(21,685)	-	-
(Increase) decrease in prepaid items	-	-	553
Increase (decrease) in accounts payable	15,646	(1,290)	(21,137)
Increase (decrease) in compensated absences payable	<u>3,070</u>	<u>(373)</u>	<u>(2,510)</u>
Total adjustments	<u>6,717</u>	<u>256</u>	<u>267,858</u>
Net cash provided (used) by operating activities	<u>\$ (24,791)</u>	<u>\$ 18,679</u>	<u>\$ 570,662</u>
Noncash investing, capital, and financing activities:			
Trade-in allowance for used equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Video/ Media Services	Self Insurance	Totals	
		June 30, 2013	June 30, 2012
\$ 383,047	\$ 4,544,946	\$ 10,564,535	\$ 10,108,246
(463,195)	(4,648,289)	(10,183,476)	(9,675,630)
(80,148)	(103,343)	381,059	432,616
-	-	(19,985)	157,371
-	-	(19,985)	157,371
(7,392)	-	(124,997)	(85,540)
(181)	-	(2,760)	(2,742)
-	-	143,825	120,000
(28,549)	-	(486,835)	(237,422)
-	-	9,858	1,230
(36,122)	-	(460,909)	(204,474)
335	947	1,841	3,880
335	947	1,841	3,880
(115,935)	(102,396)	(97,994)	389,393
391,009	1,760,576	3,045,694	2,656,301
<u>\$ 275,074</u>	<u>\$ 1,658,180</u>	<u>\$ 2,947,700</u>	<u>\$ 3,045,694</u>
\$ (122,336)	\$ (112,154)	\$ 55,229	\$ 341,679
87,021	-	389,736	317,679
(38,411)	(5,185)	(43,754)	2,238
1,345	-	(21,685)	12,740
(10,177)	13,996	1,898	239
2,410	-	(2,962)	(226,625)
42,188	8,811	2,597	(15,334)
<u>\$ (80,148)</u>	<u>\$ (103,343)</u>	<u>\$ 381,059</u>	<u>\$ 432,616</u>
<u>\$ 3,400</u>	<u>\$ -</u>	<u>\$ 3,400</u>	<u>\$ -</u>

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

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Investment earnings	\$ 339	\$ 203	\$ (136)	\$ 380
Charges for services	3,271,859	2,512,577	(759,282)	2,509,797
Sale of capital assets	9,500	9,163	(337)	1,230
Other operating revenues	2,000	4,902	2,902	3,977
Total revenues	<u>3,283,698</u>	<u>2,526,845</u>	<u>(756,853)</u>	<u>2,515,384</u>
Expenditures:				
Salaries and employee benefits		540,461		534,280
Fuel		6,931		8,031
Utilities		16,516		16,805
Maintenance and repair		1,837,261		1,822,721
Other departmental expenditures		137,974		117,723
Total	<u>3,274,769</u>	<u>2,539,143</u>	<u>735,626</u>	<u>2,499,560</u>
Budgetary appropriations:				
Interest paid	1,032	383	649	285
Debt principal	9,559	7,632	1,927	3,935
Debt issued	(30,800)	(30,900)	100	-
Increase (decrease) in inventory	-	21,685	(21,685)	(12,741)
(Increase) decrease in compensated absences payable	-	(3,070)	3,070	(1,358)
Capital outlay	30,800	27,937	2,863	-
Appropriated retained earnings	(1,662)	-	(1,662)	-
Total budgetary appropriations	<u>8,929</u>	<u>23,667</u>	<u>(14,738)</u>	<u>(9,879)</u>
Total expenditures	<u>\$ 3,283,698</u>	<u>\$ 2,562,810</u>	<u>\$ 720,888</u>	<u>\$ 2,489,681</u>
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 2,526,845		\$ 2,515,384
Total expenditures		<u>2,562,810</u>		<u>2,489,681</u>
Excess of revenues over (under) expenditures		<u>(35,965)</u>		<u>25,703</u>
Budgetary appropriations (above):				
Payment of debt principal		7,632		3,935
Debt issued		(30,900)		-
Increase (decrease) in inventory		21,685		(12,741)
(Increase) decrease in compensated absences payable		(3,070)		(1,358)
Capital outlay		27,937		-
Total budgetary appropriations		<u>23,284</u>		<u>(10,164)</u>
Depreciation (Statement 99)		<u>(9,844)</u>		<u>(7,660)</u>
Net income (loss) (Statement 99)		<u>\$ (22,525)</u>		<u>\$ 7,879</u>

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

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

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 539	\$ 187	\$ (352)	\$ 485
Charges for services	249,668	249,668	-	206,981
Other operating revenues	-	113	113	70
Total revenues	250,207	249,968	(239)	207,536
Expenditures:				
Salaries and employee benefits		81,342		78,922
Utilities		83,572		87,434
Maintenance and repair		11,656		12,262
Other departmental expenditures		52,869		37,859
Total	264,310	229,439	34,871	216,477
Budgetary appropriations:				
Interest paid	359	82	277	-
Debt principal	2,064	1,506	558	-
Debt issued	(12,925)	(12,925)	-	-
(Increase) decrease in compensated absences payable	-	373	(373)	(229)
Transfer in from General Fund	-	-	-	(8,300)
Capital outlay	12,925	12,579	346	8,021
Appropriated retained earnings	(16,526)	-	(16,526)	-
Total budgetary appropriations	(14,103)	1,615	(15,718)	(508)
Total expenditures	\$ 250,207	\$ 231,054	\$ 19,153	\$ 215,969
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 249,968		\$ 207,536
Total expenditures		231,054		215,969
Excess of revenues over (under) expenditures		18,914		(8,433)
Budgetary appropriations (above):				
Payment of debt principal		1,506		-
Debt issued		(12,925)		-
(Increase) decrease in compensated absences payable		373		(229)
Capital outlay		12,579		8,021
Total budgetary appropriations		1,533		7,792
Depreciation (Statement 99)		(1,919)		(802)
Net income (loss) (Statement 99)		\$ 18,528		\$ (1,443)

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

City of Jacksonville, North Carolina
Information Technology Services Internal Service Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2013
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 318	\$ 169	\$ (149)	\$ 463
Charges for services	2,841,946	2,868,507	26,561	2,416,173
Sale of capital assets	1,300	695	(605)	-
Other operating revenues	-	933	933	(22,864)
Total revenues	<u>2,843,564</u>	<u>2,870,304</u>	<u>26,740</u>	<u>2,393,772</u>
Expenditures:				
Salaries and employee benefits		867,971		893,164
Fuel		1,197		1,223
Maintenance and repair		2,484		84
Contracted services		37,373		44,513
Other departmental expenditures		1,366,659		1,282,175
Total	<u>2,701,511</u>	<u>2,275,684</u>	<u>425,827</u>	<u>2,221,159</u>
Budgetary appropriations:				
Interest paid	4,268	2,114	2,154	2,298
Debt principal	116,013	108,467	7,546	77,217
Debt issued	(100,000)	(100,000)	-	(100,000)
Transfers				
(In) from Special Revenue Fund	-	-	-	(30,497)
Out to Capital Project Fund	40,000	40,000	-	40,000
Out to General Fund	19,985	19,985	-	-
(Increase) decrease in compensated absences payable	-	2,510	(2,510)	9,221
Increase (decrease) in prepaid expenditures	-	(553)	553	(1,584)
Capital outlay	229,724	417,770	(188,046)	186,416
Appropriated retained earnings	(167,937)	-	(167,937)	-
Total budgetary appropriations	<u>142,053</u>	<u>490,293</u>	<u>(348,240)</u>	<u>183,071</u>
Total expenditures	<u>\$ 2,843,564</u>	<u>\$ 2,765,977</u>	<u>\$ 77,587</u>	<u>\$ 2,404,230</u>
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 2,870,304		\$ 2,393,772
Total expenditures		<u>2,765,977</u>		<u>2,404,230</u>
Excess of revenues over (under) expenditures		<u>104,327</u>		<u>(10,458)</u>
Budgetary appropriations (above):				
Payment of debt principal		108,467		77,217
Debt issued		(100,000)		(100,000)
Transfer to Capital Project (Schedule 104)		40,000		40,000
(Increase) decrease in compensated absences payable		2,510		9,221
Increase (decrease) in prepaid expenditures		(553)		(1,584)
Capital outlay		417,770		186,416
Total budgetary appropriations		<u>468,194</u>		<u>211,270</u>
Depreciation (Statement 99)		<u>(290,952)</u>		<u>(232,581)</u>
Net income (loss) (Statement 99)		<u>\$ 281,569</u>		<u>\$ (31,769)</u>

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

City of Jacksonville, North Carolina
Information Technology Services Capital Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 787	\$ 787	\$ -	\$ 787	\$ -
Total revenues	787	787	-	787	-
Expenditures:					
Capital outlay:					
AS400 Life Cycle DP0601	420,787	167,613	200,574	368,187	52,600
Total expenditures	420,787	167,613	200,574	368,187	52,600
Revenues over (under) expenditures	(420,000)	(166,826)	(200,574)	(367,400)	52,600
Other financing sources (uses):					
Debt issued	180,000	180,000	-	180,000	-
Transfers in--					
From ITS Fund	240,000	200,000	40,000	240,000	-
Total other financing sources	420,000	380,000	40,000	420,000	-
Excess of revenues and other sources over expenditures	\$ -	\$ 213,174	\$ (160,574)	\$ 52,600	\$ 52,600

City of Jacksonville, North Carolina
Video/Media Services Internal Service Fund
Schedule of Revenues and Expenditures--
Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2013

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 704	\$ 335	\$ (369)	\$ 621
Charges for services	672,319	421,180	(251,139)	483,507
Sale of capital assets	-	3,400	3,400	-
Other operating revenues	-	278	278	8,857
Total revenues	<u>673,023</u>	<u>425,193</u>	<u>(247,830)</u>	<u>492,985</u>
Expenditures:				
Salaries and employee benefits		237,190		205,265
Maintenance and repair		1,646		-
Contracted services		10,746		8,183
Other departmental expenditures		207,191		196,935
Total	<u>634,168</u>	<u>456,773</u>	<u>177,395</u>	<u>410,383</u>
Budgetary appropriations:				
Interest paid	184	181	3	159
Debt principal	6,626	7,392	(766)	4,388
Debt issued	-	-	-	(20,000)
(Increase) decrease in compensated absences payable	-	(2,410)	2,410	7,700
Increase (decrease) in prepaid expenditures	-	(1,345)	1,345	1,345
Capital outlay	31,000	28,549	2,451	42,985
Appropriated retained earnings	1,045	-	1,045	-
Total budgetary appropriations	<u>38,855</u>	<u>32,367</u>	<u>6,488</u>	<u>36,577</u>
Total expenditures	<u>\$ 673,023</u>	<u>\$ 489,140</u>	<u>\$ 183,883</u>	<u>\$ 446,960</u>
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		\$ 425,193		\$ 492,985
Total expenditures		489,140		446,960
Excess of revenues over expenditures		<u>(63,947)</u>		<u>46,025</u>
Budgetary appropriations (above):				
Payment of debt principal		7,392		4,388
Debt issued		-		(20,000)
(Increase) decrease in compensated absences payable		(2,410)		7,700
Increase (decrease) in prepaid expenditures		(1,345)		1,345
Capital outlay		28,549		42,985
Total budgetary appropriations		<u>32,186</u>		<u>36,418</u>
Depreciation (Statement 100)		<u>(87,021)</u>		<u>(76,636)</u>
Net income (loss) (Statement 100)		<u>\$ (118,782)</u>		<u>\$ 5,807</u>

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

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

For the Fiscal Year Ended June 30, 2013
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2012

	<u>2013</u>		Variance Positive (Negative)	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Investment earnings	\$ 2,085	\$ 947	\$ (1,138)	\$ 1,931
Charges for services	3,380,408	3,161,414	(218,994)	3,169,455
Other operating revenues	1,288,079	1,388,717	100,638	1,330,055
Total revenues	<u>4,670,572</u>	<u>4,551,078</u>	<u>(119,494)</u>	<u>4,501,441</u>
Expenditures:				
Benefit Payments		4,662,285		4,099,071
Other departmental expenditures		-		-
Total	<u>4,670,572</u>	<u>4,662,285</u>	<u>8,287</u>	<u>4,099,071</u>
Budgetary appropriations:				
Transfers				
(In) from General Fund	-	-	-	(100,788)
(In) from Proprietary Fund	-	-	-	(17,786)
Total budgetary appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>(118,574)</u>
Total expenditures	<u>\$ 4,670,572</u>	<u>\$ 4,662,285</u>	<u>\$ 8,287</u>	<u>\$ 3,980,497</u>
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		4,551,078		4,501,441
Total expenditures		<u>4,662,285</u>		<u>3,980,497</u>
Excess of revenues over expenditures		<u>(111,207)</u>		<u>520,944</u>
Net income (loss) (Statement 99)		<u>\$ (111,207)</u>		<u>\$ 520,944</u>

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



GOVERNMENTAL FUNDS CAPITAL ASSETS

The Governmental Funds Capital Assets account for capital assets used in the operation of Governmental Funds, other than those accounted for in the Proprietary Funds.



City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Governmental funds capital assets:		
Land	\$ 7,613,778	\$ 2,003,182
Land Rights	3,017,730	2,321,989
Buildings	23,361,613	22,065,312
Equipment	6,330,048	5,865,856
Software	1,010,840	782,483
Heavy equipment	470,316	470,316
Vehicles	10,088,680	9,857,703
Infrastructure	50,276,268	46,030,086
Improvements other than buildings	12,595,366	10,089,381
Construction in progress	<u>17,085,650</u>	<u>11,665,699</u>
Total governmental funds capital assets	<u>\$ 131,850,289</u>	<u>\$ 111,152,007</u>
Investment in governmental funds capital assets		
General Fund	\$ 46,441,909	\$ 42,984,156
Major Capital Project Fund	56,944,252	48,266,191
Non-Major Governmental Funds	6,519,189	6,067,426
Donations, court awards, etc.	<u>21,944,939</u>	<u>13,834,234</u>
Total investment in governmental funds capital assets	<u>\$ 131,850,289</u>	<u>\$ 111,152,007</u>

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the Internal Service Funds are excluded from the above amounts. Generally, the capital assets of the Internal Service Funds are included as governmental activities in the statement of net position.

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2013

	<u>Land</u>	<u>Land Rights</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Software</u>
General Government:					
Human Resources	\$ -	\$ -	\$ -	\$ -	\$ 6,255
Finance	-	-	-	39,577	41,180
Planning	-	-	-	-	104,041
Other-Unclassified	1,258,186	-	9,889,405	125,769	22,470
Total General Government	<u>1,258,186</u>	<u>-</u>	<u>9,889,405</u>	<u>165,346</u>	<u>173,946</u>
Public Works:					
Inspections	-	-	-	-	15,835
Code Enforcement	-	-	-	-	-
Public Works	-	-	-	-	-
Engineering	-	-	-	17,344	18,277
Maintenance	-	-	28,879	104,190	-
Streets Powell Bill	67,500	3,017,730	100,209	37,007	-
Streets Non-Powell Bill	-	-	-	251,828	-
Traffic Signal Control	-	-	-	6,478	-
Total Public Works	<u>67,500</u>	<u>3,017,730</u>	<u>129,088</u>	<u>416,847</u>	<u>34,112</u>
Public Safety:					
Police	2,758	-	1,133,297	3,778,025	666,623
Animal Control	-	-	22,173	-	-
Fire	27,506	-	2,181,703	834,628	103,764
Total Public Safety	<u>30,264</u>	<u>-</u>	<u>3,337,173</u>	<u>4,612,653</u>	<u>770,387</u>
Cultural and Recreational:					
Recreation	<u>6,257,828</u>	<u>-</u>	<u>9,071,039</u>	<u>633,253</u>	<u>32,395</u>
Economic Development:					
Economic Development	<u>-</u>	<u>-</u>	<u>934,908</u>	<u>501,949</u>	<u>-</u>
Construction in progress					
Total governmental funds capital assets	<u>\$ 7,613,778</u>	<u>\$ 3,017,730</u>	<u>\$ 23,361,613</u>	<u>\$ 6,330,048</u>	<u>\$ 1,010,840</u>

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the Internal Service Funds are excluded from the above amounts. Generally, the capital assets of the Internal Service Funds are included as governmental activities in the statement of net position.

Heavy Equipment	Vehicles	Infrastructure	Improvements other than Buildings	Construction in Progress	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,255
-	-	-	-	-	80,757
-	39,574	-	-	-	143,615
-	-	-	1,132,173	-	12,428,003
-	39,574	-	1,132,173	-	12,658,630
-	173,155	-	-	-	188,990
-	42,234	-	-	-	42,234
-	-	12,433,608	-	-	12,433,608
-	-	-	-	-	35,621
-	334,216	-	-	-	467,285
343,930	148,437	35,502,425	305,000	-	39,522,238
24,004	515,934	397,460	-	-	1,189,226
-	29,765	-	19,243	-	55,486
367,934	1,243,741	48,333,493	324,243	-	53,934,688
5,995	3,236,641	-	185,762	-	9,009,101
-	-	-	-	-	22,173
18,111	3,981,607	-	-	-	7,147,319
24,106	7,218,248	-	185,762	-	16,178,593
78,276	538,134	1,942,775	10,747,393	-	29,301,093
-	1,048,983	-	205,795	-	2,691,635
-	-	-	-	17,085,650	17,085,650
\$ 470,316	\$ 10,088,680	\$ 50,276,268	\$ 12,595,366	\$ 17,085,650	\$ 131,850,289

City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended June 30, 2013

	Capital Assets 2012	Additions	Deductions	Transfers	Capital Assets 2013
General Government:					
Human Resources	\$ 6,255	\$ -	\$ -	\$ -	\$ 6,255
Finance	67,572	13,185	-	-	80,757
Planning	143,615	-	-	-	143,615
Other-unclassified	10,521,182	1,906,821	-	-	12,428,003
Total General Government	<u>10,738,624</u>	<u>1,920,006</u>	<u>-</u>	<u>-</u>	<u>12,658,630</u>
Public Works:					
Inspections	178,561	25,378	14,949	-	188,990
Code Enforcement	42,234	-	-	-	42,234
Public Works	12,433,608	-	-	-	12,433,608
Engineering	48,077	-	-	-	48,077
Maintenance	459,558	7,727	-	(12,456)	454,829
Streets	34,580,315	4,941,923	-	-	39,522,238
Streets Non-Powell Bill	1,125,592	101,217	37,583	-	1,189,226
Traffic Signal Control	-	55,486	-	-	55,486
Total Public Works	<u>48,867,945</u>	<u>5,131,731</u>	<u>52,532</u>	<u>(12,456)</u>	<u>53,934,688</u>
Public Safety:					
Police	8,458,013	850,266	299,178	-	9,009,101
Animal Control	22,173	-	-	-	22,173
Fire	6,995,251	165,968	13,900	-	7,147,319
Total Public Safety	<u>15,475,437</u>	<u>1,016,234</u>	<u>313,078</u>	<u>-</u>	<u>16,178,593</u>
Cultural and Recreational:					
Recreation	21,780,312	7,527,637	6,856	-	29,301,093
Economic Development:					
Economic Development	2,623,990	80,496	12,851	-	2,691,635
Construction in progress	11,665,699	8,270,807	2,850,856	-	17,085,650
Total governmental funds capital assets	<u>\$ 111,152,007</u>	<u>\$ 23,946,911</u>	<u>\$ 3,236,173</u>	<u>\$ (12,456)</u>	<u>\$ 131,850,289</u>

Note: This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the Internal Service Funds are excluded from the above amounts. Generally, the capital assets of the Internal Service Funds are included as governmental activities in the statement of net position.

ADDITIONAL FINANCIAL DATA

This section contains the following:

Additional information on property taxes.

- * Schedule of Ad Valorem Taxes Receivable
- * Analysis of Current Tax Levy

Schedule 110

City of Jacksonville, North Carolina
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2013

Fiscal Year	Uncollected Balance June 30, 2012	Additions	Collections and Credits	Uncollected Balance June 30, 2013
2012-2013		19,870,580	19,236,220	634,360
2011-12	568,646		353,145	215,501
2010-11	229,029		60,925	168,104
2009-10	168,740		19,032	149,708
2008-09	202,102		48,452	153,650
2007-08	122,936		16,103	106,833
2006-07	93,019		746	92,273
2005-06	288,698		1,192	287,506
2004-05	185,559		824	184,735
2003-04	63,542		493	63,049
2002-03	68,960		68,960	-
	<u>\$ 1,991,231</u>	<u>\$ 19,870,580</u>	<u>\$ 19,806,092</u>	<u>\$ 2,055,719</u>

Less allowance for uncollected ad valorem taxes receivable 484,122

Ad valorem taxes receivable - net \$ 1,571,597

Reconcilement with revenues:

Taxes - ad valorem - general fund \$ 19,173,048
 Penalties and interest 151,085 \$ 19,324,133

Reconciling items:

Discoveries and abatements - Net 479,734
 Taxes written off 68,458
 Refunds 32,183
 Interest Collected (98,416)
 Total collections and credits per above \$ 19,806,092

City of Jacksonville, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2013

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current	\$ 3,701,173,353	0.538	19,912,313	\$ 18,822,886	\$ 1,089,427
Registered motor vehicles taxed at prior year's rate	\$ 104,881,820	0.538	564,264	-	564,264
Penalties			59,274	59,274	-
	<u>3,806,055,173</u>		<u>20,535,851</u>	<u>18,882,160</u>	<u>1,653,691</u>
Discoveries:					
Current year taxes and prior year taxes	(61,750,041)	0.538	(332,215)	(347,990)	15,775
Total	<u>(61,750,041)</u>		<u>(332,215)</u>	<u>(347,990)</u>	<u>15,775</u>
Abatements	<u>(83,814,297)</u>		<u>(333,056)</u>	<u>(140,513)</u>	<u>(192,543)</u>
Total Property Valuation	<u>\$ 3,660,490,835</u>				
Net Levy			19,870,580	18,393,657	1,476,923
Less Uncollected tax at June 30, 2013 (Schedule 111)			(634,360)	(294,501)	(339,859)
Current year's taxes collected			<u>19,236,220</u>	<u>18,099,156</u>	<u>1,137,064</u>
Percent current year collected			<u>96.81%</u>	<u>98.40%</u>	<u>76.99%</u>



STATISTICAL SECTION

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

Contents

Financial Trends (Tables 1-4)

These tables contain trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity (Tables 5-9)

These tables contain information to help the reader assess the City's ability to generate revenue.

Debt Capacity (Tables 10-12)

Information is presented to help the reader assess the City's ability to sustain the current levels of debt as well as its ability to issue additional debt in the future.

Demographic and Economic Information (Tables 13-14)

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

Operating Information (Tables 15-17)

These tables contain information about the City's service levels and capital assets, to include infrastructure, to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Jacksonville, North Carolina
Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 15,912,944	\$ 23,213,667	\$ 25,150,834	\$ 36,483,370
Restricted	2,502,145	2,273,770	2,197,646	2,439,679
Unrestricted	26,817,769	23,434,735	25,768,740	25,048,407
Total governmental activities net position	<u>\$ 45,232,858</u>	<u>\$ 48,922,172</u>	<u>\$ 53,117,220</u>	<u>\$ 63,971,456</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 39,690,632	\$ 41,903,685	\$ 48,924,397	\$ 48,250,136
Unrestricted	8,622,958	8,413,512	1,357,170	4,797,748
Total business-type activities net position	<u>\$ 48,313,590</u>	<u>\$ 50,317,197</u>	<u>\$ 50,281,567</u>	<u>\$ 53,047,884</u>
Primary government				
Invested in capital assets, net of related debt	\$ 55,603,576	\$ 65,117,352	\$ 74,075,231	\$ 84,733,506
Restricted	2,502,145	2,273,770	2,197,646	2,439,679
Unrestricted	35,440,727	31,848,247	27,125,910	29,846,155
Total primary government net position	<u>\$ 93,546,448</u>	<u>\$ 99,239,369</u>	<u>\$ 103,398,787</u>	<u>\$ 117,019,340</u>
Component Unit				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total component unit net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Table 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 40,051,639	\$ 44,298,070	\$ 49,811,519	\$ 54,511,124	\$ 61,803,084	\$ 70,194,243
3,112,204	3,679,410	3,505,638	12,718,830	11,902,394	11,860,012
23,079,617	25,723,916	26,825,278	22,460,393	21,203,993	21,780,114
<u>\$ 66,243,460</u>	<u>\$ 73,701,396</u>	<u>\$ 80,142,435</u>	<u>\$ 89,690,347</u>	<u>\$ 94,909,471</u>	<u>\$ 103,834,369</u>
\$ 53,959,462	\$ 70,678,265	\$ 46,532,620	\$ 41,894,354	\$ 39,486,272	\$ 41,107,918
2,054,402	(8,044,529)	24,018,469	32,786,883	34,475,732	33,863,759
<u>\$ 56,013,864</u>	<u>\$ 62,633,736</u>	<u>\$ 70,551,089</u>	<u>\$ 74,681,237</u>	<u>\$ 73,962,004</u>	<u>\$ 74,971,677</u>
\$ 94,011,101	\$ 114,976,335	\$ 96,344,139	\$ 96,405,478	\$ 101,289,356	\$ 111,302,161
3,112,204	3,679,410	3,505,638	12,718,830	11,902,394	11,860,012
25,134,019	17,679,387	50,843,747	55,247,276	55,679,725	55,643,873
<u>\$ 122,257,324</u>	<u>\$ 136,335,132</u>	<u>\$ 150,693,524</u>	<u>\$ 164,371,584</u>	<u>\$ 168,871,475</u>	<u>\$ 178,806,046</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	781,526	1,166,010	1,375,336
-	-	-	-	144,306	198,475
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,310,316</u>	<u>\$ 1,573,811</u>

City of Jacksonville, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities:				
Expenses				
General Government	\$ 5,602,600	\$ 6,035,971	\$ 6,477,418	\$ 6,347,845
Public Works	4,840,332	5,113,799	5,536,593	5,197,251
Public Safety	12,422,979	13,273,334	13,814,184	14,843,992
Economic and Physical Development	844,064	511,075	1,638,189	309,052
Environmental Protection	2,349,732	1,886,369	1,434	5,200
Cultural and Recreational	2,461,843	2,708,993	2,750,376	3,080,676
Interest on long-term debt	450,266	348,277	307,290	252,897
Total expenses	28,971,816	29,877,818	30,525,484	30,036,913
Program Revenues				
Charges for services:				
General Government	514,483	558,842	640,309	705,226
Public Works	511,145	645,046	571,493	795,696
Public Safety	50,249	62,684	64,820	85,997
Environmental Protection	56,368	-	-	-
Cultural and Recreational	232,775	269,760	289,996	328,895
Operating grants and contributions	3,696,896	2,789,477	3,675,947	2,763,818
Capital grants and contributions	-	284,282	465,512	1,386,287
Total program revenues	5,061,916	4,610,091	5,708,077	6,065,919
Total Governmental Activities Net Program Expense	(23,909,900)	(25,267,727)	(24,817,407)	(23,970,994)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	11,039,380	11,558,873	12,257,692	13,541,986
Sales tax	11,079,781	12,355,252	13,407,336	13,185,671
E-911 surcharge	351,933	380,125	367,294	420,799
Franchise tax	243,492	298,129	422,752	310,819
Beer and Wine tax	-	-	-	-
Gross receipts tax on short-term vehicle leases	83,085	78,488	98,316	104,109
Unrestricted grants and contributions	2,022,642	1,923,562	2,009,963	2,621,639
Investment earnings	308,172	594,463	844,477	1,264,390
Miscellaneous	1,571,161	3,079,850	2,076,432	6,124,021
Transfers	(107,872)	(1,316,668)	(2,461,530)	(2,747,247)
Total general revenues and other changes in net position	26,591,774	28,952,074	29,022,732	34,826,187
Total Governmental Activities Change in Net Position	\$ 2,681,874	\$ 3,684,347	\$ 4,205,325	\$ 10,855,193

Table 2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 5,366,793	\$ 5,517,241	\$ 5,596,384	\$ 6,792,452	\$ 7,994,140	\$ 4,983,183
5,284,092	5,786,244	3,882,329	6,533,211	6,377,902	6,627,300
16,607,850	18,040,904	20,979,364	19,198,958	19,915,276	20,600,507
746,743	851,295	814,390	1,163,709	667,729	1,583,916
-	-	-	-	-	-
3,570,991	4,129,539	4,915,686	5,021,989	4,601,950	5,530,950
361,140	311,838	258,864	221,531	329,417	1,224,639
<u>31,937,609</u>	<u>34,637,061</u>	<u>36,447,017</u>	<u>38,931,850</u>	<u>39,886,414</u>	<u>40,550,495</u>
779,463	901,203	898,699	250,468	138,799	171,465
741,442	724,790	1,294,058	1,289,267	927,358	706,159
117,753	137,236	211,289	240,263	398,019	372,576
-	-	-	-	-	-
401,834	440,391	456,832	480,852	586,966	589,570
3,824,357	3,692,813	4,553,143	6,458,917	7,228,718	4,753,141
1,266,935	6,677,474	4,108,039	4,723,314	2,753,328	8,564,614
<u>7,131,784</u>	<u>12,573,907</u>	<u>11,522,060</u>	<u>13,443,081</u>	<u>12,033,188</u>	<u>15,157,525</u>
<u>(24,805,825)</u>	<u>(22,063,154)</u>	<u>(24,924,957)</u>	<u>(25,488,769)</u>	<u>(27,853,226)</u>	<u>(25,392,970)</u>
16,556,839	17,395,985	17,887,016	18,512,342	18,847,266	19,766,554
8,507,654	10,707,904	10,643,840	11,037,388	11,687,324	11,492,666
423,724	420,799	420,799	420,799	350,341	333,471
2,623,543	3,188,160	3,213,168	3,030,253	2,842,416	2,806,225
-	-	-	359,696	335,106	376,544
114,395	114,171	154,786	174,971	173,012	174,815
420,995	-	-	-	-	-
1,139,000	435,342	115,235	118,629	69,928	81,204
672,649	931,473	1,110,048	1,242,944	1,324,085	1,224,987
<u>(3,380,970)</u>	<u>(3,672,744)</u>	<u>(2,178,896)</u>	<u>139,659</u>	<u>(2,557,128)</u>	<u>(1,658,449)</u>
<u>27,077,829</u>	<u>29,521,090</u>	<u>31,365,996</u>	<u>35,036,681</u>	<u>33,072,350</u>	<u>34,598,017</u>
<u>\$ 2,272,004</u>	<u>\$ 7,457,936</u>	<u>\$ 6,441,039</u>	<u>\$ 9,547,912</u>	<u>\$ 5,219,124</u>	<u>\$ 9,205,047</u>

Continued on next page.

City of Jacksonville, North Carolina
Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
<u>Business-type Activities:</u>				
Expenses				
Water and Sewer	\$ 10,231,168	\$ 11,631,347	\$ 12,976,043	\$ 13,643,327
Solid Waste Disposal	1,495,813	2,179,578	4,867,176	4,255,197
Stormwater/Water Quality	100,993	227,645	386,700	1,286,133
Total expenses	<u>11,827,974</u>	<u>14,038,570</u>	<u>18,229,919</u>	<u>19,184,657</u>
Revenues				
Charges for services:				
Water and Sewer	9,402,791	11,441,475	12,167,702	13,331,854
Solid Waste Disposal	1,568,188	2,054,850	2,391,135	2,338,256
Stormwater/Water Quality	-	-	-	-
Capital grants and contributions	2,607,471	843,689	714,338	1,990,356
Total revenues	<u>13,578,450</u>	<u>14,340,014</u>	<u>15,273,175</u>	<u>17,660,466</u>
Total Business-type Activities Net Program Expense	<u>1,750,476</u>	<u>301,444</u>	<u>(2,956,744)</u>	<u>(1,524,191)</u>
Other Changes in Net Position				
Investment earnings	163,541	234,690	355,453	360,044
Miscellaneous	-	150,805	104,131	1,183,217
Transfers	107,872	1,316,668	2,461,530	2,747,247
Total Business-type Activities Change in Net Position	<u>\$ 2,021,889</u>	<u>\$ 2,003,607</u>	<u>\$ (35,630)</u>	<u>\$ 2,766,317</u>
Total Primary Government Change in Net Position	<u>\$ 4,703,763</u>	<u>\$ 5,687,954</u>	<u>\$ 4,169,695</u>	<u>\$ 13,621,510</u>

Table 2, continued.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 15,624,868	\$ 17,052,896	\$ 19,605,964	\$ 22,039,600	\$ 25,911,275	\$ 24,437,396
4,639,604	4,757,063	4,936,541	5,030,182	5,204,115	5,164,869
1,535,692	1,653,473	1,706,904	1,999,166	2,458,468	2,493,130
<u>21,800,164</u>	<u>23,463,432</u>	<u>26,249,409</u>	<u>29,068,948</u>	<u>33,573,858</u>	<u>32,095,395</u>
16,090,217	19,585,091	25,432,654	25,077,038	23,178,499	22,247,424
2,574,942	2,594,445	2,622,685	2,710,478	2,807,152	3,537,164
-	2,041,550	2,077,406	2,086,443	2,163,960	2,885,148
2,017,348	1,997,949	1,587,697	3,143,054	1,291,589	2,048,232
<u>20,682,507</u>	<u>26,219,035</u>	<u>31,720,442</u>	<u>33,017,013</u>	<u>29,441,200</u>	<u>30,717,968</u>
(1,117,657)	2,755,603	5,471,033	3,948,065	(4,132,658)	(1,377,427)
293,797	111,166	137,377	205,659	99,003	57,069
408,870	80,359	130,047	116,083	757,294	718,920
3,380,970	3,672,744	2,178,896	(139,659)	2,557,128	1,658,449
<u>\$ 2,965,980</u>	<u>\$ 6,619,872</u>	<u>\$ 7,917,353</u>	<u>\$ 4,130,148</u>	<u>\$ (719,233)</u>	<u>\$ 1,057,011</u>
<u>\$ 5,237,984</u>	<u>\$ 14,077,808</u>	<u>\$ 14,358,392</u>	<u>\$ 13,678,060</u>	<u>\$ 4,499,891</u>	<u>\$ 10,262,058</u>

City of Jacksonville, North Carolina
Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Reserved	\$ 7,250,330	\$ 5,987,978	\$ 7,014,461	\$ 4,812,557
Non-Spendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unreserved	6,006,352	8,087,714	7,653,507	9,965,961
Unassigned	-	-	-	-
Total General Fund	<u>\$ 13,256,682</u>	<u>\$ 14,075,692</u>	<u>\$ 14,667,968</u>	<u>\$ 14,778,518</u>
All Other Governmental Funds				
Reserved	\$ 6,258,214	\$ 4,614,185	\$ 4,322,823	\$ 5,129,315
Restricted	-	-	-	-
Assigned	-	-	-	-
Unreserved, reported in:				
Capital Reserve Fund	7,578,191	4,854,928	5,149,649	3,058,622
Capital Projects Funds	1,901,572	1,967,547	2,296,107	4,169,992
Special Revenue Funds	382,770	325,834	643,011	1,173,947
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 16,120,747</u>	<u>\$ 11,762,494</u>	<u>\$ 12,411,590</u>	<u>\$ 13,531,876</u>

Table 3

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 7,740,620	\$ 8,668,338	\$ 7,129,465	\$ -	\$ -	\$ -
-	-	-	651,391	651,975	650,325
-	-	-	7,743,995	7,179,852	8,409,072
-	-	-	4,842,273	2,611,336	5,228,768
7,513,927	7,323,331	10,530,710	-	-	-
-	-	-	5,359,345	8,052,000	5,470,076
<u>\$ 15,254,547</u>	<u>\$ 15,991,669</u>	<u>\$ 17,660,175</u>	<u>\$ 18,597,004</u>	<u>\$ 18,495,163</u>	<u>\$ 19,758,241</u>
\$ 4,836,876	\$ 4,355,700	\$ 6,673,462	\$ -	\$ -	\$ -
-	-	-	9,345,040	33,379,755	24,701,198
-	-	-	6,685,268	12,343,897	12,196,111
2,139,779	1,378,279	323,514	-	-	-
3,912,698	4,547,887	2,929,440	-	-	-
1,026,118	1,899,319	1,366,861	-	-	-
-	-	-	(1,560,293)	(1,849,206)	(1,004,260)
<u>\$ 11,915,471</u>	<u>\$ 12,181,185</u>	<u>\$ 11,293,277</u>	<u>\$ 14,470,015</u>	<u>\$ 43,874,446</u>	<u>\$ 35,893,049</u>

City of Jacksonville, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Ad valorem taxes	\$ 10,975,631	\$ 11,436,903	\$ 12,036,716	\$ 13,454,300
CATV franchise tax ^a	351,933	380,125	422,752	310,820
Privilege licenses	441,964	471,796	548,999	620,597
Sales tax	11,079,781	12,355,252	13,407,336	13,185,671
Gross receipt on short term vehicle tax	83,085	78,488	98,316	104,109
Occupancy Tax ^o	-	-	-	-
Unrestricted intergovernmental revenues	2,261,182	1,925,113	2,009,407	2,620,232
Restricted intergovernmental revenues	3,948,670	3,273,205	4,508,753	4,554,837
Permits and fees	556,963	674,892	640,504	842,646
Sales and services	322,571	328,873	334,488	398,611
Investment earnings	290,558	603,360	801,748	1,266,126
Miscellaneous	966,217	822,192	778,031	804,395
Total revenues	31,278,555	32,350,199	35,587,050	38,162,344
Expenditures:				
General Government	5,161,564	5,758,657	6,098,696	5,680,777
Public Works	4,094,246	4,252,762	4,855,707	5,217,787
Public Safety	11,267,042	12,159,602	12,911,973	13,934,643
Environmental Protection	2,212,569	1,635,529	-	-
Cultural and Recreational	1,955,361	2,145,325	2,178,718	2,430,589
Economic and Physical Development	840,173	506,973	1,492,097	515,734
Capital outlay	5,222,724	6,669,256	3,190,490	7,695,294
Non-capitalized expenditures	-	-	-	9,312
Debt service:				
Principal retirement	2,427,681	2,533,964	2,334,137	2,061,532
Bond issuance costs	-	-	-	-
Interest and fees	450,266	348,277	307,290	283,915
Total expenditures	33,631,626	36,010,345	33,369,108	37,829,583
Excess of revenues over (under) expenditures	(2,353,071)	(3,660,146)	2,217,942	332,761
Other financing sources (uses):				
Debt issued	1,512,804	1,381,252	1,465,372	3,626,081
Premiums on debt issued	-	-	-	-
Sales of capital assets	252,713	54,722	194,110	187,970
Transfers in	5,571,373	5,699,596	5,715,094	9,872,164
Transfers (out)	(5,678,675)	(7,014,667)	(8,351,146)	(12,788,140)
Total other financing sources (uses)	1,658,215	120,903	(976,570)	898,075
Net change in fund balances	\$ (694,856)	\$ (3,539,243)	\$ 1,241,372	\$ 1,230,836
Debt service as a percentage of noncapital expenditures	11.3%	10.9%	9.6%	8.4%

^a In FY 2008, the State changed the CATV franchise tax from a local tax to a State tax, with made to local governments by the State.

^o Occupancy tax is a new revenue source beginning in 2011.

Table 4

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 16,375,725	\$ 17,099,462	\$ 17,726,734	\$ 18,531,433	\$ 18,924,864	\$ 19,761,590
32,253	74,583	78,886	91,887	90,185	-
649,834	732,655	688,685	718,554	747,295	765,542
8,507,654	10,707,904	10,643,840	11,037,388	11,687,324	11,492,666
114,395	114,171	154,786	174,971	173,012	174,815
-	-	-	19,444	-	-
3,041,423	3,324,395	3,267,272	3,457,891	3,245,404	3,185,171
4,747,278	4,486,987	5,237,889	6,476,508	6,959,393	4,775,304
814,318	880,573	1,450,667	1,375,738	946,270	748,323
516,940	529,362	587,603	695,762	694,439	727,358
1,192,808	434,083	89,604	132,062	71,582	73,695
608,948	797,917	861,933	1,221,571	1,429,702	1,523,735
<u>36,601,576</u>	<u>39,182,092</u>	<u>40,787,899</u>	<u>43,933,209</u>	<u>44,969,470</u>	<u>43,228,199</u>
5,167,232	5,000,463	5,191,549	6,677,733	7,522,961	5,614,655
4,769,094	4,850,655	4,757,113	4,643,124	4,992,120	4,487,798
15,605,593	17,288,492	19,148,628	18,823,792	20,474,100	27,454,307
-	-	-	-	-	-
5,525,106	3,895,349	4,128,184	4,431,449	5,515,803	5,712,089
742,766	840,428	861,712	1,155,626	896,066	1,285,886
908,510	1,313,951	2,005,026	2,867,387	2,910,518	2,702,123
28,475	446,984	371,482	56,499	9,499	-
2,066,522	2,019,770	2,129,525	1,710,314	3,252,974	2,858,417
-	-	-	-	281,596	-
361,140	311,838	258,864	221,531	209,374	1,120,423
<u>35,174,438</u>	<u>35,967,930</u>	<u>38,852,083</u>	<u>40,587,455</u>	<u>46,065,011</u>	<u>51,235,698</u>
<u>1,427,138</u>	<u>3,214,162</u>	<u>1,935,816</u>	<u>3,345,754</u>	<u>(1,095,541)</u>	<u>(8,007,499)</u>
775,282	1,389,995	1,278,432	812,864	29,982,403	2,839,109
-	-	-	-	2,748,680	-
39,133	55,347	200,990	95,673	381,547	88,536
5,484,935	6,363,348	5,741,235	7,833,882	10,038,695	7,570,239
(8,865,905)	(10,020,016)	(8,375,875)	(7,974,606)	(12,753,194)	(9,208,703)
<u>(2,566,555)</u>	<u>(2,211,326)</u>	<u>(1,155,218)</u>	<u>767,813</u>	<u>30,398,131</u>	<u>1,289,181</u>
<u>\$ (1,139,417)</u>	<u>\$ 1,002,836</u>	<u>\$ 780,598</u>	<u>\$ 4,113,567</u>	<u>\$ 29,302,590</u>	<u>\$ (6,718,318)</u>
7.6%	7.2%	6.9%	5.4%	9.5%	8.9%

Table 5

City of Jacksonville, North Carolina
Assessed Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$100
	Residential Property	Commercial Property	Motor Vehicles	Other			
2004	936,667,645	550,106,394	197,633,131	184,821,035	7,475,104	1,861,753,101	0.5900
2005	984,260,984	553,646,804	203,439,744	203,060,465	7,492,126	1,936,915,871	0.5900
2006	1,081,307,838	508,850,748	232,245,868	218,816,080	7,159,337	2,034,061,197	0.5900
2007	1,348,557,124	723,939,542	236,690,225	221,312,627	9,928,523	2,520,570,995	0.5316
2008	1,405,026,297	757,431,773	252,458,549	250,019,573	10,046,281	2,654,889,911	0.6260
2009	1,430,233,607	820,732,504	270,940,527	254,289,109	11,845,421	2,764,350,326	0.6260
2010	1,466,481,088	830,720,115	303,027,226	274,535,959	21,598,335	2,853,166,053	0.6260
2011	1,807,676,890	1,099,577,260	285,792,522	283,530,271	27,125,081	3,449,451,862	0.5380
2012	1,849,999,540	1,136,827,920	285,540,688	264,602,733	29,455,382	3,507,515,499	0.5380
2013	1,884,077,250	1,226,423,704	307,377,502	278,239,734	35,627,355	3,660,490,835	0.5380

Source: Onslow County Tax Administrator/Collector

Notes: Property in Onslow County is reassessed every five to eight years. The County has completed a revaluation effective for the 2011 fiscal year. The last revaluation was completed in 2006. The County assesses property at 100 percent of actual value. Tax rates are per \$100 of assessed value.

Table 6

City of Jacksonville, North Carolina
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	Council-Directed Capital Projects Initiative	Total Direct Rate	Onslow County	Total
2004	0.5500	0.0400	0.5900	0.670	1.260
2005	0.5500	0.0400	0.5900	0.670	1.260
2006	0.5500	0.0400	0.5900	0.670	1.260
2007	0.4532	0.0784	0.5316	0.503	1.035
2008	0.5576	0.0684	0.6260	0.503	1.129
2009	0.5476	0.0784	0.6260	0.503	1.129
2010	0.5476	0.0784	0.6260	0.590	1.216
2011	0.4596	0.0784	0.5380	0.585	1.123
2012	0.4596	0.0784	0.5380	0.585	1.123
2013	0.4596	0.0784	0.5380	0.585	1.123

Sources: City Finance Office and Onslow County Tax Administrator/Collector

Notes:

1. In FY1999, Council earmarked four cents of a seven-cent property tax increase to be used for the Capital Improvement Program (CIP), through which funds would be set aside for future quality of life initiatives.
2. In FY2001, the property tax rate was decreased by 3.3 cents in response to the County's property revaluation in tax year 2000, which resulted in a 21% increase in property values.
3. In FY2007, the property tax rate was decreased by 5.84 cents after the County's 2006 property revaluation that resulted in a 17% increase in property values. Additionally, the amount allocated for Council-directed initiatives was increased by 3.84 cents to pay for 1/2 year of debt service for the planned Public Safety Building. This earmarked amount was reduced for one year in FY2008 to 2.84 cents due to the budget shortfall created by the County's decision to change the tax distribution method from per capita to ad valorem. In FY2009 the earmarked amount was restored to 3.84 cents.
4. In FY2011, the property tax rate was decreased by 8.8 cents in response to the County's property revaluation in tax year 2010, which resulted in a 22% increase in property values.

Table 7

**City of Jacksonville, North Carolina
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Jones-Onslow EMC	\$ 24,777,450	1	0.68 %	\$ 19,122,484	2	1.03 %
Progress Energy Carolinas	23,408,935	2	0.64	11,604,038	8	0.62
Plantation at Jacksonville LLC	23,198,360	3	0.63			
Carolina Telephone & Telegraph	22,729,376	4	0.62	16,466,805	3	0.88
Williamsburg Plantation Apartments LL	21,770,220	5	0.59	-		
BRC Jacksonville Commons LLC	21,065,870	6	0.58	14,265,909	4	0.77
Carolina Forest Apartments LLC	16,867,139	7	0.46			
Wal Mart Real Estate Business Trust	16,629,010	8	0.45	12,997,596	5	0.70
Bailey & Associates Inc	15,973,106	9	0.44			
Jacksonville 221 D4 LLC	14,157,250	10	0.39			
Crown America Acquisition LP				30,162,336	1	1.62
United Dominion Realty Trust				12,077,971	6	0.65
Cross Pointe Developers				11,665,299	7	0.63
Lowes Investment Corp.				9,155,339	9	0.49
Western Boulevard Associates LLC				8,384,648	10	0.45
Total	<u>\$ 200,576,716</u>		<u>5.48 %</u>	<u>\$ 145,902,425</u>		<u>7.84 %</u>

Source: Onslow County Tax Administrator/Collector

Table 8

City of Jacksonville, North Carolina
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	11,066,894	10,664,781	96.37	338,571	11,003,352	99.43
2005	11,599,071	11,100,980	95.71	312,532	11,413,512	98.40
2006	12,283,606	11,702,137	95.27	292,771	11,994,908	97.64
2007	13,527,026	13,142,197	97.16	291,810	13,434,007	99.31
2008	16,625,906	16,077,078	96.70	425,892	16,502,970	99.26
2009	17,426,095	16,682,062	95.73	541,931	17,223,993	98.84
2010	17,957,339	17,254,271	96.08	534,328	17,788,599	99.06
2011	18,696,869	18,083,308	96.72	384,532	18,467,840	98.78
2012	18,985,311	18,416,665	97.00	353,145	18,769,810	98.86
2013	19,870,580	19,236,220	96.81	-	19,236,220	96.81

Source: Onslow County Tax Administrator/Collector

City of Jacksonville, North Carolina
Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Onslow County^a</u>
2004	2.50 ^b
2005	2.50
2006	2.50
2007	2.50
2008	2.50
2009	2.25 ^c
2010	2.00 ^d
2011	2.25 ^e
2012	2.25
2013	2.25

Sources: City Finance Office and Onslow County Finance Office

Notes: The County sales tax rate may be changed only with the approval of the state legislature.

^a The City does not levy a separate sales tax from the County.

^b The County sales tax rate increased to 2.50% effective January 1, 2003.

^c The County sales tax rate decreased to 2.25% effective October 1, 2008.

^d The County sales tax rate decreased to 2.00% effective October 1, 2009.

^e The County sales tax rate increased to 2.25% effective October 1, 2010.

City of Jacksonville, North Carolina
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2004	-	0%	-
2005	-	0%	-
2006	-	0%	-
2007	-	0%	-
2008	-	0%	-
2009	-	0%	-
2010	-	0%	-
2011	-	0%	-
2012	-	0%	-
2013	-	0%	-

Fiscal Year	Other Governmental Activities Debt		Business-type Activities			Total Primary Government	Percentage of Personal Income^a	Debt Per Capita
	Installment Purchase Loans	State Revolving Loan	Installment Purchase Loans	Revenue Bonds	Other Loans			
	2004	11,161,778	15,903,262	16,085,346	-			
2005	9,750,333	15,401,849	16,263,518	-	154,762	41,570,462	0.96%	565
2006	8,575,888	14,010,028	16,643,306	-	83,333	39,312,555	0.80%	538
2007	9,854,478	12,630,112	22,597,001	-	-	45,081,591	0.87%	606
2008	8,541,633	15,819,637	19,658,452	-	-	44,019,722	0.77%	569
2009	7,732,789	36,153,493	17,009,765	-	-	60,896,047	0.90%	744
2010	6,785,686	56,984,211	12,514,008	26,093,621	-	102,377,526	1.32%	1,254
2011	5,897,686	61,599,704	14,951,397	40,724,969	-	123,173,756	1.59%	1,593
2012	32,661,575	54,495,939	18,377,824	39,444,671	-	144,980,009	1.84%	1,943
2013	32,661,095	52,970,441	15,418,804	38,030,096	-	139,080,436	1.68%	1,818

Notes:

The City has no outstanding general obligation bonds. Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 9).

^a Source: US Bureau of Economic Analysis. See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.



City of Jacksonville, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Onslow County General Obligation Debt	\$ 79,990,000	27.4%	\$ 21,934,341
Other Debt			
Onslow County Certificates of Participation	57,555,000	27.4%	15,782,360
Onslow County Installment Purchase Loans	10,129,133	27.4%	2,777,546
Onslow County Special Obligation Bonds	3,650,000	27.4%	1,000,879
Onslow County Limited Obligation Bonds	38,500,000	27.4%	<u>10,557,221</u>
Subtotal, overlapping debt			52,052,347
City direct debt			<u>33,450,250</u>
Total direct and overlapping debt			<u><u>\$ 85,502,597</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Onslow County Tax Collector/ Assessor. Debt outstanding data provided by each governmental unit.

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

City direct debt includes the debt service for the Solid Waste Fund, as this debt is serviced by the General Fund.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Onslow County's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for Onslow County's installment purchase, loan, and other debt. The percentage of overlapping debt is based on the June 30, 2013, assessed valuation of the County of Onslow (\$13,349,052,159) as compared to the June 30, 2013, assessed valuation of the City of Jacksonville (\$3,660,490,835).

City of Jacksonville, North Carolina
Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Debt limit	\$ 148,940,248	\$ 154,953,270	\$ 162,724,896	\$ 201,645,680
Total net debt applicable to limit	<u>11,161,778</u>	<u>9,845,590</u>	<u>10,419,924</u>	<u>11,003,772</u>
Legal debt margin	<u>\$ 137,778,470</u>	<u>\$ 145,107,680</u>	<u>\$ 152,304,972</u>	<u>\$ 190,641,908</u>
Total net debt applicable to the limit as a percentage of debt limit	7.5%	6.4%	6.4%	5.5%

Note: Under state finance law, the City's outstanding general obligation debt may not exceed eight percent (8%) of total assessed property value. The City has no outstanding general obligation bond debt. Solid Waste Fund debt is included in the installment purchases total above since the Solid Waste Fund debt is serviced by the General Fund.

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	\$ 3,660,490,835
Debt limit (8% of assessed value)	292,839,267
Debt applicable to limit:	
Installment purchase	<u>33,450,250</u>
Total net debt applicable to limit	<u>33,450,250</u>
Legal debt margin	<u><u>\$ 259,389,017</u></u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 212,391,193	\$ 221,148,026	\$ 228,253,284	\$ 275,956,149	\$ 280,601,240	\$ 292,839,267
<u>9,714,850</u>	<u>8,678,903</u>	<u>7,342,988</u>	<u>6,527,860</u>	<u>33,319,423</u>	<u>33,450,250</u>
<u><u>\$ 202,676,343</u></u>	<u><u>\$ 212,469,123</u></u>	<u><u>\$ 220,910,296</u></u>	<u><u>\$ 269,428,289</u></u>	<u><u>\$ 247,281,817</u></u>	<u><u>\$ 259,389,017</u></u>
4.6%	3.9%	3.2%	2.4%	11.9%	11.4%

City of Jacksonville, North Carolina
Demographic and Economic Statistics
 Last Ten Calendar Years

Fiscal Year	(1) Population ^a	(2) Personal Income ^a (in thousands)	(2) Per Capita Personal Income ^a	(1) Median Age ^a	(3) School Enrollment ^b	(4) Unemployment Rate Percentage ^c
2004	72,873	4,344,447	28,104	23.75	26,529	6.1
2005	73,531	4,881,345	30,715	23.98	27,213	6.1
2006	73,121	5,156,938	32,051	22.10 (6)	22,283	4.7
2007	74,433	5,752,998	35,222	22.40	22,787 (7)	5.1
2008	77,301	6,757,771	36,771	NA	22,840 (7)	6.0
2009	81,873	7,348,781	39,635	NA	23,361 (7)	8.8
2010	81,612	7,747,194	42,463	25.5	23,493 (7)	8.0
2011	77,343	7,895,564	43,990	22.9	23,201	9.6
2012	74,610	8,296,419	46,163	22.9	24,161	9.2
2013	76,520	NA	NA	NA	24,377	8.8

Sources:

- (1) NC Office of State Budget and Management - State Demographer. Population figures are as of July 1 of the fiscal year.
 (2) US Department of Commerce, Bureau of Economic Analysis
 (3) Onslow County Board of Education
 (4) US Dept of Labor, Bureau of Labor Statistics
 (5) US Census Bureau
 (6) American Community Survey, US Census Bureau
 (7) NC Department of Public Instruction (www.dpi.state.nc.us)
 NA - Data not available

Notes:

^a Population, personal income, and median age information is based on surveys conducted during the last quarter of the calendar year. Population includes portions of Marine Corps Base Camp Lejeune that were annexed in 1990. Personal income and per capita personal income figures are for the Jacksonville Metropolitan Statistical Area (MSA), which includes Onslow County.

^b From FY2006 forward, school enrollment is based on a census of membership at the end of the school year (last day membership). Previous years' numbers were the actual enrollment during the school year; students who transferred schools during the academic year were counted more than once. The apparent drop in enrollment from FY2005 to FY2006 is caused by the more accurate method of counting enrollment in FY2006, and does not reflect a drop in the number of students in the Onslow County school system.

^c Unemployment rate information is as of June 30th. The State and local rates reflect revised inputs, reestimation, and new Statewide controls through 2006.

**City of Jacksonville, North Carolina
Principal Employers, Current and Seven Years Ago ^a**

Employer	2013			2006 ^a		
	Employees ^b	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense (civilian employees) ^c	1,000+	1	See %	1000+	1	See %
Onslow County Board of Education	1,000+	2	below	1,000+	2	below
Camp Lejeune Marine Corps Community Services	1,000+	3				
Onslow Memorial Hospital	1,000+	4		1,000+	4	
Onslow County Government	1,000+	5		1,000+	3	
Wal-Mart Associates, Inc.	1,000+	6		500-999	6	
Coastal Carolina Community College	500-999	7				
Convergys Customer Management Group	500-999	8		250-499	9	
City of Jacksonville	500-999	9		250-499	8	
Food Lion, LLC	500-999	10		250-499	10	
McDonald's Restaurants of NC, Inc.	500-999	11				
Coastal Enterprises of Jacksonville	250-499	12				
SAG Payroll, LLC	250-499	13				
New River Marine Corps Community Services	250-499	14				
Stanadyne Corporation	250-499	15				
Customerlinx of North Carolina, Inc.				500-999	5	
Camp Lejeune Dependent Schools				500-999	7	

Source: NC Employment Security Commission. Data is for the Jacksonville Metropolitan Statistical Area (MSA), which includes Onslow County. Data is calculated on an annual basis.

Notes:

^a Data not available prior to 2006.

^b Actual number of employees is not available; therefore, the range/ranking provided by the Employment Security Commission is used.

^c Includes civilian employees at the Marine Corps Base Camp Lejeune, New River Air Station, and Camp Johnson.

Employment by Industry Category

Because only ranges are available, the percentage of total City employment cannot be calculated for each employer. To give an idea of the impact the Marine Corps installations and other government agencies have on the local economy, the following table from the NC Employment Security Commission is provided. The high percentage (31.6%) of government employment at all levels contributes to an extremely stable economy for Jacksonville and Onslow County.

<u>Industry</u>	<u>No. of Units</u>	<u>Annual Average Employment</u>	<u>Percentage</u>	<u>Average Weekly Wage</u>
Total Federal Government	28	7,084	14.60 %	\$ 948
Total State Government	15	1,039	2.33	587
Total Local Government	21	3,921	14.13	739
Total Private Industry	2,788	32,533	68.94	515
Total All Industries	2,852	44,577	100.00 %	



Table 15

City of Jacksonville, North Carolina
Full-Time City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government:										
Mayor and Council	7	7	7	7	7	7	7	7	7	7
City Manager	5	5	5	5	5	5	6	6	6	6
Community Programs	-	-	-	1	2	2	2	2	2	2
Legal	1	1	1	1	1	1	1	1	1	1
Human Resources	5	5	5	5	5	5	5	5	5	5
City Clerk	2	2	3	3	3	3	3	3	3	3
Finance	19	19	20	22	22	23	24	24	24	24
Planning	6.3	6.5	6.5	8.3	10	8	8	7	7	11
Transportation	1.5	1.5	2.5	2.6	2.1	2.1	2.1	2.1	2.1	3.1
Traffic Signal Control	-	-	-	-	-	-	-	-	-	2
Public Safety:										
Police (Note 1)	130	130	131	132	-	-	-	-	-	-
Sworn	-	-	-	-	113	115	115	119	120	121
Non-sworn	-	-	-	-	26	26	27	29	30	31
Fire (Note 1)	75	75	75	75	-	-	-	-	-	-
Firefighters					73	79	83	86	86	86
Administrative Support					2	2	3	3	3	3
Building Inspections	11.2	12	12	12.1	12	11	11	11	11	7
Code Enforcement	-	-	-	-	-	3.8	3.8	3.8	3.8	3.3
Public Works:										
Administration	1.1	1.1	1.1	1.6	1.4	0.4	0.4	0.4	0.4	0.4
Engineering	4.5	4.5	4.5	3.6	4	4.5	4	4	4	3
Facilities Maintenance	13	13	13	13	13	15	10	10	10	10
Streets	31	30	30	22	22	22	23	23	19	20
Recreation and Parks	19	20	20	22	23	25	37	38	38	40
Water/Sewer Operations:										
Administration	2.9	2.9	2.9	3.4	3.6	2.6	3.6	3.6	3.6	3.6
Engineering	4.5	4.5	7.5	8.2	8.6	10.1	10.6	11.6	11.6	11.6
Metering	7	7	7	7	7	7	7	7	7	7
Utilities Maintenance	20	21	22	22	22	25	25	25	26	27
Water Supply	6	6	6	6	6	12	13.85	13.85	13.85	13.85
Wastewater	12	12	12	12	12	15	15.15	15.15	17.15	18.15
Stormwater/Water Quality	2	2	2	3	3	4	4	4	4	3
Streets/Stormwater Drainage	-	-	-	15	15	15	15	15	19	18
Sanitation/Solid Waste Disposal	41	41	41	41	41	41	41	41	41	41
Fleet Maintenance	8	8	8	8	9	9	9	9	9	9
City Hall Maintenance	1	1	1	1	1	2	2	2	2	2
Info Technology Services	9	10	10	10.1	11.1	12.1	12.3	12.3	12.3	12.3
Video/Media Services	-	1	2	2	2	2	3	3	3	3
Community Development	4	4	4	4	4	3.2	3.2	3.2	1.2	1.7
E-911 (Note 2)	-	-	-	0.1	0.2	0.2	-	-	-	-
TOTAL	449	453	462	479	492	520	540	550	553	560

Source: Finance Department

Note 1: In FY2008, reporting for Police and Fire personnel was changed to reflect sworn/non-sworn Police personnel, and firefighters and administrative support Fire Department personnel.

Note 2: E-911 funds are split 20% for two GIS Specialist positions, with the remaining 80% charged to Planning (10%), ITS (10%), and Utilities Engineering (60%).

Note 3: Several positions are split between departments or funds, which accounts for the decimal numbers in various departments.

City of Jacksonville, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007
General government				
Building permits issued (Note 1)	865	810	996	924
Number of residential units (Note 2)	369	404	385	318
Number of commercial units (Note 2)	50	25	25	29
Building inspections conducted (Note 1)	18,345	21,110	21,297	17,947
Business privilege licenses issued	3,523	3,694	4,321	4,049
Business privilege license collections (Note 3)	444,496	476,033	539,458	607,299
Zoning inspections conducted (Note 4)	1,910	2,139	2,122	2,749
Police				
Physical arrests (Note 5)	2,211	2,320	2,409	2,461
Traffic citations	10,356	10,074	12,399	14,114
Calls for service	78,215	78,874	85,414	96,214
Priority 1 response time (minutes/seconds)	6:42	6:40	7:31	6:47
Fire				
Emergency responses	2,375	2,319	2,260	2,283
Fires extinguished	195	178	184	229
Fire inspections conducted	1,081	1,227	1,093	1,361
Calls for service	NA	NA	NA	NA
Public Works				
Potholes repaired (Note 7)	2,269	1,148	3,154	2,243
Total street miles swept	8,189.4	5,450.0	2,301.5	2,729.6
Recreation and Parks				
After school program registrations	NA	NA	NA	NA
Athletic program registrations	NA	NA	NA	NA
Summer and adventure camp registrations	NA	NA	NA	NA
Senior citizen program registrations	454	593	457	540
Water				
Avg daily consumption (thousands of gallons)	4,027	4,484	4,825	4,810
Number of utility accounts	14,456	14,709	14,813	15,478
Wastewater				
Avg daily sewer treatment (thousands of gallons)	5,411	5,044	5,242	5,498
Solid Waste Disposal				
Refuse collected (residential/commercial tons/wk)	661.61	664.16	675.62	669.20
Yard waste collected (tons per week)	88.56	112.11	111.21	95.89
Recyclables collected (tons per fiscal year)	763.04	821.75	887.59	1,124.0
Stormwater				
Drainage ditches maintained (miles)	NA	NA	41.1	59.0
Transportation				
Jacksonville Transit System ridership (monthly average) (Note 6)	573	810	965	1,306

Source: City departments

Notes:

NA - Data not available

Note 1: The number of building permits issued includes only those issued for structures (single- and multi-family homes, mobile homes, commercial buildings, additions, and schools), and Certificate of Occupancy permits. It does not include swimming pools, signs, demolitions, and electrical, mechanical, and plumbing permits; however, these categories are included in the total for building

Note 2: The number of residential and commercial units does not correspond to the building permits issued because 1) building permits includes additions/alterations and Certificates of Occupancy, and 2) only one permit is issued for multi-family (apartment) buildings with multiple units.

Note 3: The significant gain from FY2006 to FY2007 was due to changing business license fees to a gross receipts basis.

Note 4: FY2001-06 are reported by calendar year. Effective FY2007, number will be reported by fiscal year to be consistent with other categories.

Table 16

2008	2009	2010	2011	2012	2013
867	675	1,533	1,031	1,215	838
240	225	674	356	440	210
49	58	51	64	100	184
14,680	12,371	15,470	18,916	16,965	122,236
3,863	4,356	3,891	4,827	5,106	4,686
649,834	704,057	710,282	718,554	747,295	765,542
1,993	2,677	2,533	2,672	2,741	2,049
2,902	2,622	2,802	3,380	3,880	4,025
18,746	18,637	22,838	27,687	29,292	23,255
99,658	98,458	106,279	106,132	111,355	99,576
6:28	6:32	13:26	8:52	4:37	3:14
2,407	2,541	2,727	2,525	2,636	2,018
180	181	201	196	164	126
1,179	1,164	1,951	1,819	1,745	1,946
5,089	6,425	15,500	15,490	16,695	18,613
2,438	2,509	1,056	4,491	483	168
2,813	3,147	2,500.0	1,798.0	702.2	4,680
3,425	3,488	2,159	4,310	6,398	7,478
1,801	3,139	3,919	3,617	3,560	3,263
1,308	1,201	1,009	877	884	879
615	488	456	514	465	483
3,952	3,991	4,081	3,928	3,865	3,574
15,715	16,066	16,716	17,420	17,429	17,002
4,549	3,990	5,895	4,567	4,624	5,500
650.37	622.0	603.61	605.80	778.40	587.37
92.42	94.51	93.77	88.65	111.00	74.00
1,427.0	1,557.0	1,793	1,967	2,385	2,398
47.7	71.0	80.0	100.0	88.4	64.0
1,937	3,936	4,943	6,892	7,555	7,821

Notes (continued):

Note 5: Arrest data prior to FY2008's report reflected the number of charges rather than the number of physical arrests. The data has been corrected as of FY2008's report to show the actual number of individual arrests.

Note 6: The Jacksonville Transit System began operation in November 2007 with more vehicles and routes, using Federal Transit System Section 5307 grant and local match funds. Prior to that time, the local transit system, the LOOP, used one 9- to 12- person van that ran along a fixed, circular route. FY2008 numbers reflect LOOP ridership from July 2007 to October 2008, and Transit System figures for the remainder of the year. Because the Transit System is much more extensive than the LOOP was, the average for FY2008 reflects 2,905 riders per day for the Transit System versus 1,322 for the LOOP. The Transit System also provides limited service to the Marine Corps bases.

Note 7: Beginning in FY2012, only repairs on potholes measuring 12" or larger were documented

City of Jacksonville, North Carolina
Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008
General government					
Area (square miles)	43.62	43.71	44.62	45.15	45.30
Land/Buildings (dollars)	12,360,798	17,435,277	18,355,699	19,370,518	19,760,511
Police					
Stations	1	1	1	1	1
Police vehicles (Note 1)	121	137	123	118	143
Fire					
Stations	4	4	4	4	4
Fire Engines	9	9	9	9	9
Public Works					
Streets (miles) (Note 2)	167.16	168.99	170.41	173.73	174.87
Sidewalks (miles) (Note 3)	33.21	35.91	41.01	43.65	159.84
Recreation and Parks					
Parks (Note 4)	20	20	23	23	23
Acreage	262.4	262.4	294.23	292.57	292.57
Playgrounds	15	15	15	15	15
Athletic fields	20	25	25	25	25
Recreation centers	4	4	4	4	4
Water					
Water mains (miles)	205.45	207.80	209.48	273.59	275.00
Pump stations	38	39	39	39	39
Fire hydrants	1,917	1,967	1,989	2,057	2,133
Storage capacity (mil gallons)	2.8	2.8	3.9	3.9	3.9
Wastewater					
Sanitary sewers (miles)	202.56	204.57	206.5	247.13	245.00
Storm drainage ditches (miles)	NA	NA	100.0	100.0	129.00
Treatment capacity (mgd)	6.0	6.0	6.0	6.3	6.6
Solid Waste Disposal					
Sanitation trucks	12	12	12	11	11
Other sanitation vehicles (Note 5)	7	7	7	7	7

Source: City departments

Notes:

NA indicates data is not available.

(1) The FY2002, FY2003, FY2005 and FY2008 numbers of police vehicles include surplus vehicles not yet sold.

(2) Street mileage includes those streets within the City limits that are maintained by the NC Department of Transportation (32.03 miles).

(3) In prior years, sidewalks were measured using the street's center line measurement. This has been corrected for FY2008 to reflect actual mileage of sidewalks on both sides of the streets.

(4) Recreation parks and acreage for FY 2006 included 3 proposed parks totaling 31.85 acres. The then-existing 20 parks comprised 262.4 acres. Adjustment in FY2007 is due to obtaining more accurate GIS data.

(5) Prior to FY2010, other sanitation vehicles included three boom trucks, three dial-a-trucks, and two pickup trucks. Beginning in FY2010, only pickup trucks are included in this category.

Table 17

2009	2010	2011	2012	2013
46.38	54.85	54.85	55.35	55.35
22,262,655	22,409,435	23,571,103	24,068,494	30,978,391
1	1	1	1	1
128	140	149	144	144
4	4	4	4	4
9	9	9	11	
179.16	148.34	150.90	150.90	150.90
153.09	135.00	155.00	201.18	201.18
23	19	19	19	19
292.57	267.40	267.40	267.40	267.40
15	19	19	19	19
25	21	21	21	21
4	4	4	4	4
278.00	280.00	271.00	272.13	310.00
40	42	42	42	45
2,181	2,156	2,156	2,184	2,184
3.9	3.4	5.9	5.9	5.9
248.00	248.60	253.98	255.62	291.22
85.00	80.00	100.00	88.36	64.00
6.6	9.0	9.0	10.5	10.5
12	19	18	20	20
7	2	2	2	2



COMPLIANCE SECTION

The Compliance Section contains various schedules and Auditor opinions reflecting Federal, State and Local matching participation in various projects and programs of the City. The Single Audit Amendments Act of 1996 established audit requirements for State and Local governments that receive Federal assistance. The audit requirements were established to ensure that audits are conducted on an organization-wide basis, rather than on a grant-by-grant basis.



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Jacksonville, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Jacksonville's basic financial statements, and have issued our report thereon dated October 30, 2013. The financial statements of Jacksonville Tourism Development Authority were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance by Jacksonville Tourism Development Authority. Our report contains an emphasis of matter paragraph regarding a change in accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in black ink that reads "McGladrey LLP". The signature is written in a cursive, flowing style.

Morehead City, North Carolina
October 30, 2013



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited City of Jacksonville, North Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Jacksonville's major federal programs for the year ended June 30, 2013. City of Jacksonville's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

City of Jacksonville's basic financial statements include the operations of Jacksonville Tourism Development Authority, a discretely presented component unit of City of Jacksonville. Our audit, described below, did not include the operations of Jacksonville Tourism Development Authority because their financial statements were not audited in accordance with Government Audit Standards, OMB Circular A-133 or the State Single Audit Implementation Act.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Jacksonville's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Jacksonville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on City of Jacksonville's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Jacksonville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 13-1. Our opinion on each major program is not modified with respect to this matter.

The City of Jacksonville's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the City's Corrective Action Plan. City of Jacksonville's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of City of Jacksonville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Jacksonville's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Jacksonville's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliances and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes



Morehead City, North Carolina

October 30, 2013



**Report on Compliance
For Each Major State Program
and on Internal Control Over Compliance in Accordance With
Applicable Sections of OMB Circular A-133 and the State
Single Audit Implementation Act**

Independent Auditor's Report

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

Report on Compliance for its Major State Program

We have audited City of Jacksonville, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the City of Jacksonville's major State program for the year ended June 30, 2013. City of Jacksonville's major State program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

City of Jacksonville's basic financial statements include the operations of Jacksonville Tourism Development Authority, a discretely presented component unit of City of Jacksonville. Our audit, described below, did not include the operations of Jacksonville Tourism Development Authority because their financial statements were not audited in accordance with Government Audit Standards, OMB Circular A-133 or the State Single Audit Implementation Act.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Jacksonville's major State program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Jacksonville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major State Program. However, our audit does not provide a legal determination on City of Jacksonville's compliance.

Opinion on Major State Program

In our opinion, City of Jacksonville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City of Jacksonville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Jacksonville's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Jacksonville internal control over compliance.

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

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

Purpose of this Report.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purposes.

McGladrey LLP

Morehead City, North Carolina
October 30, 2013

City of Jacksonville, North Carolina

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X No
- Significant deficiency(ies) identified? _____ yes X None reported

Noncompliance material to financial statements noted? _____ yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X No
- Significant deficiency(ies) identified? _____ yes X None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X yes _____ No

(Continued)

City of Jacksonville, North Carolina

Schedule of Findings and Questioned Costs (Continued)
 For the Fiscal Year Ended June 30, 2013

Identification of major federal programs:

CFDA #	Program Name
20.507	Federal Transit Formula Grants (Urbanized Area Formula Program)
20.507	ARRA-Federal Transit Formula Grants (Urbanized Area Formula Program)

Dollar threshold used to distinguish
 between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over State program:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be
 reported in accordance with State Single Audit
 Implementation Act? yes X no

Identification of major State program:
 Nonstate System Street Aid Allocation (Powell Bill)

(Continued)

Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2013

Section 2. Financial Statement Findings

None

Section 3. Findings and Questioned Costs for Federal Awards

Department of Energy
Energy Efficiency Block Grant-ARRA
CFDA number: 81.128

Finding 13-1
Significant Deficiency
Buy America

Criteria: The Buy America provision in the American Recovery and Reinvestment Act of 2009 requires, that the iron, steel, and manufactured goods used in the construction, alteration, maintenance, or repair of a public building must be manufactured in America.

Condition: The City purchased ten energy efficient HVAC units of which four were not manufactured in America. These units were purchased in prior years and the Department of Energy noted these items during their monitoring process.

Effect: Unallowed costs of \$56,907 were incurred.

Cause: The City did not request documentation in writing verifying that the units were manufactured in America.

Recommendation: We recommend that the City implement procedures to verify that all compliance requirements are met before making purchases in the future.

Views of responsible officials and planned corrective actions: The City agrees with this recommendation and will implement procedures to verify that all compliance requirements are met in the future.

Section 4. Findings and Questioned Costs for State Awards

None

City of Jacksonville, North Carolina

Corrective Action Plan
For the Fiscal Year Ended June 30, 2013

Section 2. Financial Statement Findings

No corrective action plan is required in the current year.

Section 3. Findings and Questioned Costs for Federal Awards

Finding 2013-1

Name of contact person: Gayle Maides, Finance Officer

Corrective action: Procedures will be implemented to insure that all grant purchases will be reviewed prior to purchase to verify that all grant requirements have been met.

Proposed completion date: Immediately.

Section 4. Findings and Questioned Costs for State Awards

No corrective action plan is required in the current year.

City of Jacksonville, North Carolina

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2013

There are no prior audit findings (as that term is defined in OMB Circular A-133) that require reporting in this schedule.

City of Jacksonville, North Carolina

Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through or Grantor's Number	Expenditures		
			Federal Direct and Pass-Through	State	Local
FEDERAL AWARDS					
US Department of Housing & Urban Development					
Direct Program:					
Community Development Entitlement	14.218	B-11&12-MC-37-0014	\$ 297,709	\$ -	\$ -
Total US Department of HUD			<u>297,709</u>	<u>-</u>	<u>-</u>
US Department of Justice					
Direct Programs:					
Bulletproof Vest Partnership Grant	16.607		9,800	-	9,800
Justice Assistance Grant	16.738		20,683	-	3,377
COPS Universal Hiring Grant	16.710		397,256	-	-
Pass through: Onslow County Board of Education					
School Resource Officer	16.592		272,093	-	102,832
Pass through: NC Department of Crime Control and Public Safety					
Domestic Violence	16.588	2012-WF-AX-0058	36,362	-	12,184
Project Safe Neighborhood	16.609	2011-GP-BX-0018	9,280	-	-
Business Watch	16.738	2011-DJ-BX-2091	2,250	-	450
Total US Department of Justice			<u>747,724</u>	<u>-</u>	<u>128,643</u>
US Department of Transportation					
Direct Programs:					
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507		M 566,574	14,570	188,596
ARRA-Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507	NC-96-X019-00	M 1,730	-	1,800
Pass through: NC Department of Transportation					
104-F Transportation Grant	20.205		167,042	-	41,761
Total US Department of Transportation			<u>735,346</u>	<u>14,570</u>	<u>232,157</u>
US Department of Treasury					
Tax Rebate - Build America Bond interest	N/A		39,230	-	-
US Department of Homeland Security					
Direct Program:					
SAFER Grant	97.083	EMW-2008-ff-00151	56,246	-	202,309
Pass through: NC Department of Crime Control and Public Safety					
Disaster Assistance	97.036	FEMA-4019-DR-NC	23,429	7,810	
Total US Department of Homeland Security			<u>79,675</u>	<u>7,810</u>	<u>202,309</u>
US Department of Energy					
ARRA-Energy Efficiency Block Grant	81.128	DE-SC0001703	3,394	-	1,280

(Continued)

City of Jacksonville, North Carolina

Schedule of Expenditures of Federal and State Awards (Continued)
For the Fiscal Year Ended June 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through or Grantor's Number	Expenditures		
			Federal Direct and Pass-Through	State	Local
US Environmental Protection Agency					
Pass through: NC Department of Environment and Natural Resources					
Public Water Supply Division					
Drinking Water State Revolving Loan	66.468		\$ 22,898	\$ 5,725	\$ -
Total US Environmental Protection Agency			<u>22,898</u>	<u>5,725</u>	<u>-</u>
STATE GRANTS (all direct):					
NC Department of Juvenile Justice and Delinquency Prevention					
Juvenile Transportation Grant		N/A	-	107	-
Total NC Department of Juvenile Justice and Delinquency Prevention			<u>-</u>	<u>107</u>	<u>-</u>
NC Department of Transportation					
Nonstate System Street Aid Allocation		N/A	M -	2,024,308	-
State Maintenance Assistance Program		N/A	-	158,175	158,175
Section 5303 Grant			-	34,644	3,849
NC Governor's Highway Safety Program		2000000655		49,017	
Total NC Department of Transportation			<u>-</u>	<u>2,266,144</u>	<u>162,024</u>
NC Department of Environment and Natural Resources					
Mosquito Control Grant		N/A	-	2,795	-
NC Department of Cultural resources					
NC Arts Council-Grass Roots Arts Program		N/A	-	1,500	-
Total federal, state, and local expenditures			<u>\$ 1,925,976</u>	<u>\$ 2,298,651</u>	<u>\$ 726,413</u>

See Notes to the Schedule of Expenditures of Federal and State Awards.

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of City of Jacksonville, North Carolina, primary government, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Implementation Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 1. Outstanding Loans

The City of Jacksonville has outstanding loan balances from federal and State funding sources that are not required to be presented within the Schedule of Expenditures of Federal and State Awards because there are no continuing requirements beyond repayment of the loan balances in accordance with loan agreement provisions.