The City of Jacksonville Comprehensive Annual Financial Report

Fiscal Year ended June 30, 2014

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

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HOME OF

CAMP LEJEUNE MCAS NEW RIVER

City of Jacksonville

North Carolina

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2014

Prepared by
FINANCE DEPARTMENT

Finance Director
GAYLE MAIDES

JACKSONVILLE N.C.

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CAMP LEJEUNE MCAS NEW RIVER

City of Jacksonville, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Table of Contents

	Exhibit Number	Page Number
INTRODUCTORY SECTION (Unaudited)		
Letter of Transmittal		1
Certificate of Achievement for Excellence in Financial Reporting		6
Organizational Chart		7
List of Principal Officials		8
FINANCIAL SECTION		
Report of Independent Auditors		12
Management's Discussion and Analysis (Unaudited)		16
Basic Financial Statements:		
GOVERNMENT-WIDE FINANCIAL STATEMENTS:		
Statement of Net Position	A	34
Statement of Activities	B	35
FUND FINANCIAL STATEMENTS:		
Balance Sheet – Governmental Funds	C	37
Reconciliation of the Balance Sheet – Governmental Funds to the Government-wide Statement of Net Position	C	38
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	D	39
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Government-wide Statement of Activities	D	40
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	E	41
Statement of Net Position – Proprietary Funds	F	42
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	G	43
Statement of Cash Flows - Proprietary Funds	H	44

	Exhibit	Page Number
FUND FINANCIAL STATEMENTS (CONTINUED):		
Statement of Fiduciary Net Position – Fiduciary Fund	I	46
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	J	47
NOTES TO THE FINANCIAL STATEMENTS		48
Required Supplemental Financial Data:		
Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress	K	92
Law Enforcement Officers' Special Separation Allowance Schedule of Employer Contributions	L	93
Other Postemployment Benefits Schedule of Funding Progress	M	94
Other Postemployment Benefits Schedule of Employer Contributions	N	95

Other Supplemental Financial Data:	Statement Number	
MAJOR FUNDS:		
GENERAL FUND:		
Comparative Balance Sheets	1	99
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	2	100
CAPITAL PROJECTS FUND:		
Comparative Balance Sheets	3	110
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	4	111
Combining Balance Sheet	5	112
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	6	116
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
NC24 Culvert Trail Capital Project	7	122
Marine Corps Museum Capital Project	8	123

CAPITAL PROJECTS FUND (CONTINUED):	Statement Number	Page Number
Wilson Bay Initiative Capital Project	9	124
Vietnam Veterans Memorial Capital Project	10	125
Country Club Park Capital Project	11	126
Police/Fire Facility Capital Project	12	127
Sturgeon City Boardwalk Phase III Capital Project	13	128
Buddy Phillips Bridge Improvements Capital Project	14	129
Relocation of Northwoods Fire Station Capital Project	15	130
Northeast Creek Ramp and Boardwalk Capital Project	16	131
Jack Amyette Center Renovations Project	17	132
Freedom Fountain Capital Project	18	133
Richard Ray Park Garden Improvements Capital Project	19	134
Wooten Park Capital Project	20	135
JTDA – Museum of the Marine Capital Project	21	136
New Bridge Streetscape Capital Project	22	137
Richard Ray Park Phase II Capital Project	23	138
City Hall Envelope Capital Project	24	139
Sturgeon City Education Center Capital Project	25	140
Jacksonville Landing Park Capital Project	26	141
Jack Amyette Center Phase II Capital Project	27	142
LP Willingham Splash Pad Capital Project	28	143
Phillips Park Capital Project	29	144
Labyrinth Garden Capital Project	30	145
Riverwalk Park Parking Lot Capital Project	31	146
Fair Winds Property Capital Project	32	147
East Railroad Parking Lot Phase I Project	33	148
WATER AND SEWER FUND:		
Comparative Statements of Net Position	34	151

WATER AND SEWER FUND (CONTINUED):	Statement Number	Page Number
Comparative Statements of Revenues, Expenses, and Changes in Net Position	35	152
Comparative Statements of Cash Flows	36	153
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP):		
Water and Sewer Fund	37	155
Water Capital Projects Fund	38	159
Sewer Capital Projects Fund	39	160
Water and Sewer Capital Reserve Fund	40	161
SOLID WASTE FUND:		
Comparative Statements of Net Position	41	163
Comparative Statements of Revenues, Expenses, and Changes in Net Position	42	164
Comparative Statements of Cash Flows	43	165
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	44	167
STORMWATER FUND:		
Comparative Statements of Net Position	45	171
Comparative Statements of Revenues, Expenses, and Changes in Net Position	46	172
Comparative Statements of Cash Flows	47	173
Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP):		
Stormwater Fund	48	174
Stormwater Capital Projects Fund	49	176
NON-MAJOR GOVERNMENTAL FUNDS:		
Combining Balance Sheet	50	184
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	51	190

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED):	Statement Number	Page Number
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
COMMUNITY DEVELOPMENT FUND:		
Community Development Block Grant	52	197
CREATE Project	53	198
Continuum of Care Project	54	199
Affordable Housing Construction Project	55	200
LAW ENFORCEMENT GRANTS FUND:		
School Resource Officer Program Grant	56	201
Bulletproof Vest Grant	57	202
Governor’s Highway Safety Grant	58	203
Federal DEA Project	59	204
State DEA Project	60	205
Governor's Crime Commission Domestic Violence Grant	61	206
2012 Justice Assistance Grant	62	207
2014 Justice Assistance Grant	63	208
COPS Universal Hiring Grant	64	209
2012 COPS Universal Hiring Grant	65	210
800 MHz Radio System Grant	66	211
Federal Treasury Seizures Grant	67	212
2014 Governor’s Grant Commission Prescription Drug	68	213
E-911 FUND:		
Emergency Telephone System	69	214
FIRE GRANTS FUND:		
SAFER Grant	70	215
TRANSPORTATION FUND:		
City Transportation Projects	71	216
Transit Project ARRA Fund	72	218

	Statement Number	Page Number
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED):		
NON-CAPITALIZED PROJECTS FUND:		
Northeast Creek Lagoons Project	73	219
STREET IMPROVEMENTS FUND:		
Streets Powell Bill Capital Project	74	220
Developer Contributed Sidewalks	75	221
FY13 Street Reclamation Project	76	222
FY14 Street Reclamation Project	77	223
FY13 & FY14 Street Reclamation Project	78	224
Enouch Lane Improvement Project	79	225
FY12 Sidewalk Installation Project	80	226
FY13 Sidewalk Installation Project	81	227
FY14 Sidewalk Installation Project	82	228
NC DOT TIP Sidewalks – Piney Green Road Project	83	229
Hargett Street Pedestrian Improvement Project	84	230
SPECIAL REVENUE FUND:		
Hurricane Irene	85	231
GENERAL CAPITAL RESERVE FUND:		
General Capital Reserve Fund	86	232
NON-MAJOR INTERNAL SERVICE FUNDS:		
Combining Statement of Net Position	87	235
Combining Statement of Revenues, Expenses, and Changes in Net Position	88	237
Combining Statement of Cash Flows	89	239
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP):		
Fleet Maintenance Fund	90	241
City Hall Maintenance Fund	91	242

	Statement Number	Page Number
NON-MAJOR INTERNAL FUNDS (CONTINUED):		
Information Technology Services Fund	92	243
Information Technology Services Capital Project Fund	93	244
Video/Media Services Fund	94	245
Self Insurance Fund	95	246
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Capital Assets Used in the Operation of Governmental Funds – Comparative Schedules By Source	96	250
Capital Assets Used in the Operation of Governmental Funds – Schedule By Function and Activity	97	251
Capital Assets Used in the Operation of Governmental Funds – Schedule of Changes By Function and Activity	98	253
ADDITIONAL FINANCIAL DATA:		
Schedule of Ad Valorem Taxes Receivable	99	255
Analysis of Current Tax Levy	100	256

STATISTICAL SECTION (Unaudited)	Table Number	Page Number
Financial Trends:		
Net Position by Component	1	259
Changes in Net Position	2	261
Fund Balances, Governmental Funds	3	265
Changes in Fund Balances, Governmental Funds	4	267
Revenue Capacity:		
Assessed Value and Estimated Actual Value of Taxable Property	5	269
Direct and Overlapping Property Tax Rates	6	270
Principal Property Tax Payers	7	271
Property Tax Levies and Collections	8	272
Sales Tax Rates	9	273

	Table Number	Page Number
STATISTICAL SECTION (CONTINUED):		
Debt Capacity:		
Ratios of Outstanding Debt by Type	10	274
Direct and Overlapping Governmental Activities Debt	11	276
Legal Debt Margin Information	12	277
Demographic and Economic Information:		
Demographic and Economic Statistics	13	279
Principal Employers	14	280
Operating Information:		
Full-Time City Government Employees by Function/Program	15	282
Operating Indicators by Function/Program	16	283
Capital Asset Statistics by Function/Program	17	285

COMPLIANCE SECTION	Page Number
Independent Auditor's 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	289
Independent Auditor's 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	291
Independent Auditor's 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	293
Schedule of Findings and Questioned Costs	295
Corrective Action Plan	298
Summary Schedule of Prior Audit Findings	299
Schedule of Expenditures of Federal and State Awards	300
Notes to the Schedule of Expenditures of Federal and State Awards	302

INTRODUCTORY SECTION

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

City of Jacksonville

City Manager's Office
PO Box 128 • Jacksonville NC 28541-0128 • 910 938-5220

LETTER OF TRANSMITTAL

November 5, 2014

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, 2014. The basic financial statements contained herein have been audited by the independent certified public accounting firm of McGladrey LLP, and their unmodified opinion is included in the financial section. This report has been prepared by the City, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation including all disclosures. We believe the data is accurate in all material respects and is shown in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City is required to undergo an annual single audit in conformity with the 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 55.85 square miles and serves a population of 78,190, 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 2014 unemployment rate was 8.7 percent (not seasonally adjusted- NSA), which was higher than both the statewide rate of 6.5 percent (NSA) and the national rate of 6.3 percent (NSA).[1]

Personal income amounted to $8.4 billion for FY14. $.75 of every dollar earned in non-farm compensation within the area comes from government sources, with $.64 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, 12 miles of beach capable of supporting amphibious operations, 27 gun positions, 47 tactical landing zones, 98 live-fire ranges, six state-of- the-art training facilities for Military Operations on Urban Terrain, four forward operating bases and the Greater Sandy Run Training Area. Military forces from around the world also train on Camp Lejeune on a regular basis for bilateral, combined or joint exercises. 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.

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 that connects to the Land Treatment Site. It also includes the installation of gravity sewer to Western Boulevard. The planning and design component of this project contains several phases. 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, was suspended for more than a year due to ongoing negotiations with Onslow County for an easement through Burton Park. Work was resumed after the County Board of Commissioners approved a Memorandum of Understanding on August 18, 2014 allowing an easement in Burton Park. Consequently, submission of the Engineering Report and Environmental Document for review by various agencies of the State is anticipated for November 2014.

1 US Department of Commerce, Bureau of Economic Analysis,

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

The State agency review process is expected to take from 6 to 12 months. The ensuing design phase is expected to take roughly a year. It is to be followed by the construction phase which is anticipated to take one to two years.

- **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 8PM 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 117,998 passengers in FY14. 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 in the final phase of 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 facility will be operational in November 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. Construction began in FY14, which includes all amenities listed with the exception of the Welcome Center. It is scheduled for completion in late fall 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 construction is anticipated to start in 2015.

- **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. The City has completed the demolition of most of the structures in the block and has constructed a temporary parking site to be used for festivals and special events. The project has attracted private development in the area with several new homes being built.

- **Downtown Housing Initiative** – The Community Development Division continues its partnership with local builders in its effort to construct new affordable homes and revitalize the downtown area. To date, four new homes have been constructed and sold through the Downtown Housing Initiative. We are pleased that in January 2014, the Downtown Housing Initiative received the Audrey Nelson Community Development Achievement Award from the National Community Development Association.

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, 2014. 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, 2014, 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 0.039 percent for US Treasury bills in 2014. For the year ended June 30, 2014, the City realized investment earnings of $78,096, for an average yield of 0.09 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, 2013. This was the twenty-third 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, 2013

Executive Director/CEO

City of Jacksonville Organizational Chart

Citizens of Jacksonville

- City Council (1)
  - Attorney
- City Manager
  - Deputy City Manager
    - Transportation Planning
  - Assistant City Manager
    - Community Programs
    - Video/Media Services (2)
  - City Clerk
    - Elections
  - Public Safety
    - Police
      - E-911
    - Fire
  - Public Services
    - Streets
    - Facilities Maintenance
    - Solid Waste (3)
    - Engineering
    - City Hall Maintenance (2)
    - Water Operations (3)
    - Sewer Operations (3)
    - Stormwater/Water Quality (3)
  - Planning & Development Services
    - Planning and Permitting
    - Building Inspections
    - Community Development
  - Finance
    - Fleet Maintenance (2)
    - Metering (3)
  - Human Resources
    - Self Insurance (2)
  - Recreation & Parks
  - Information Technology Services (ITS) (2)

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

City of Jacksonville
List of Principal Officials
June 30, 2014

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	Wally Hansen
Interim Recreation Directors	Susan Baptist and Michael Liquori

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FINANCIAL SECTION

* Report of Independent Auditors
* Management's Discussion and Analysis
* Basic Financial Statements
* Notes to the Financial Statements
* Required Supplemental Financial Data
* Combining and Individual Fund Statements and Schedules
* Additional Financial Data

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MCAS NEW RIVER

McGladrey

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 (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Jacksonville 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 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 June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14 through 29, and 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 90 through 93 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 the City'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. 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, such 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 November 5, 2014, 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
November 5, 2014

JACKSONVILLE N.C.
a
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Community
HOME OF
CAMP LEJEUNE
MCAS NEW RIVER

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, 2014. 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 declined in 2014 as evidenced by a decrease in total net position of $2.27 million.

- The assets of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $176.53 million (net position). Of this amount, $50.57 million (unrestricted net position) can be used to meet the City's ongoing obligations to its citizens and creditors.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $43.4 million, a decrease of $12.3 million during the year. This decrease is due to significant spending on authorized capital projects where funding was in place in prior years. Approximately 18.9 percent of this total amount or $8.2 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 $8.2 million, or 17.6 percent of the budget for fiscal year 2015, as adopted. This exceeds the City Council's goal of 10 percent. The amount of fund balance used to balance the 2015 budget was decreased because of City Council's decision to increase property tax revenue in response to 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 decreased. These are the primary reasons for the increase in unassigned fund balance.

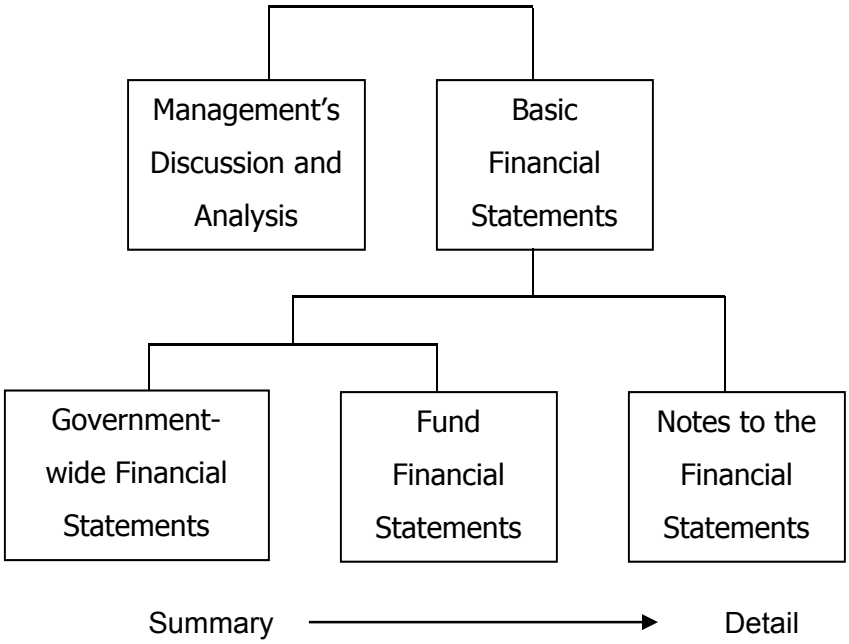
- The City's total long-term debt decreased by $5.7 million (4.1%) during the current fiscal year. There were no significant new capital projects funded in the current fiscal year allowing payments on outstanding debt to reduce the total debt burden.

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.

Required Components of Annual Financial Report



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 position and a statement of changes in fiduciary net position. 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 46 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 $176.53 million at the close of the most recent fiscal year. A summary of the City's net position at June 30, 2014 and 2013 is presented below:

City of Jacksonville's Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 53.52	$ 66.67	$ 38.68	$ 43.92	$ 92.20	$ 110.59
Capital assets	93.65	81.37	137.95	142.18	231.60	223.55
Total assets	147.17	148.04	176.63	186.10	323.80	334.14
Current and other liabilities	5.24	6.28	2.80	3.87	8.04	10.15
Noncurrent liabilities	38.17	37.50	100.68	107.16	138.85	144.66
Deferred inflows of resources	0.29	0.42	0.09	0.10	0.38	0.52
Total liabilities	43.70	44.20	103.57	111.13	147.27	155.33
Net position:						
Net investment in capital assets	69.69	70.19	42.12	41.11	111.81	111.30
Restricted	14.38	11.86	-	-	14.38	11.86
Unrestricted	19.40	21.78	30.94	33.86	50.34	55.64
Total net position	$ 103.47	$ 103.83	$ 73.06	$ 74.97	$ 176.53	$ 178.80

Government-wide net position decreased by $2.27 million for the fiscal year ended June 30, 2014. The largest portion (63.30%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position (8.15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $50.40 million (28.55%) is unrestricted net position and may be used to support operations and provide for payment of long-term debt.

At the end of the 2014 fiscal year, the City was able to report positive balances for the City government as a whole. The governmental activities show a decrease in the invested in capital assets and unrestricted categories while restricted category showed an increase. The business-type activities show a decrease in the net position because of an overall loss on operation which decreased the unrestricted.

Net position of the Governmental Activities decreased $.36 million to $103.47 million. You will find $84.07 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 $19.40 million decreased $2.38 million from the previous year. The decrease was related to operating losses.

The net position of the Business-Type activities had a decrease of $1.91 million, or 2.5%, to $73.1 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 $30.9 million decreased slightly in relation to the previous year. The decrease in net position was attributable to loss on operations.

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, 2014 and 2013.

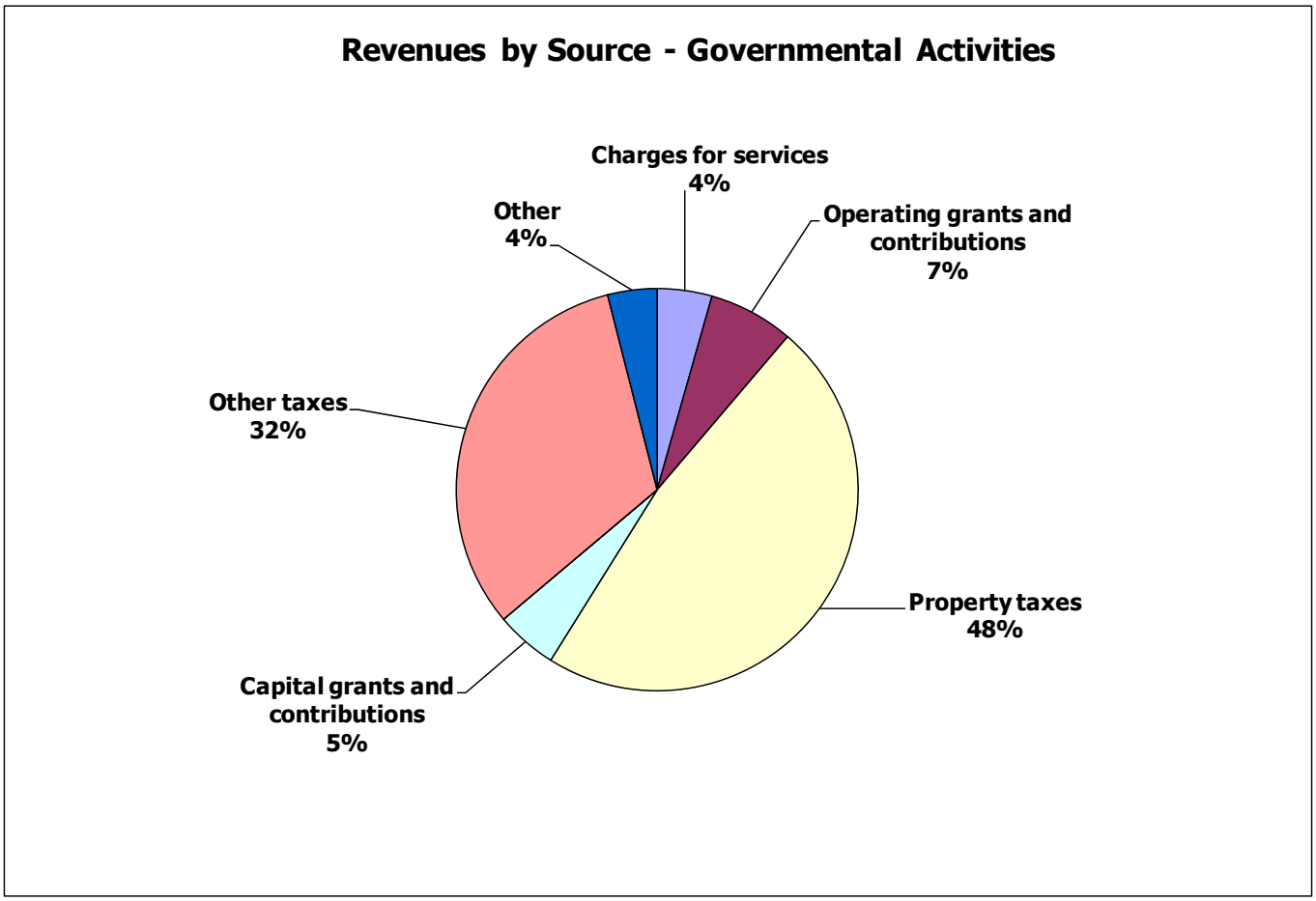
City of Jacksonville's Changes in Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 1.90	$ 1.84	$ 28.33	$ 28.67	$ 30.23	$ 30.51
Operating grants and contributions	2.96	4.75	-	-	2.96	4.75
Capital grants and contributions	2.15	8.56	0.33	2.05	2.48	10.61
General revenues:						
Property taxes	20.61	19.77	-	-	20.61	19.77
Other taxes	13.91	15.18	-	-	13.91	15.18
Other	1.72	1.31	1.07	0.77	2.79	2.08
Total revenues	43.25	51.41	29.73	31.49	72.98	82.90
Expenses:						
General government	5.08	4.99	-	-	5.08	4.99
Public works	6.83	6.63	-	-	6.83	6.63
Public safety	21.18	20.60	-	-	21.18	20.60
Economic and physical development	1.99	1.58	-	-	1.99	1.58
Culture and recreation	5.94	5.53	-	-	5.94	5.53
Interest on long-term debt	1.13	1.22	-	-	1.13	1.22
Water and sewer	-	-	25.35	24.44	25.35	24.44
Solid waste	-	-	5.31	5.16	5.31	5.16
Stormwater/Water Quality	-	-	2.44	2.49	2.44	2.49
Total expenses	42.15	40.55	33.10	32.09	75.25	72.64
Transfers	(1.46)	(1.66)	1.46	1.66	-	-
Increase (decrease) in net position	(0.36)	9.20	(1.91)	1.06	(2.27)	10.26
Net Position:						
Beginning of year, July 1, as previously reported	103.83	94.91	74.97	73.96	178.80	168.87
Restatement for accounting change	-	(0.28)	-	(0.05)	-	(0.33)
Beginning of year, July 1, as restated	103.83	94.63	74.97	73.91	178.80	168.54
End of year, June 30	$ 103.47	$ 103.83	$ 73.06	$ 74.97	$ 176.53	$ 178.80

Total government-wide revenues of $73.0 million were primarily derived from charges for services (41.4%), property taxes (28.2%) and other taxes (19.1%). Property tax revenues increased 4.2 percent from the prior year because of the growth in the City, in spite of the national sluggish economy. Other taxes decreased from $15.18 to $13.91 million.

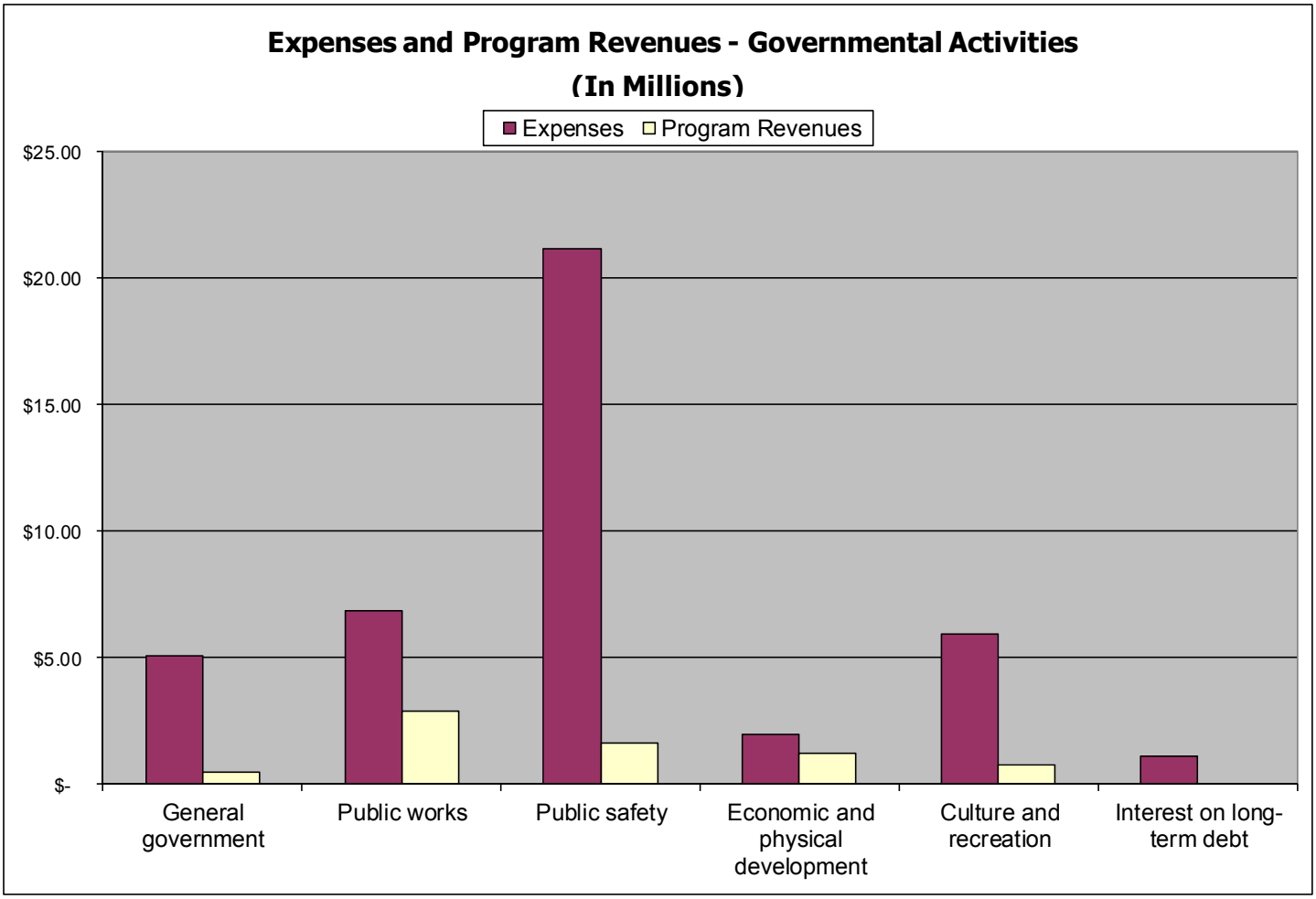
The total expenses of all programs were $75.25 million. The expenses cover a range of services with the two largest being Public Safety (fire and police) and Water and Sewer, which account for 28.1 percent and 33.7 percent of total expenses, respectively. Water and Sewer expenses increased by $.91 million due to increased operating expense, while Public Safety increased by $0.58 million.

Governmental Activities



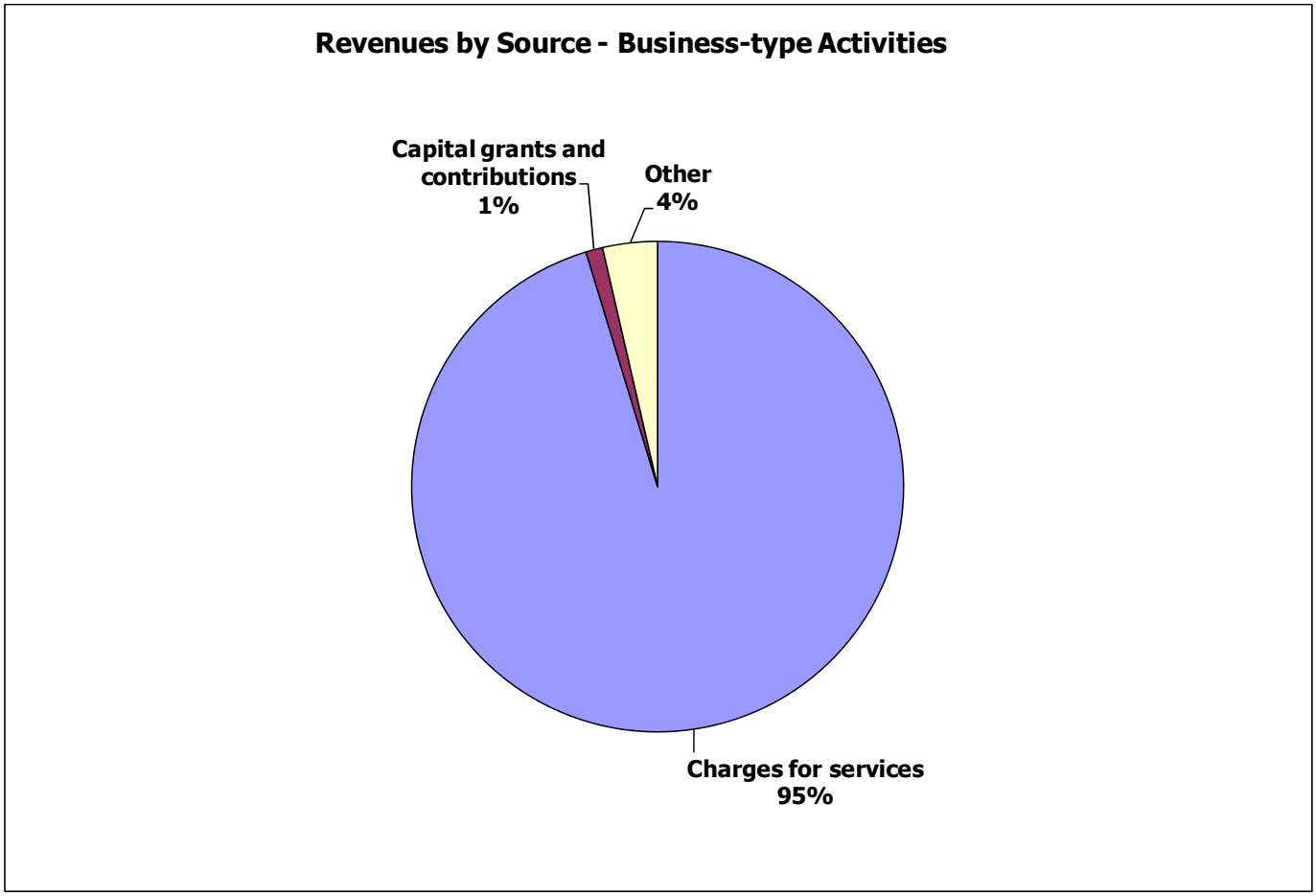
Public Safety accounts for 50.2 percent ($21.18 million) of the total Governmental Activities expenses of $42.15 million. Public Safety expenses increased 2.8 percent from the prior year. Within the Business-type Activities, the Water and Sewer expenses account for 76.6 percent of the $33.1 million of 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.



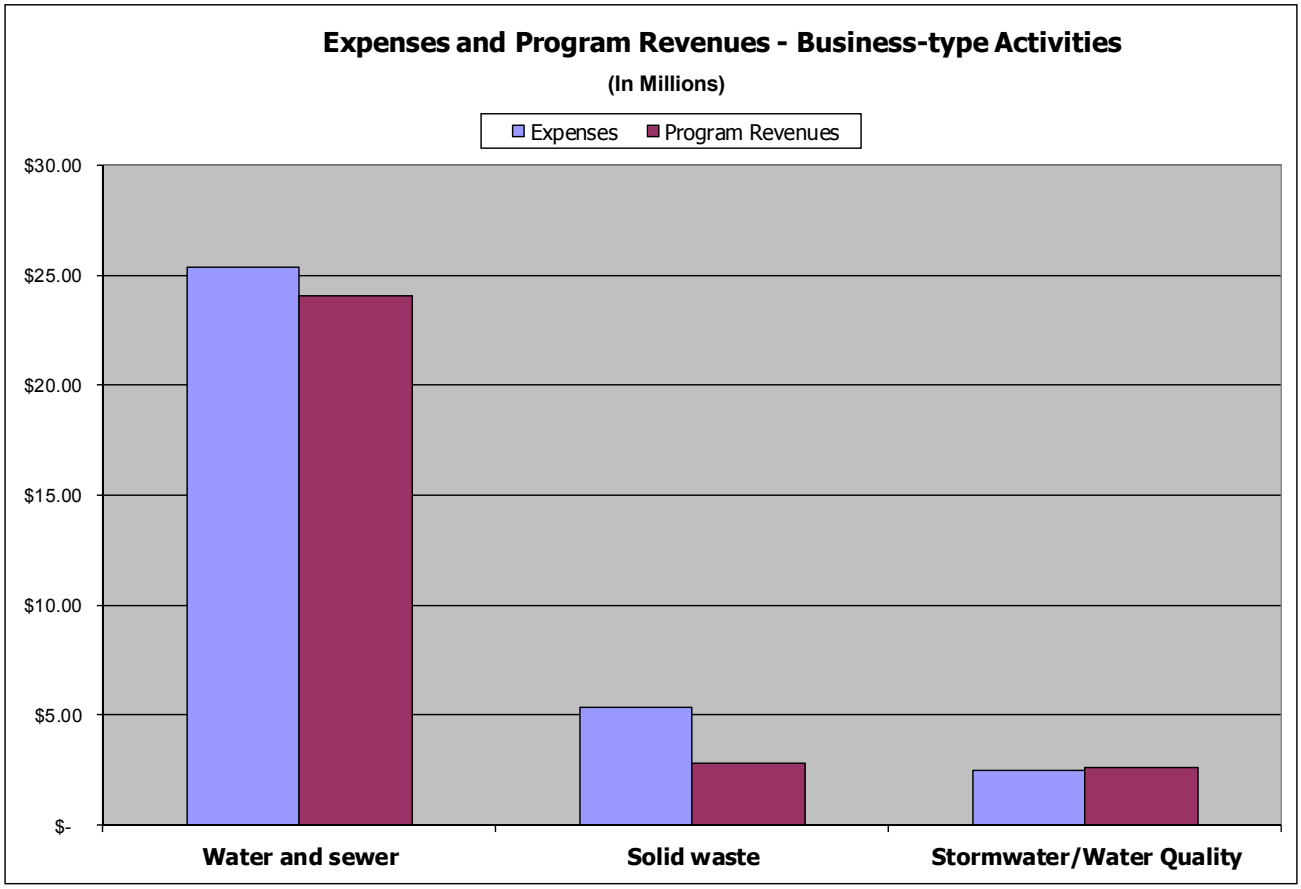
The total cost of governmental services of $42.15 million was supported by $1.90 million in fees, fines and charges from those who directly benefited from the programs. Another $5.11 million was provided by other governments and organizations for specific programs.

Business-type Activities



Revenues from the business-type activities were $29.7 million, a decrease of 5.6% from the prior year. This was primarily due to a decrease of $1.72 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 $33.1 million, up $1.0 million from the prior year. The Water and Sewer Fund experienced an increase of $0.9 million (3.7%) due to higher expenses for debt.

The Solid Waste Fund ended 2014 with a decrease in net position of $0.14 million. Expenses increased slightly compared to the prior year due primarily to start up expenses for Commercial Dumpster services.

The Stormwater/Water Quality Fund had an increase in net position of $0.5 million. Revenues and expenses remained fairly constant while developer-contributed infrastructure decreased.

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, 2014, the governmental funds reported a combined fund balance of $43.4 million, a decrease of $12.28 million, down 22.1 percent from last year. This amount consists of the following:

Governmental Funds Fund Balance

(a)	$2.0 million in non-spendable:	
	Inventories	$ 32,830
	Compensating Balance	2,000,000
	Prepaid items	3,549
		$ 2,036,379
(b)	$22.1 million restricted for specific purpose:	
	Stabilization by State Statute	$ 5,338,776
	Restricted for Streets	3,892,689
	Restricted for Public Safety	3,652,900
	Restricted for Capital Projects	6,124,970
	Restricted for Community Development	3,090,404
		$ 22,099,739
(c)	$11.0 million committed by City Council	
	Assigned for Capital Projects	$ 9,023,340
	Assigned for Subsequent year's expenditures	2,002,776
		$ 11,026,116
(d)	$8.2 million unassigned	$ 8,209,564

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 $8.2 million, while total fund balance reached $18.8 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 17.6 percent of fiscal year 2015 budgeted total General Fund expenditures, while total fund balance represents 40.3 percent of that same amount.

The fund balance in the General Fund decreased by $1.0 million, or 5.1 percent during the current fiscal year. The key factor in this decrease is the decrease in sales tax collections.

The Major Capital Projects Fund has a total fund balance of $14.4 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 bulk of expenditures were related to the Center for Public Safety.

The non-major funds have a total fund balance of $10.2 million, most 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 $29.4 million in the Water and Sewer fund, $(0.05) million in the Solid Waste fund and $1.6 million in the Stormwater/Water Quality fund. The changes in total net position for the funds were $(2.26) million, $(0.1) million and $0.5 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 2014 were insignificant in total with the largest being an amendment to reappropriate encumbered funds for the purchase of a fire truck.

General Fund revenues came in over budget amounts by 3.2% while the City's total expenditures in the General fund for the year were 10.0% less than the final budget. General Fund expenses and other financing uses exceeded revenues and other financing uses by $1.0 million. The Appropriated Fund Balance in the final amended budget was $7.0 million, however, as previously noted, only $1.0 million was spent due to the diligence in spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the City had $231.60 million (net of accumulated depreciation) in capital assets consisting primarily of buildings, improvements other than buildings, and infrastructure. This represents a net increase of $8.04 million, or 3.6% over last year. The summary of capital assets at June 30, 2014 and 2013 is presented on the following page:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	$ 11.27	$ 7.61	$ 4.50	$ 4.44	$ 15.77	$ 12.06
Land Rights	3.22	3.02	3.00	2.97	6.22	5.99
Buildings	34.81	10.68	48.60	53.59	83.41	64.27
Improvements other than buildings	7.34	8.53	70.01	71.31	77.35	79.85
Equipment	1.54	1.56	0.62	0.65	2.16	2.21
Software	0.29	0.28	0.01	0.02	0.30	0.30
Heavy equipment	-	0.02	0.22	0.24	0.22	0.26
Vehicles	2.82	2.46	2.37	1.89	5.19	4.35
Infrastructure	28.93	30.12	3.80	4.01	32.73	34.14
Construction in progress	3.43	17.09	4.83	3.06	8.26	20.15
Total	$ 93.65	$ 81.37	$ 137.96	$ 142.18	$ 231.61	$ 223.56

This year's major capital asset additions included:

- Water/Sewer system capital improvements $ 3.90 million
- Donated Streets $ 0.69 million
- Donated Land $ 0.33 million
- Donated Equipment $ 0.02 million
- Construction in progress Water/Sewer $ 3.23 million
- Construction in progress General $ 1.83 million

At June 30, 2014, authorized and unexpended capital projects totaled $34.53 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 $ 18.52 million
- Water and Sewer $15.20 million
- Stormwater $ 0.72 million
- Internal Service (ITS) $ 0.09 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, 2014, the City had $133.35 million of debt outstanding in installment purchases, bonds, and revolving loans to the State of North Carolina. This was a decrease of $5.7 million, or 4.1 percent less than last year. Details by type of debt are presented below.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Installment Purchases	$33.34	$ 32.66	$ 13.11	$ 15.42	$ 46.45	$ 48.08
Loans	-	-	50.52	52.97	50.52	52.97
Bonds	-	-	36.38	38.03	36.38	38.03
Total	$33.34	$ 32.66	$ 100.01	$ 106.42	$ 133.35	$ 139.08

New debt for 2014 resulted from installment purchases and loans for:

	2014
Vehicles & Equipment:	
General Fund	$ 4,013,532
Solid Waste	1,315,952
Water/Sewer	335,092
Stormwater	68,824
Fleet Maintenance	56,830
Computer Equipment	160,000
	$ 5,950,230

The City's sound financial condition is evidenced by the rating affirmed 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, 2014 was $267.0 million. At June 30, 2014 the City's debt applicable to the limit was $37.7 million, which is 12.4 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 2014 were $46.1 million compared to $46.8 million in 2013. 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 a slight decline of $0.5 million in sales tax, with the City losing $1.4 million due to changes in the distribution method, at the end of last fiscal year.

- The June 2014 unemployment rate for Onslow County was 8.7 percent compared to 6.5 percent for the state and 6.3 percent for the nation.

- The County conducted a revaluation of property this year and the City saw an overall decline of about 3%.

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 $7.0 million of General Fund unassigned fund balance for spending in the 2014 fiscal year amended budget. A strong, concerted effort was made by management to limit expenditures to revenues actually received. As noted earlier, $1.0 million was actually used. For FY 2015, $2.0 million has been assigned from the 2014 General Fund unassigned fund balance to balance revenues and expenditures anticipated for the budget year.

The following are highlights for the 2015 budgets:

- A small increase was necessary in the Water/Sewer fees. This was the first rate increase in five years even though the rate study that was completed in the Fall of 2009 anticipated the need for regular rate increases over the period. Impact fees also saw minor adjustments.

- Revaluation was conducted by the County for the FY 2015 budget year. The City saw a decline in value of about 3%. This necessitated an increase for revenue neutral in addition to increases to cover declining sales tax revenue and ongoing expenses for various expiring grants.

- Council added another $5 increment to the monthly residential collection fee, to move one more step toward making this a self-funding enterprise.

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.

JACKSONVILLE N.C.
a
Caring
Community
HOME OF
CAMP LEJEUNE
MCAS NEW RIVER

Exhibit A

City of Jacksonville, North Carolina
Statement of Net Position
June 30, 2014

	Primary Government			Jacksonville Tourism Development Authority
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	$ 24,497,951	$ 30,571,489	$ 55,069,440	$ 1,783,818
Restricted cash and cash equivalents	20,005,063	4,398,654	24,403,717	-
Receivables:				
Taxes (net)	1,643,923	-	1,643,923	80,990
Accrued interest on taxes (net)	396,003	-	396,003	-
Accounts receivable (net)	4,908,407	3,503,645	8,412,052	-
Notes receivable (net)	1,865,491	-	1,865,491	-
Inventories	132,459	203,056	335,515	-
Prepaid items	79,649	1,063	80,712	-
Internal balances	(4,954)	4,954	-	-
Capital assets:				
Land	11,267,000	4,501,532	15,768,532	-
Land Rights	3,218,903	3,002,144	6,221,047	-
Buildings and other structures	48,370,474	113,332,184	161,702,658	-
Improvements other than buildings	12,651,567	120,480,860	133,132,427	-
Equipment	11,475,601	5,523,839	16,999,440	-
Software	1,635,327	143,144	1,778,471	-
Heavy equipment	471,553	1,163,343	1,634,896	-
Vehicles	11,284,856	6,921,847	18,206,703	-
Infrastructure	51,341,569	4,440,574	55,782,143	-
Construction in progress	3,426,231	4,827,699	8,253,930	-
Less accumulated depreciation	(61,495,665)	(126,391,045)	(187,886,710)	-
Total Assets	147,171,408	176,628,982	323,800,390	1,864,808
Liabilities				
Accounts payable and accrued liabilities	4,371,305	1,919,404	6,290,709	33,199
Customer deposits	874,099	882,044	1,756,143	-
Noncurrent liabilities:				
Due within one year	4,854,580	9,258,894	14,113,474	-
Due in more than one year	33,314,349	91,419,337	124,733,686	-
Total Liabilities	43,414,333	103,479,679	146,894,012	33,199
Deferred Inflows of Resources	287,517	90,278	377,795	-
Net Position				
Net Investment in Capital Assets	69,688,076	42,120,408	111,808,484	-
Restricted:				
Stabilization by State Statute	4,705,194	-	4,705,194	80,990
Public Works	3,742,566	-	3,742,566	-
Public Safety	3,236,892	-	3,236,892	-
Economic Development	2,699,722	-	2,699,722	1,509,880
Unrestricted	19,397,108	30,938,617	50,335,725	240,739
Total Net Position	$ 103,469,558	$ 73,059,025	$ 176,528,583	1,831,609

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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 5,080,369	$ 162,977	$ 14,714	$ 315,007
Public works	6,824,331	745,549	325,696	1,828,899
Public safety	21,181,815	293,269	1,315,875	-
Economic and physical development	1,992,960	-	1,217,354	-
Cultural and recreational	5,936,222	693,995	82,134	11,157
Interest on long-term debt	1,132,525	-	-	-
Total governmental activities	42,148,222	1,895,790	2,955,773	2,155,063
Business-type Activities:				
Water and sewer	25,352,766	21,849,926	-	331,300
Solid waste	5,309,438	3,582,715	-	-
Stormwater/Water Quality	2,439,645	2,893,937	-	-
Total business-type activities	33,101,849	28,326,578	-	331,300
Total primary government	$ 75,250,071	$ 30,222,368	$ 2,955,773	$ 2,486,363
Component unit:				
Jacksonville Tourism Development Authority	$ 631,887	$ -	$ -	$ -
Total component unit	$ 631,887	$ -	$ -	$ -

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
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	
$ (4,587,671)	$ -	$ (4,587,671)	$ -
(3,924,187)	-	(3,924,187)	-
(19,572,671)	-	(19,572,671)	-
(775,606)	-	(775,606)	-
(5,148,936)	-	(5,148,936)	-
(1,132,525)	-	(1,132,525)	-
(35,141,596)	-	(35,141,596)	-
-	(3,171,540)	(3,171,540)	-
-	(1,726,723)	(1,726,723)	-
-	454,292	454,292	-
-	(4,443,971)	(4,443,971)	
(35,141,596)	(4,443,971)	(39,585,567)	-
-	-	-	(631,887)
-	-	-	(631,887)
20,609,794	-	20,609,794	-
10,132,239	-	10,132,239	-
316,281	-	316,281	-
2,932,050	-	2,932,050	-
343,092	-	343,092	-
187,443	-	187,443	-
-	-	-	888,248
32,083	24,604	56,687	1,437
1,688,246	1,042,272	2,730,518	-
36,241,228	1,066,876	37,308,104	889,685
(1,464,443)	1,464,443	-	-
34,776,785	2,531,319	37,308,104	889,685
(364,811)	(1,912,652)	(2,277,463)	257,798
103,834,369	74,971,677	178,806,046	1,573,811
$ 103,469,558	$ 73,059,025	$ 176,528,583	$ 1,831,609

Exhibit C

City of Jacksonville, North Carolina
Balance Sheet - Governmental Funds
June 30, 2014

	Major			
	General	Capital Projects	Total Non-Major Funds	Total
Assets				
Cash and cash equivalents	$ 12,670,414	$ 6,897,646	$ 1,871,302	$ 21,439,362
Restricted cash and cash equivalents	4,060,461	9,383,090	6,532,100	19,975,651
Taxes receivable (net)	1,643,923	-	-	1,643,923
Accounts receivable (net)	4,627,789	5,500	224,392	4,857,681
Interfund receivable	40,222	-	-	40,222
Inventories	32,830	-	-	32,830
Prepaid items	3,549	-	-	3,549
Notes receivable (net)	-	-	1,865,491	1,865,491
Total assets	$ 23,079,188	$ 16,286,236	$ 10,493,285	$ 49,858,709
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 1,545,794	$ 1,919,994	$ 207,591	$ 3,673,379
Interfund payable	4,954	-	40,222	45,176
Customer deposits	874,099	-	-	874,099
Total liabilities	2,424,847	1,919,994	247,813	4,592,654
Deferred inflows of resources	1,894,257	-	-	1,894,257
Fund balances:				
Non Spendable:				
Inventories	32,830	-	-	32,830
Compensating Balance	2,000,000	-	-	2,000,000
Prepaid items	3,549	-	-	3,549
Restricted:				
Stabilization by State Statute	5,333,276	5,500	-	5,338,776
Streets	1,116,344	-	2,776,345	3,892,689
Public Safety	68,878	-	3,584,022	3,652,900
Community Development	-	-	3,090,404	3,090,404
Capital Projects	-	5,337,402	787,568	6,124,970
Assigned:				
Capital Projects	-	9,023,340	-	9,023,340
Subsequent year's expenditures	2,002,776	-	-	2,002,776
Unassigned:	8,202,431	-	7,133	8,209,564
Total fund balances	18,760,084	14,366,242	10,245,472	43,371,798
Total liabilities, deferred inflows of resources and fund balances	$ 23,079,188	$ 16,286,236	$ 10,493,285	$ 49,858,709

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, 2014

Total fund balances for governmental funds	$ 43,371,798
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	93,647,416
Adjustment for assets attributable to internal service funds	(666,442)
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds:	
Deferred Inflows of Resources	1,606,740
Accrued interest on Property Taxes - Statement of Net Assets	396,003
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	3,158,484
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(38,168,929)
Adjustment for internal service funds installment purchases and compensated absences	398,122
Other long-term liabilities (accrued interest) are not due and payable in in the current period and therefore not reported in the funds	(273,634)
Total net position of governmental activities	$ 103,469,558

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

Exhibit D

City of Jacksonville, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Major		Total	
	General	Capital Projects	Non-Major Funds	Total
Revenues:				
Ad valorem taxes	$ 20,627,279	$ -	$ -	$ 20,627,279
Other taxes and licenses	11,081,522	-	-	11,081,522
Unrestricted intergovernmental revenues	3,356,230	-	-	3,356,230
Restricted intergovernmental revenues	2,311,992	50,000	2,223,456	4,585,448
Permits and fees	787,618	-	-	787,618
Sales and services	829,280	-	-	829,280
Investment earnings	47,715	526	2,329	50,570
Miscellaneous	358,052	187,041	258,690	803,783
Total revenues	39,399,688	237,567	2,484,475	42,121,730
Expenditures:				
Current:				
General Government	4,582,195	216,517	-	4,798,712
Public Works	4,489,513	111,707	-	4,601,220
Public Safety	17,856,854	14,014,418	1,481,376	33,352,648
Cultural and Recreational	4,359,462	667,397	491,557	5,518,416
Economic and Physical Development	-	-	1,443,274	1,443,274
Capital outlay	1,903,022	-	456,458	2,359,480
Non-capitalized expenditures	-	332,219	-	332,219
Debt service:				
Principal retirement	3,390,973	-	16,500	3,407,473
Interest and fees	1,243,860	-	16	1,243,876
Total expenditures	37,825,879	15,342,258	3,889,181	57,057,318
Revenues over (under) expenditures	1,573,809	(15,104,691)	(1,404,706)	(14,935,588)
Other financing sources (uses):				
Debt issued	650,981	1,024,000	2,338,551	4,013,532
Sales of capital assets	107,007	-	-	107,007
Transfers in	1,715,524	754,785	3,951,045	6,421,354
Transfers (out)	(5,045,478)	(845,046)	(1,995,273)	(7,885,797)
Total other financing sources (uses)	(2,571,966)	933,739	4,294,323	2,656,096
Net change in fund balances	(998,157)	(14,170,952)	2,889,617	(12,279,492)
Fund balances:				
Beginning of year, July 1	19,758,241	28,537,194	7,355,855	55,651,290
End of year, June 30	$ 18,760,084	$ 14,366,242	$ 10,245,472	$ 43,371,798

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, 2014

Net change in fund balances - total governmental funds	$ (12,279,492)
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	1,046,960
Increase in purchased Capital Assets net of decrease in construction in progress	17,795,270
Adjustment for increases attributable to Internal Service Funds	(425,753)
Depreciation Expense	(6,547,637)
Adjustment for expense attributable to Internal Service Funds	400,745
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	87,790
Proceeds from the Sale of Capital Assets	(107,007)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Increase in Beer & Wine Tax	8,371
(Decrease) in Deferred Property Tax Revenue	(49,608)
Public Safety charges	322
Increase in Accrued Interest on Taxes	32,123
(Decrease) in Investment Interest	(18,370)
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	14,884
Additions to Long-Term Liabilities	(5,280,370)
Adjustment for additions attributable to Internal Service Funds	284,960
Retirements of Long-Term Liabilities	4,610,205
Adjustment for retirements attributable to Internal Service Funds	(187,252)
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	249,048
Changes in net position of governmental activities	$ (364,811)

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

Exhibit E

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, 2014

	Budget - Original	Budget - Final	Actual	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	$ 20,021,960	$ 20,021,960	$ 20,627,279	$ 605,319
Other taxes and licenses	10,601,095	10,601,095	11,081,522	480,427
Unrestricted intergovernmental revenues	3,107,259	3,107,259	3,356,230	248,971
Restricted intergovernmental revenues	2,189,939	2,392,252	2,311,992	(80,260)
Permits and fees	795,500	795,500	787,618	(7,882)
Sales and services	975,939	979,739	829,280	(150,459)
Investment earnings	76,789	76,789	47,715	(29,074)
Miscellaneous	198,140	217,363	358,052	140,689
Total revenues	37,966,621	38,191,957	39,399,688	1,207,731
Expenditures:				
Current:				
General Government	4,874,492	5,785,375	4,586,275	1,199,100
Public Works	5,493,951	6,046,749	5,010,538	1,036,211
Public Safety	19,779,442	20,244,982	19,172,474	1,072,508
Cultural and Recreational	4,870,737	4,893,123	4,421,759	471,364
Debt service:				
Principal retirement	3,699,634	3,699,634	3,390,973	308,661
Interest and fees	1,420,792	1,337,829	1,243,860	93,969
Total expenditures	40,139,048	42,007,692	37,825,879	4,181,813
Revenues over (under) expenditures	(2,172,427)	(3,815,735)	1,573,809	5,389,544
Other financing sources (uses):				
Debt issued	728,873	680,091	650,981	(29,110)
Appropriated fund balance	5,228,768	6,986,897	-	(6,986,897)
Sales of general capital assets	45,000	45,000	107,007	62,007
Transfers in	1,237,045	1,715,523	1,715,524	1
Transfers (out)	(5,067,259)	(5,611,776)	(5,045,478)	566,298
Total other financing sources (uses)	2,172,427	3,815,735	(2,571,966)	(6,387,701)
Excess of revenues and other sources over expenditures and other uses	$ -	$ -	(998,157)	$ (998,157)
Fund balances:				
Beginning of year, July 1			19,758,241	
End of year, June 30			$ 18,760,084	

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

Exhibit F

City of Jacksonville, North Carolina
Proprietary Funds
Statement of Net Position
June 30, 2014

	Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Total	Internal Service Funds
Assets					
Current Assets:					
Cash and cash equivalents	$ 28,907,463	$ 140,018	$ 1,524,008	$ 30,571,489	$ 3,058,589
Interfund receivables	4,954	-	-	4,954	-
Accounts receivable (net)	3,023,275	290,882	189,488	3,503,645	50,726
Inventories	203,056	-	-	203,056	99,629
Prepaid items	1,063	-	-	1,063	76,100
Total Current Assets	32,139,811	430,900	1,713,496	34,284,207	3,285,044
Noncurrent Assets:					
Restricted cash and cash equivalents	4,154,972	243,682	-	4,398,654	29,412
Deferred charges	-	-	-	-	-
Land and other non-depreciable assets	9,360,585	-	2,970,790	12,331,375	-
Other capital assets, net of depreciation	119,841,916	1,539,613	4,233,217	125,614,746	666,442
Total Noncurrent Assets	133,357,473	1,783,295	7,204,007	142,344,775	695,854
Total Assets	165,497,284	2,214,195	8,917,503	176,628,982	3,980,898
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities	1,565,519	303,425	50,461	1,919,405	424,292
Compensated absences payable - current	135,494	46,681	40,097	222,272	-
Installment purchases payable - current	3,324,294	499,813	507,697	4,331,804	121,191
Loans payable - current	2,949,763	-	-	2,949,763	-
Bonds payable - current	1,755,055	-	-	1,755,055	-
Total Current Liabilities	9,730,125	849,919	598,255	11,178,299	545,483
Noncurrent Liabilities:					
Compensated absences payable - noncurrent	54,858	41,934	15,407	112,199	119,109
Customer deposits	882,044	-	-	882,044	-
Other postemployment benefits	34,498	27,536	-	62,034	-
Installment purchases payable - noncurrent	5,135,826	1,292,187	2,623,984	9,051,997	157,822
Loans payable - noncurrent	47,572,892	-	-	47,572,892	-
Bonds payable - noncurrent	34,620,214	-	-	34,620,214	-
Total Noncurrent Liabilities	88,300,332	1,361,657	2,639,391	92,301,380	276,931
Total Liabilities	98,030,457	2,211,576	3,237,646	103,479,679	822,414
Total Deferred Inflows of Resources	90,278	-	-	90,278	-
Net Position					
Net investment in capital assets	37,999,429	48,654	4,072,326	42,120,409	416,841
Unrestricted	29,377,120	(46,035)	1,607,531	30,938,616	2,741,643
Total Net Position	$ 67,376,549	$ 2,619	$ 5,679,857	$ 73,059,025	$ 3,158,484

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

Exhibit G

City of Jacksonville, North Carolina
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Total	Internal Service Funds
Operating revenues:					
Charges for services	$ 21,849,926	$ 3,582,715	$ 2,893,937	$ 28,326,578	$ 8,962,855
Other operating revenue	-	-	-	-	1,354,150
Total operating revenues	21,849,926	3,582,715	2,893,937	28,326,578	10,317,005
Operating expenses:					
Solid Waste Fund	-	4,881,841	-	4,881,841	-
Stormwater/Water Quality	-	-	1,930,152	1,930,152	-
Water/Sewer Operations	7,190,053	-	-	7,190,053	-
Water Supply	2,103,713	-	-	2,103,713	-
Wastewater Treatment	2,340,683	-	-	2,340,683	-
Fleet Maintenance Operations	-	-	-	-	2,528,842
City Hall Maintenance Operations	-	-	-	-	176,688
Information Technology Services	-	-	-	-	2,185,335
Video/Media Services	-	-	-	-	461,426
Self Insurance	-	-	-	-	4,313,703
Depreciation	10,956,090	414,479	400,430	11,770,999	400,745
Total operating expenses	22,590,539	5,296,320	2,330,582	30,217,441	10,066,739
Operating income (loss)	(740,613)	(1,713,605)	563,355	(1,890,863)	250,266
Nonoperating revenues (expenses):					
Investment earnings	23,638	252	714	24,604	952
Gain (loss) on sale of capital assets	(58,312)	11,420	4,540	(42,352)	73
Restricted revenue	-	41,718	-	41,718	-
Tax rebate - Build America Bond interest	-	-	33,919	33,919	-
Miscellaneous revenue	1,008,169	277	543	1,008,989	-
Interest and other charges	(2,762,229)	(13,118)	(109,063)	(2,884,410)	(2,243)
Total nonoperating revenues (expenses)	(1,788,734)	40,549	(69,347)	(1,817,532)	(1,218)
Income (loss) before capital contributions and transfers	(2,529,347)	(1,673,056)	494,008	(3,708,395)	249,048
Capital contributions:					
ONWASA contribution	59,379	-	-	59,379	-
Developer contributions	271,921	-	-	271,921	-
Total capital contributions	331,300	-	-	331,300	-
Income (loss) before transfers	(2,198,047)	(1,673,056)	494,008	(3,377,095)	249,048
Transfers:					
Transfers in	388,288	1,526,155	-	1,914,443	-
Transfers (out)	(450,000)	-	-	(450,000)	-
Total transfers	(61,712)	1,526,155	-	1,464,443	-
Change in Net Position	(2,259,759)	(146,901)	494,008	(1,912,652)	249,048
Net Position:					
Beginning of year, July 1	69,636,308	149,520	5,185,849	74,971,677	2,909,436
End of year, June 30	$ 67,376,549	$ 2,619	$ 5,679,857	$ 73,059,025	$ 3,158,484

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

Exhibit H

City of Jacksonville, North Carolina
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds				
	Water and Sewer Fund	Solid Waste Fund	Stormwater/ Water Quality Fund	Total	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	$ 21,707,557	$ 3,587,226	$ 2,901,882	$ 28,196,665	$ -
Cash receipts from interfund services provided (used)	-	-	-	-	10,310,702
Cash payments for interfund services provided (used)	-	-	-	-	(9,822,182)
Cash paid for goods and services	(6,546,733)	(3,191,538)	(570,046)	(10,308,317)	-
Cash paid to employees	(5,705,623)	(1,884,622)	(1,447,024)	(9,037,269)	-
Customer deposits	101,605	-	-	101,605	-
Net cash provided by (used in) operating activities	9,556,806	(1,488,934)	884,812	8,952,684	488,520
Cash flows from noncapital financing activities:					
Transfers in	388,288	1,526,155	-	1,914,443	-
Transfers (out)	(450,000)	-	-	(450,000)	-
Miscellaneous revenue	1,008,169	277	543	1,008,989	-
Restricted Intergovernmental	-	41,718	-	41,718	-
Net cash provided by (used in) noncapital related financing activities	946,457	1,568,150	543	2,515,150	-
Cash flows from capital and related financing activities:					
Capital Contributions	59,379	-	-	59,379	-
Debt issued	335,092	1,315,952	68,824	1,719,868	216,830
Principal paid on long-term debt	(7,324,617)	(313,107)	(490,835)	(8,128,559)	(139,522)
Interest paid on long-term debt	(2,842,413)	(13,118)	(109,063)	(2,964,594)	(2,243)
Tax rebate - Build America Bond interest	-	-	33,919	33,919	-
Acquisition and construction of capital assets	(6,382,298)	(1,038,082)	(86,868)	(7,507,248)	(425,753)
Proceeds from sale of capital assets	21,603	11,420	4,540	37,563	1,517
Net cash (used in) capital and related financing activities	(16,133,254)	(36,935)	(579,483)	(16,749,672)	(349,171)
Cash flows from investing activities:					
Investment earnings	23,638	252	714	24,604	952
Net cash provided by investing activities	23,638	252	714	24,604	952
Net increase (decrease) in cash and cash equivalents	(5,606,353)	42,533	306,586	(5,257,234)	140,301
Cash and cash equivalents, July 1	38,668,788	341,167	1,217,422	40,227,377	2,947,700
Cash and cash equivalents, June 30	$ 33,062,435	$ 383,700	$ 1,524,008	$ 34,970,143	$ 3,088,001

Reconciliation to Exhibit F	Enterprise Funds	Internal Service Funds
Cash and cash equivalents	$ 30,571,489	$ 3,058,589
Restricted cash and cash equivalents	4,398,654	29,412
	$ 34,970,143	$ 3,088,001

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, 2014

	Enterprise Funds				
	Water and Sewer Fund	**Solid Waste Fund**	**Stormwater/ Water Quality Fund**	**Total**	**Internal Service Funds**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	$ (740,613)	$ (1,713,605)	$ 563,355	$ (1,890,863)	$ 250,266
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	10,956,090	414,479	400,430	11,770,999	400,745
Reclass construction in progress to expense	226,467	-	-	226,467	-
Bad debt expense	37,654	3,029	(4,495)	36,188	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(136,209)	4,511	7,945	(123,753)	(6,303)
(Increase) decrease in inventories	8,411	-	-	8,411	1,999
(Increase) decrease in prepaid items	12	-	-	12	15
Increase (decrease) in accounts payable and accrued liabilities	(884,866)	(195,127)	(86,143)	(1,166,136)	(178,601)
Increase (decrease) in accrued compensated absences	(5,585)	(2,221)	3,720	(4,086)	20,399
Increase (decrease) in unearned revenues	(6,160)	-	-	(6,160)	-
Increase (decrease) in customer deposits	101,605	-	-	101,605	-
Total adjustments	10,297,419	224,671	321,457	10,843,547	238,254
Net cash provided by (used in) operating activities	$ 9,556,806	$ (1,488,934)	$ 884,812	$ 8,952,684	$ 488,520
Noncash investing, capital, and financing activities:					
Gain (loss) on noncash disposal of capital assets	(79,917)	-	-	(79,917)	(1,444)
Capital assets contributed by developers	271,921	-	-	271,921	-
Total noncash investing, capital, and financing activities	$ 192,004	$ -	$ -	$ 192,004	$ (1,444)

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

Exhibit I

City of Jacksonville, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2014

	Special Separation Allowance Pension Trust Fund
Assets	
Cash	$ 261,086
Total Assets	261,086
Liabilities	
Accounts payable	10,712
Total Liabilities	10,712
Net Position	
Restricted - held in trust for pension benefits	250,374
Total Net Position	$ 250,374

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

Exhibit J

City of Jacksonville, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2014

	Special Separation Allowance Pension Trust Fund
Additions:	
Employer contributions	$ 250,710
Interest	315
Total additions	251,025
Deductions:	
Benefits	279,973
Total deductions	279,973
Net decrease	(28,948)
Net position	
Restricted - held in trust for pension benefit:	
Beginning of year	279,322
End of year	$ 250,374

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, 2014

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

Separate Fund Financial Statements are provided for governmental funds, 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 27 Capital Projects within the Major Capital Projects Fund: NC24 Culvert Trail, Marine Corps Museum, Wilson Bay Initiative, Vietnam Veterans Memorial, Country Club Park, Police/Fire Facility, Sturgeon City Boardwalk III, Buddy Philips Bridge Improvements, Relocation of Northwoods Fire Station, NE Creek Boat Ramp and Boardwalk, Jack Amyette Center Renovation, Freedom Fountain, Richard Ray Park Garden Improvements, Wooten Park, JTDA – Museum of the Marine, New Bridge Streetscape, Richard Ray Park Phase II, City Hall Envelope, Sturgeon City Education Center, Jacksonville Landing Park, Jack Amyette Phase II, LP Willingham Splash Pad, Phillips Park, Labyrinth Garden, Riverwalk Parking Lot, Fair Winds Property, and East Railroad 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. Although the Solid Waste Fund does not meet the criteria for a major fund, it is being treated as major this year to be consistent with prior years.

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. Although the Stormwater Fund does not meet the criteria for a major fund, it is being treated as major this year to be consistent with prior years.

Additionally, the government reports the following fund types:

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

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 September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Those revenues susceptible to accrual are sales taxes collected and held by the State at year-end on behalf of the City, utility sales and services and investment earnings. 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	$ 3,742,567
	E-911 Revenue	746,150
	Drug Enforcement Assets	135,942
	Unexpended Debt Proceeds	11,790,537
	Compensating Balance	2,000,000
	Customer Deposits	874,099
	Other Restricted Grants	685,223
	Other	30,545
		$ 20,005,063
Business-Type Activities:		
	Unexpended Debt Proceeds	$ 4,398,654

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, 2013.

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, using the first-in, first-out (FIFO) method, 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, FIFO 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 statements, and are expensed as the items are used.

K. Capital Assets

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, traffic signals, and similar items), and intangibles (e.g., software and land rights), are reported in the applicable governmental or business-type activities columns in the Government-wide Financial Statements and in the proprietary fund types in the Fund Financial Statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 ($100,000 for infrastructure, land rights and easements) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets 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	20 years
Improvements Other Than Buildings	20 years
Equipment	3 to 5 years
Software	3 years
Heavy Equipment	5 years
Vehicles	3 to 5 years
Infrastructure	20 years

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then. 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 FIFO method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

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, 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.

Prepaids 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, 2014, the City's deposits had a book balance of $17,704,942, which includes a $2,000,000 compensating balance, while the bank balance was $17,483,456. Of the bank balance, $1,257,151 was covered by federal depository insurance, and $16,226,305 in deposits was covered by collateral held under the Pooling Method (State Treasurer). The carrying amount of deposits for the Tourism and Development Authority was $1,783,818 and the bank balance was $1,783,818. Of the bank balance, $250,000 was covered by federal depository insurance and $1,533,818 was covered by collateral held under the Pooling Method (State Treasurer). At June 30, 2014, the City's petty cash fund totaled $7,849.

Investments

At June 30, 2014, the City had the following investments and maturities:

Investment Type	Carrying Value	Fair Value	1-3 Years
US Government Agencies	$ 1,999,920	$ 1,999,920	$1,999,920
NCCMT- Cash Portfolio	46,013,950	46,013,950	N/A
NCCMT- Term Portfolio	5,020,020	5,020,020	N/A
Other Investments - Loan proceeds held in escrow - NCCMT	8,987,562	8,987,562	N/A
Total	$ 62,021,452	$62,021,452	$1,999,920

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 AAA by Standard & Poor's as of June 30, 2014. The investment in Federal Farm Credit Bank is 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 2% Certificates of Deposit, 4% US agencies, and 94% 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	$ 2,139,236	$ 495,313	$ 1,643,923
Accrued interest on taxes	792,006	396,003	396,003
Accounts receivable	5,936,079	1,308,290	4,627,789
Non-Major Funds			
Accounts receivable	224,392	-	224,392
Notes receivable	2,510,234	644,743	1,865,491
Major Capital Projects	5,500	-	5,500
Internal Service Fund	50,726	-	50,726
Total Governmental Activities	11,658,173	2,844,349	8,813,824
Business-Type			
Water/Sewer	3,358,963	347,550	3,011,413
Water/Sewer Capital Projects	11,862	-	11,862
Solid Waste	307,886	17,004	290,882
Stormwater	223,887	34,399	189,488
Total Business-Type Activities	3,902,598	398,953	3,503,645
Discretely Presented			
Component Unit	80,990	-	80,990
Total Discrete Units	80,990	-	80,990
	$ 15,641,761	$ 3,243,302	$ 12,398,459

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

Gross notes receivable as of June 30, 2014, of $2,510,234 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, 2014, was as follows:

Primary Government

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 7,613,778	$ 3,653,222	$ -	$ 11,267,000
Land Rights	3,017,730	201,173	-	3,218,903
Construction in progress	17,085,650	1,832,874	(15,492,293)	3,426,231
Total capital assets not being depreciated	27,717,158	5,687,269	(15,492,293)	17,912,134
Capital assets being depreciated:				
Buildings	23,374,191	25,100,784	(104,501)	48,370,474
Improvements other than buildings	12,595,366	958,157	(901,956)	12,651,567
Equipment	11,033,129	719,125	(276,653)	11,475,601
Software	1,551,874	176,032	(92,579)	1,635,327
Heavy equipment	488,483	11,258	(28,188)	471,553
Vehicles	10,259,959	1,635,463	(610,566)	11,284,856
Infrastructure	50,276,268	1,065,301	-	51,341,569
Total capital assets being depreciated	109,579,270	29,666,120	(2,014,443)	137,230,947
Less accumulated depreciation for:				
Buildings	(12,696,774)	(945,929)	77,669	(13,565,034)
Improvements other than buildings	(4,061,700)	(1,268,553)	22,901	(5,307,352)
Equipment	(9,464,210)	(750,207)	274,529	(9,939,888)
Software	(1,276,371)	(165,215)	92,579	(1,349,007)
Heavy equipment	(471,108)	(17,913)	22,291	(466,730)
Vehicles	(7,799,221)	(1,196,266)	534,780	(8,460,707)
Infrastructure	(20,153,959)	(2,252,988)	-	(22,406,947)
Total accumulated depreciation	(55,923,343)	(6,597,071)	1,024,749	(61,495,665)
Total capital assets being depreciated, net	53,655,927			75,735,282
Governmental activity capital assets, net	$ 81,373,085			$ 93,647,416

Reconciliation of Governmental Activities Increases:

Total capital assets not being depreciated	$ 5,687,269
Total capital assets being depreciated	29,666,120
	$ 35,353,389

General Fund	$ 1,903,024
Non-Major Governmental	362,611
Major Capital	31,518,378
Internal Service	425,753
Transfer from Sanitation	15,360
Transfer from Water and Sewer	51,322
Transfer from Stormwater	29,981
Donated infrastructure	1,046,960
	$ 35,353,389

Capital Assets (continued)

Business-type activities:	Beginning Balances	Increases	Decreases	Ending Balances
Water/Sewer Fund				
Capital assets not being depreciated:				
Land	$ 4,444,153	$ 57,379	$ -	$ 4,501,532
Land Rights	-	31,354	-	31,354
Construction in progress	3,062,177	3,230,431	(1,464,909)	4,827,699
Total capital assets not being depreciated	7,506,330	3,319,164	(1,464,909)	9,360,585
Capital assets being depreciated:				
Buildings	113,002,653	288,548	-	113,291,201
Improvements other than buildings	116,531,947	3,903,605	-	120,435,552
Equipment	5,303,106	181,212	(97,114)	5,387,204
Software	104,400	-	-	104,400
Heavy Equipment	807,895	89,927	(54,670)	843,152
Vehicles	1,776,286	185,354	(154,351)	1,807,289
Total capital assets being depreciated	237,526,287	4,648,646	(306,135)	241,868,798
Less accumulated depreciation for:				
Buildings	(59,413,128)	(5,281,390)	-	(64,694,518)
Improvements other than buildings	(45,249,757)	(5,199,186)	-	(50,448,943)
Equipment	(4,667,249)	(209,107)	92,175	(4,784,181)
Software	(93,400)	(7,333)	-	(100,733)
Heavy Equipment	(665,088)	(63,573)	54,670	(673,991)
Vehicles	(1,200,971)	(226,574)	103,029	(1,324,516)
Total accumulated depreciation	(111,289,593)	$(10,987,163)	$ 249,874	(122,026,882)
Total capital assets being depreciated, net	126,236,694			119,841,916
Business-type activities capital assets, net	$ 133,743,024			$ 129,202,501

Reconciliation of Business-Type Activities Increases:

Total capital assets not being depreciated	$ 3,319,164
Total capital assets being depreciated	4,648,646
	$ 7,967,810
Water and Sewer Fund	$ 456,034
Water Capital Projects	2,229,266
Sewer Capital Projects	4,935,439
Transfers from Primary Government	68,151
Donated Infrastructure	278,920
	$ 7,967,810

Capital Assets (continued)

Business-type activities:	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Fund				
Capital assets being depreciated:				
Buildings	40,983	-	-	40,983
Software	38,744	-	-	38,744
Vehicles	3,202,299	1,038,082	(142,519)	4,097,862
Total capital assets being depreciated	3,282,026	1,038,082	(142,519)	4,177,589
Less accumulated depreciation for:				
Buildings	(40,983)	-	-	(40,983)
Software	(38,744)	-	-	(38,744)
Vehicles	(2,286,288)	(414,479)	142,518	(2,558,249)
Total accumulated depreciation	(2,366,015)	$ (414,479)	$ 142,518	(2,637,976)
Total capital assets being depreciated, net	916,011			1,539,613
Business-type activities capital assets, net	$ 916,011			$ 1,539,613

Reconciliation of Business-Type Activities Increases:

Total capital assets not being depreciated	$ -
Total capital assets being depreciated	1,038,082
	$ 1,038,082
Solid Waste Fund	$ 1,038,082
	$ 1,038,082

Capital Assets (continued)

Business-type activities:	Beginning Balances	Increases	Decreases	Ending Balances
Stormwater/Water Quality Fund				
Capital assets not being depreciated:				
Land Rights	$ 2,970,790	$ -	$ -	$ 2,970,790
Construction in progress	-	-	-	-
Total capital assets not being depreciated	2,970,790	-	-	2,970,790
Capital assets being depreciated:				
Infrastructure	4,431,449	9,125	-	4,440,574
Improvements other than buildings	45,308	-	-	45,308
Equipment	128,221	8,414	-	136,635
Heavy Equipment	326,088	-	(5,897)	320,191
Vehicles	971,451	69,329	(24,084)	1,016,696
Total capital assets being depreciated	5,902,517	86,868	(29,981)	5,959,404
Less accumulated depreciation for:				
Infrastructure	(417,955)	(221,801)	-	(639,756)
Improvements other than buildings	(14,965)	(2,265)	-	(17,230)
Equipment	(111,494)	(6,933)	-	(118,427)
Heavy Equipment	(235,489)	(49,057)	5,897	(278,649)
Vehicles	(575,835)	(120,374)	24,084	(672,125)
Total accumulated depreciation	(1,355,738)	$ (400,430)	$ 29,981	(1,726,187)
Total capital assets being depreciated, net	4,546,779			4,233,217
Business-type activities capital assets, net	$ 7,517,569			$ 7,204,007

Reconciliation of Business-Type Activities Increases:

Total capital assets not being depreciated	$ -
Total capital assets being depreciated	86,868
	$ 86,868
Stormwater/Water Quality Fund	$ 77,743
Stormwater Capital Projects	9,125
	$ 86,868

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

Governmental activities:	
General government	$ 511,329
Public Works	2,351,437
Public Safety	1,925,049
Cultural and Recreational	1,104,865
Economic Development	213,132
Internal Service Funds	400,745
Total depreciation expense - governmental activities	$ 6,506,557
Reconciliation of depreciation:	
Depreciation expense	$ 6,506,557
Transfer of vehicles to General Fund	2,450
Transfer of vehicle from Stormwater to Fleet Maintenance	24,084
Project GF0106 reclassification to other improvements	38,180
Project GF0909 reclassification to infrastructure	1,051
Project GF1007 reclassification to infrastructure	24,749
Total depreciation - governmental activities	$ 6,597,071
Business-type activities:	
Water and Sewer Fund	$ 10,956,090
Solid Waste Fund	414,479
Stormwater/Water Quality Fund	400,430
Total depreciation expense - business-type activities	$ 11,770,999
Reconciliation of depreciation:	
Depreciation expense	$ 11,770,999
Transfer of vehicles to Water & Sewer Fund	31,073
	$ 11,802,072

Construction Commitments

As of June 30, 2014, the City has active construction projects. The City's commitments with contractors at June 30, 2014, are as follows:

Project	Spent to Date	Remaining Commitment
Water and Sewer Improvements	$ 1,790,464	$ 2,834,847
Public Safety Bldg	10,292,136	2,585,857
Street/Storm water Improvements	-	275,416
Recreation	263,677	241,463
Fire	957,984	1,450,444
Total	$ 13,304,261	$ 7,388,027

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) 707-0500, 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 7.07% and 7.28%, 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, 2014, 2013, and 2012 were $1,668,986, $1,595,917, and $1,622,468, 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, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	16
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	129
Total	145

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 $250,710, or 4.3% of annual covered payroll. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

The annual required contribution for the current year was determined as part of the December 31, 2012 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, 2012 was 18 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	$ 254,364
Interest on net pension obligation	(1,177)
Adjustment to annual required contribution	1,919
Annual pension cost	255,106
Contributions made	(250,710)
Increase in net pension obligation	4,396
Net pension (asset) obligation beginning of fiscal year	(23,548)
Net pension (asset) obligation end of fiscal year	$ (19,152)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/12	$ 211,317	100%	$ -
6/30/13	242,928	110%	(23,548)
6/30/14	255,106	98%	(19,152)

As of December 31, 2013, the most recent actuarial valuation date, the plan was 14.86 percent funded. The actuarial accrued liability for benefits was $2,704,828, and the actuarial value of assets was $401,898, resulting in an unfunded actuarial accrued liability (UAAL) of $2,302,930. The covered payroll (annual payroll of active employees covered by the plan) was $5,825,554, and the ratio of the UAAL to the covered payroll was 39.53 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) 707-0500, 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, 2014, were $348,580, which consisted of $282,379 from the City and $66,201 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, 2014 were $581,282, which consisted of $355,995 from the City and $225,287 from the employees.

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

***Plan Description*.** The State of North Carolina contributes, on behalf of the City of Jacksonville, to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), a cost sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers 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 Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 707-0500, 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 Postemployment Benefits

<u>Healthcare Benefits</u>

Plan Description

Provided by a City Council Action, during a regular meeting on July 27, 1999, the City's Employee Health Benefit Plan (the Plan), was amended to allow eligible City retirees to stay on the City's health insurance plan, with the retiree paying the full actuarially determined premium cost. The Plan is a single-employer defined benefit plan. The Plan provides postemployment healthcare benefits to retirees of the City who qualify for retirement from the North Carolina Local Governmental Employees' Retirement System (NCLGERS) and have at least 10 years of continuous service with the City immediately preceding retirement. Additionally, employees who have worked with the City for 20 years (regardless of age) are eligible to continue coverage. Health care and prescription drug coverage insurance are offered within the City's health care plan until the retiree reaches age 65. Retirees may also elect dependent coverage, paying the full premium cost. Retirees who qualify for coverage receive the same benefits as active employees. During a meeting on May 25, 2010, the City Council placed a freeze on the retiree health insurance benefits for all employees hired as of July 1, 2010. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

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

Active Members	
Law Enforcement Officers	97
Firefighters	67
General employees	271
Retired Members	27
Total	462

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 1.0% of annual covered payroll. For the fiscal year ended June 30, 2014, the total retiree contributions for health insurance were $172,872. 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 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	$ 194,856
Interest on net OPEB obligation	27,524
Adjustment to annual required contribution	(38,263)
Annual OPEB cost	184,117
Contributions made	(118,285)
Increase in net pension obligation	65,832
Net OPEB obligation, beginning of year	688,096
Net pension OPEB obligation, end of year	$ 753,928

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013 and 2012 were as follows:

Three-Year Trend Information

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Liability
6/30/12	$ 265,915	19.3%	$ 690,672
6/30/13	171,856	101.5%	688,096
6/30/14	184,117	64.2%	753,928

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 funding 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 of 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 temporarily 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 ($2.9 million), computer equipment ($7.8 million), and property ($109.4 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 $195,349 reported in the Self Insurance Fund at June 30, 2014, 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, 2004 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
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	3,329,464	317,347
2013-2014	317,347	2,863,383	2,985,381	195,349

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 totaling $643,400 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, 2014, 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, 2014, the City had a legal debt margin of $266,992,690.

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 0.75% to 5.00%.

The installment purchase contracts payable at June 30, 2014, are comprised of the following individual contracts:

Serviced by the General Fund:

	Principal Balance June 30, 2014
$5,000,000 installment agreement – for City Hall Expansion with Bank of America dated December 9, 2002; remaining balance payable in 41 equal principal payments of $27,778 not including interest at 3.95%	$ 1,138,890
$554,157 installment agreement - for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable 4 payments of $9,962 including interest at 2.463%	39,644
$591,200 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 16 monthly payments of $10,427 including interest at 1.66%	164,885
$485,000 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 4 monthly payments of $13,761 including interest at 1.46%	54,877
$867,182 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 27 monthly payments of $15,286 including interest at 1.64%	404,950
$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%	25,565,276
$1,147,000 installment agreement - for the Jacksonville Landing real property purchase with First Bank dated February 21, 2013; remaining balance payable in 42 monthly payments of $20,201 including interest at 1.60%	824,605
$409,000 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 17 monthly payments of $11,519 including interest at 0.949%	194,436
$423,109 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 40 monthly payments of $7,378 including interest at 1.183%	289,244
$860,000 installment agreement - for vehicle and equipment with US Bancorp dated June 21, 2013; remaining balance payable in 46 monthly payments of $14,997 including interest at 1.183%	674,115
$341,000 installment agreement - for vehicles and equipment with First Bank dated January 27, 2014; remaining balance payable in 30 monthly payments of $9,472 not including interest at 0.75%	284,167

Serviced by the General Fund (continued):

$2,054,532 installment agreement - for vehicles and equipment with BAPCC dated February 10, 2014; remaining balance payable in 54 monthly payments of $34,822 not including interest at 1.31%	1,880,419
$1,024,000 installment agreement - for vehicles and equipment with US Bancorp dated April 30, 2014; remaining balance payable in 56 monthly payments of $17,907 including interest at 1.30%	972,442
$594,000 installment agreement - for 911 equipment with First Bank dated June 4, 2014; remaining balance payable in 35 monthly payments of $16,500 not including interest at 0.95%	577,500
Total	$ 33,065,450

The future minimum payments of the installment purchases payable as of June 30, 2014, including $10,390,710 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 3,792,260	$ 1,181,200	$ 4,973,460
2016	3,552,920	1,084,213	4,637,133
2017	3,262,944	990,458	4,253,402
2018	2,591,438	902,887	3,494,325
2019	1,879,459	831,558	2,711,017
2020-2024	7,296,429	3,183,144	10,479,573
2025-2029	6,700,000	1,818,250	8,518,250
2030-2034	3,990,000	399,000	4,389,000
Total	$ 33,065,450	$ 10,390,710	$ 43,456,160

Serviced by the Water and Sewer Fund:

	Principal Balance June 30, 2014
$4,290,806 installment agreement – for the Public Services/Fleet Complex with Bank of America dated August 12, 2003; remaining balance payable in 50 monthly payments of $23,838 not including interest at 3.235%	$ 1,191,882
$1,660,132 installment agreement – for an elevated water storage tank with PNC Bank dated May 14, 2004; remaining balance payable in 58 monthly payments of $9,223 not including interest at 3.27%	534,931
$864,690 installment agreement – for water and sewer line replacements with PNC Bank dated August 12, 2004; remaining balance payable in 1 principal payments of $7,111 not including interest at 3.44%	7,116
$2,950,600 installment agreement – for water and sewer line replacements and water well construction with Wells Fargo dated December 19, 2005; remaining balance payable in 17 monthly payments of $29,187 including interest at 3.57%	483,146

Serviced by the Water and Sewer Fund (continued):

$7,700,000 installment agreement – for vehicles and equipment with Wells Fargo dated October 20, 2006; remaining balance payable in 27 monthly payments of $76,985 including interest at 3.80%	1,989,203
$95,141 installment agreement - for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable in 4 monthly payments of $1,710 including interest at 2.463%	6,806
$535,100 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 16 monthly payments of $9,437 including interest at 1.66%	149,239
$17,000 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 4 monthly payments of $482 including interest at 1.46%	1,924
$432,556 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 27 monthly payments of $7,625 including interest at 1.64%	201,992
$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%	3,034,724
$15,000 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 17 monthly payments of $422 including interest at 0.949%	7,131
$401,185 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 40 monthly payments of $6,996 including interest at 1.183%	274,256
$335,092 installment agreement - for vehicles and equipment with Bank of America dated February 10, 2014; remaining balance payable in 54 monthly payments of $5,680 not including interest at 1.31%	306,694
Total	$ 8,189,044

The future minimum payments of the installment purchases payable as of June 30, 2014, including $491,304 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 3,215,469	$ 255,114	$ 3,470,583
2016	2,975,588	143,709	3,119,297
2017	1,114,513	50,240	1,164,753
2018	533,897	21,593	555,490
2019	216,006	9,117	225,123
2020-2024	133,571	11,531	145,102
Total	$ 8,189,044	$ 491,304	$ 8,680,348

Serviced by the Solid Waste Fund:

	Principal Balance June 30, 2014
$25,756 installment agreement - for vehicles and equipment with Bank of America dated December 18,2009 ; remaining balance payable in 4 monthly payments of $482 including interest at 2.463%	$ 1,916
$388,600 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 16 monthly payments of $6,854 including interest at 1.66%	108,380
$348,633 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 27 monthly payments of $6,145 including interest at 1.64%	162,802
$407,714 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 40 monthly payments of $7,110 including interest at 1.183%	278,720
$276,552 installment agreement - for vehicles and equipment with BAPCC dated February 10, 2014; remaining balance payable in 54 monthly payments of $4,687 not including interest at 1.31%	253,115
$1,039,400 installment agreement - for vehicles and equipment with US Bancorp dated April 30, 2014; remaining balance payable in 56 monthly payments of $18,176 including interest at 1.30%	987,067
Total	$ 1,792,000

The future minimum payments of the installment purchases payable as of June 30, 2014, including $48,457 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 499,813	$ 20,753	$ 520,566
2016	449,018	14,057	463,075
2017	371,014	8,600	379,614
2018	299,331	4,233	303,564
2019	172,824	814	173,638
Total	$ 1,792,000	$ 48,457	$ 1,840,457

Serviced by the Fleet Maintenance Fund:

	Principal Balance June 30, 2014
$19,576 installment agreement - for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable in 4 monthly payments of $352 including interest at 2.463%	$ 1,400
$30,900 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 40 monthly payments of $539 including interest at 1.183%	21,124
$56,830 installment agreement - for vehicles and equipment with US Bancorp dated April 30, 2014; remaining balance payable in 56 monthly payments of $37,076 including interest at 1.30%	53,969
Total	$ 76,493

The future minimum payments of the installment purchases payable as of June 30, 2014, including $2,119 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 18,942	$ 858	$ 19,800
2016	17,763	628	18,391
2017	17,987	404	18,391
2018	13,890	191	14,081
2019	7,911	38	7,949
Total	$ 76,493	$ 2,119	# $ 78,612

Serviced by the City Hall Maintenance Fund:

	Principal Balance June 30, 2014
$12,925 installment agreement - for building equipment with US Bancorp dated December 3, 2012; remaining balance payable in 40 monthly payments of $225 including interest at 1.183%	$ 8,836
Total	$ 8,836

The future minimum payments of the installment purchases payable as of June 30, 2014, including $180 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 2,614	$ 90	$ 2,704
2016	2,646	59	2,705
2017	2,677	28	2,705
2018	899	3	902
Total	$ 8,836	$ 180	$ 9,016

Serviced by the Information Technology Services Fund:

	Principal Balance June 30, 2014
$100,000 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 4 monthly payments of $2,837 including interest at 1.46%	$ 11,315
$100,000 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 17 monthly payments of $2,816 including interest at 0.949%	47,539
$160,000 installment agreement - for vehicles and equipment with First Bank dated January 27, 2014; remaining balance payable in 30 monthly payments of $4,445 not including interest at 0.75%	133,333
Total	$ 192,187

The future minimum payments of the installment purchases payable as of June 30, 2014, including $1,665 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 98,139	$ 1,157	$ 99,296
2016	67,382	450	67,832
2017	26,666	58	26,724
Total	$ 192,187	$ 1,665	$ 193,852

Serviced by the Video Media Services Fund:

	Principal Balance June 30, 2014
$20,000 installment agreement - for equipment with Bank of America dated November 18, 2011; remaining balance payable in 3 monthly payments of $567 including interest at 1.46%	$ 1,497
Total	$ 1,497

The future minimum payments of the installment purchases payable as of June 30, 2014, including $7 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 1,497	$ 7	$ 1,504
Total	$ 1,497	$ 7	$ 1,504

Serviced by the Stormwater Fund:

	Principal Balance June 30, 2014
$25,756 installment agreement – for vehicles and equipment with Bank of America dated December 18, 2009; remaining balance payable in 4 monthly payments of $463 including interest at 2.463%	$ 1,842
$4,100,000 installment agreement/Build America Bond - for stormwater improvements with PNC Bank dated December 16, 2010; remaining balance payable in 13 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%.	2,818,374
$85,100 installment agreement - for vehicles and equipment with Bank of America dated December 17, 2010; remaining balance payable in 16 monthly payments of $1,501 including interest at 1.66%	23,734
$192,629 installment agreement - for vehicles and equipment with Bank of America dated November 18, 2011; remaining balance payable in 27 monthly payments of $3,396 including interest at 1.64%	89,952
$197,167 installment agreement - for vehicles and equipment with US Bancorp dated December 3, 2012; remaining balance payable in 40 monthly payments of $3,438 including interest at 1.183%	134,787
$68,824 installment agreement - for vehicles and equipment with BAPCC dated February 10, 2014; remaining balance payable in 54 monthly payments of $1,167 not including interest at 1.31%	62,991
Total	$ 3,131,680

The future minimum payments of the installment purchases payable as of June 30, 2014, including $351,228 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 507,697	$ 95,518	$ 603,215
2016	508,664	80,508	589,172
2017	487,007	65,418	552,425
2018	464,119	50,432	514,551
2019	458,276	35,359	493,635
2020-2024	705,918	23,993	729,911
Total	$ 3,131,681	$ 351,228	$ 3,482,909

B. Loans Payable

Water and Sewer Fund:

	Principal Balance June 30, 2014
$27,955,716 State Revolving Loan dated June 3, 2008 due in 17 annual installments of $1,397,786 each; interest at 2.10%	$ 23,762,358
$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 17 annual installments of $875,000 each; interest at 2.10%	14,875,000
$1,500,000 State Revolving Loan dated July 7, 2009 due in 18 annual installments of $75,000 each; interest at 0.0%	1,350,000
Total	$ 50,522,655

The future minimum payments of the loans payable as of June 30, 2014, including $8,919,660 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 2,949,763	$ 1,075,890	$ 4,025,653
2016	2,949,763	934,844	3,884,607
2017	2,949,763	875,016	3,824,779
2018	2,949,763	815,188	3,764,951
2019	2,949,763	755,359	3,705,122
2020-2024	14,748,816	2,879,374	17,628,190
2025-2029	14,748,816	1,383,667	16,132,483
2030-2034	6,276,208	200,322	6,476,530
Total	$ 50,522,655	$ 8,919,660	$ 59,442,315

C. Revenue Bonds Payable

Serviced by the Water and Sewer Fund:

	Principal Balance June 30, 2014
$501,235 Revenue Bond Payable dated September 10, 2009 due in 29 monthly installments of $6,695 including interest at 3.95%	$ 184,888
$25,000,000 Revenue Bond Payable dated September 10, 2009 due in 15 annual installments with semi-annual interest payments at 4.55%	22,405,000
$12,328,634 Revenue Bond Payable dated September 17, 2010 due in 27 semi-annual installments with semi-annual interest payments at 3.97%	10,357,136
$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	$ 36,375,270

The future minimum payments of the bonds payable as of June 30, 2014, including $15,240,267 of interest, are as follows:

Year Ending June 30	Principal	Interest	Total
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	1,993,205	1,321,242	3,314,447
2020-2024	11,347,310	5,224,925	16,572,235
2025-2029	14,039,806	2,501,543	16,541,349
2030-2034	1,635,257	100,304	1,735,561
Total	$ 36,375,270	$ 15,240,267	$ 51,615,537

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, 2014, are as follows:

	For the Fiscal Year Ending June 30th	2014
	Operating Revenues	
	User Charges	$ 21,849,926
	Subtotal: Operating Revenues	21,849,926
	Operating Expenses	
	Salaries, Fringe Benefits and Operating Expenditures	11,634,449
	Depreciation and Amortization	10,956,090
	Subtotal: Operating Expenses	22,590,539
	Operating Income	(740,613)
	Nonoperating Revenues (Expenses):	
	Investment Earnings	23,638
	Interest Expense	(2,762,229)
	Other Nonoperating Revenue	949,857
	Subtotal: Nonoperating Revenues (Expenses)	(1,788,734)
	Loss before Transfers and Capital Contributions	(2,529,347)
	Adjustments	
	Plus: Depreciation and Amortization	10,956,090
	Plus: Interest Expense	2,762,229
A	**Net Revenues**	**11,188,972**
	Plus 20% of Surplus Account	6,642,205
B	**Net Revenues plus 20% of Surplus Account**	17,831,177
	Parity Indebtedness	
	Series 2009 and 2010 Revenue Bonds*	3,366,324
C	Subtotal: Revenue Bond Debt Service	**3,366,324**
	Debt Service Coverage - Parity Indebtedness	
	Calculated Using Net Revenues (A/C)	3.32
	Calculated Using Net Revenues plus 20% of Surplus Account (B/C)	5.30
D	**Net Revenues Available for Subordinate and Other Debt Service (A-C)**	7,822,648
	Subordinate and Other Indebtedness	
	State Revolving Fund Loans	
	2010 - 29 State RLF $27,955,716	1,867,442
	2010 - 29 State RLF $12,039,547	-
	2010 - 29 State RLF $17,500,000	1,205,750
	2004 - 14 State RLF $1,000,000	102,820
	1997 - 17 State RLF $3,000,000	75,000
	Subtotal: SRF Loans--SUBORDINATE DEBT	**3,251,012**
	Installment Purchases--OTHER INDEBTEDNESS	3,588,151

(Continued on next page)

E	**Subordinate and Other Indebtedness**	6,839,163
	Debt Service Coverage - Subordinate and Other Indebtedness (D/E)	1.14
F	**Total Debt Service: Revenue Bonds plus Subordinate and Other Indebtedness**	10,205,487
	Debt Service Coverage - Total Debt	
	Calculated using Net Revenues (A/F)	1.10
	Calculated using Net Revenues plus 20% of Surplus Account (B/F)	1.75
	Net Revenues After Total Debt	983,485
*	**Debt Service for 2009 and 2010 Series:**	
	2009A	$ 80,341
	2009C	2,064,928
	2010A	1,011,932
	2010B	209,123
	Total	$ 3,366,324

D. Changes in Long-Term Liabilities – Governmental Activities

Long-term liability activity for Governmental Activities for the year ended June 30, 2014, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Installment purchases	$ 32,661,095	$ 4,230,362	$ 3,546,994	$ 33,344,463	$ 3,913,452
Unamortized premiums - I/P	2,684,423	-	96,467	2,587,956	131,054
Other postemployment benefits	633,376	324,017	265,499	691,894	-
*Compensated absences	1,519,870	725,991	701,245	1,544,616	810,074
Total	$ 37,498,764	$ 5,280,370	$ 4,610,205	$ 38,168,929	$ 4,854,580

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
By purpose					
General government	$ 5,837,277	$ 328,340	$ 674,222	$ 5,491,395	$ 671,627
Fire equipment	4,396,837	855,810	738,882	4,513,765	763,343
Police equipment	21,760,675	2,743,505	1,597,495	22,906,685	1,970,808
Recreation	3,045,582	59,101	463,759	2,640,924	487,739
Streets	103,442	26,776	29,581	100,637	29,798
Fleet Maintenance	32,834	56,830	13,171	76,493	18,941
City Hall Maintenance	11,419	-	2,584	8,835	2,614
Information Technology Services	149,232	160,000	117,044	192,188	98,139
Video/Media Services	8,220	-	6,723	1,497	1,497
Other postemployment benefits	633,376	324,017	265,499	691,894	-
*Compensated absences	1,519,870	725,991	701,245	1,544,616	810,074
Total	$ 37,498,764	$ 5,280,370	$ 4,610,205	$ 38,168,929	$ 4,854,580

*The General Fund is used to liquidate the liability for compensated absences and 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, 2014, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Loans	$ 52,970,441	$ -	$ 2,447,786	$ 50,522,655	$ 2,949,763
Revenue Bonds	38,030,096	-	1,654,826	36,375,270	1,755,055
Installment purchases	15,418,804	1,719,868	4,025,947	13,112,725	4,222,974
Unamortized premiums - I/P	351,259	-	80,185	271,074	108,830
Other postemployment benefits	54,720	32,972	25,658	62,034	-
*Compensated absences	338,557	189,628	193,712	334,473	222,272
Total	$ 107,163,877	$ 1,942,468	$ 8,428,114	$ 100,678,231	$ 9,258,894

By purpose	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Water Supply	$ 46,921,006	$ 27,006	$ 2,432,040	$ 44,515,972	$ 3,026,794
Metering	18,870	21,092	6,921	33,041	9,507
Utilities Maintenance	530,648	202,471	202,527	530,592	222,143
Sewer	54,957,229	84,523	4,763,314	50,278,438	4,770,668
Solid Waste/Sanitation	789,155	1,315,952	313,107	1,792,000	499,813
Stormwater/Water Quality	3,553,692	68,824	490,835	3,131,681	507,697
Other postemployment benefits	54,720	32,972	25,658	62,034	-
*Compensated absences	338,557	189,628	193,712	334,473	222,272
Total	$ 107,163,877	$ 1,942,468	$ 8,428,114	$ 100,678,231	$ 9,258,894

Note 10. Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2014, consist of the following:

		Reconciliation to Exhibit A	
Payable Fund	Amount	Governmental	Business-Type
Non-Major Governmental	$ 40,222	$ -	$ -
General	4,954	(4,954)	4,954
	$ 45,466	(4,954)	4,954
		$ (4,954)	$ 4,954

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:

	Unavailable Revenue	Unearned Revenue
General Fund		
Prepaid taxes not yet earned	$ -	$ 172
Taxes receivable	1,521,989	-
Beer and wine tax receivable	83,680	-
Sturgeon City	-	80
Youth Council	-	416
Harmony Grant	-	919
MPO contributions	-	39,190
Special Olympics	-	50
Recreation fees not yet earned	-	5,298
Recreation - Sponsorships	-	5,000
Police - Memorial Fountain	-	1,750
National Night Out	-	10,223
Fire Department Materials	322	-
Tree fund donations not yet earned, included in restricted assets	-	46
Beirut memorial donations not yet earned, included in restricted assets	-	1,090
Privilege licenses for next year	-	223,283
Investment interest receivable	749	-
Total	$ 1,606,740	$ 287,517
Proprietary Fund		
Scientific Study Deposit	$ -	$ 24,000
Special assessments receivable	-	66,161
Collection fees	-	117
Total	$ -	$ 90,278

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, 2014 are as follows:

	General Fund	Non-Major Governmental	Major Capital Projects	Major Solid Waste	Major Water and Sewer	Total Transfers Out
General Fund	$ -	$ 3,197,738	$ 321,585	$ 1,526,155	$ -	$ 5,045,478
Non-Major Governmental	1,173,785	-	433,200	-	388,288	1,995,273
Major Capital Projects	541,739	303,307	-	-	-	845,046
Major Water and Sewer	-	450,000	-	-	-	450,000
Total Transfers In	$ 1,715,524	$ 3,951,045	$ 754,785	$ 1,526,155	$ 388,288	$ 8,335,797

Transfers consist primarily of the following:

$ 790,304	From Capital Reserve to General Fund for debt retirement
$ 329,631	From Capital Reserve to Water Sewer Fund for debt retirement
$ 1,472,787	From General Fund to Capital Reserve
$ 733,946	From General Fund to Non-Major Governmental funds to match grants
$ 1,526,155	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, 2014, are as follows:

General Fund	$ 628,082
Capital Projects	5,337,402
Non Major Funds	3,547,897

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, 2014 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 FY2013, 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 FY2014 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 2013, the City committed to long-term debt in order to build a $4 million 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. Pronouncements Issued, Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2014 that have effective dates applicable to future years and may impact future financial presentations. Of these pronouncements, the following may have an impact on the City's future financial presentations:

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 ended June 30, 2015 and should be applied on a prospective basis.

GASB Statement Number 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68" should be applied simultaneously with the provisions of Statement No. 68, which will be effective for the City beginning with its year ending June 30, 2015.

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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

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Exhibit K

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)
12/31/08	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
12/31/13	401,898	2,704,828	2,302,930	14.86	5,825,554	39.53

Exhibit L

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
2014	254,364	99

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 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

Exhibit M

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
2012	265,915	19.3 %
2013	243,994	71.5
2014	194,856	60.7

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

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GENERAL FUND

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

Statement 1

City of Jacksonville, North Carolina
General Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets:		
Cash and cash equivalents	$ 12,670,414	$ 14,548,849
Restricted cash and cash equivalents	4,060,461	3,075,954
Taxes receivable (net)	1,643,923	1,571,597
Accounts receivable (net)	4,627,789	4,329,987
Interfund receivables	40,222	375,793
Inventories	32,830	21,589
Prepaid items	3,549	3,736
Total Assets	$ 23,079,188	$ 23,927,505
Liabilities, Deferred Inflows of Resources and Fund Balances		
Accounts payable and accrued liabilities	$ 1,545,794	$ 1,731,944
Interfund payable	4,954	-
Total Current Liabilities	1,550,748	1,731,944
Noncurrent Liabilities:		
Customer deposits	874,099	355,785
Total Noncurrent Liabilities	874,099	355,785
Total Liabilities	2,424,847	2,087,729
Total Deferred Inflows of Resources	1,894,257	2,081,535
Fund Balances:		
Non Spendable:		
Inventories	32,830	21,589
Compensating balance	2,000,000	625,000
Prepaid items	3,549	3,736
Restricted:		
Stabilization by State Statute	5,333,276	6,314,625
Streets	1,116,344	981,933
Public Safety	68,878	1,112,514
Assigned:		
Subsequent year's expenditures	2,002,776	5,228,768
Unassigned	8,202,431	5,470,076
Total Fund Balances	18,760,084	19,758,241
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 23,079,188	$ 23,927,505

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Current year (net of discounts)	$ 19,405,485	$ 20,071,523	$ 666,038	$ 19,173,048
Prior years	501,950	404,185	(97,765)	437,457
Penalties and interest	114,525	151,571	37,046	151,085
Total	20,021,960	20,627,279	605,319	19,761,590
Other taxes and licenses:				
Privilege licenses	800,000	761,840	(38,160)	765,542
Local option sales tax	3,809,481	3,851,755	42,274	4,518,899
One-half cent sales tax (2003)	1,764,120	2,039,896	275,776	2,185,812
One-half cent sales tax (1983)	2,087,123	2,229,731	142,608	2,445,977
One-half cent sales tax (1986)	1,970,271	2,010,857	40,586	2,341,978
Gross receipt on short term vehicle tax	170,100	187,443	17,343	174,815
Total	10,601,095	11,081,522	480,427	12,433,023
Unrestricted intergovernmental revenues:				
Utility franchise tax	2,703,814	2,932,050	228,236	2,806,225
Beer and wine tax	335,106	334,721	(385)	301,235
Payment in lieu of taxes (PILOT)	3,500	5,110	1,610	5,915
State Owned Buildings Fire Protection	2,039	1,785	(254)	1,797
ABC revenue	62,800	82,564	19,764	69,999
Total	3,107,259	3,356,230	248,971	3,185,171
Restricted intergovernmental revenues:				
Federal – 104F transportation grant	311,222	293,771	(17,451)	167,042
Federal – FTA Section 5303 grant	25,176	17,931	(7,245)	30,795
Federal – DEA Task Force	12,000	3,632	(8,368)	16,438
State – Mosquito Control grant	-	-	-	2,795
State – CAMA permits	-	80	80	100
State – Street-aid Allocation	1,828,899	1,828,899	-	1,769,306
State – 5305 State grant funds	3,147	2,241	(906)	3,849
State – Arts Council	1,500	1,000	(500)	1,500
Local – Juvenile Transportation	100	224	124	107
Local – EAP ongoing grant	-	-	-	3,000
Local – NCLM Safety grant	1,000	-	(1,000)	-
Local – Police Dept Community Services Contribution	300	-	(300)	-
Local – TDA Contribution for Sturgeon City	150,000	150,000	-	150,000
Local – NARTEST-Court Ordered Payment	500	-	(500)	600
Local – Transit System (OUTS)	3,147	-	(3,147)	-
Metropolitan Planning Organization	55,261	14,214	(41,047)	17,491
Total	2,392,252	2,311,992	(80,260)	2,163,023

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Permits and fees:				
Taxi permits	$ 11,000	$ 14,061	$ 3,061	$ 11,777
Development review fees	50,000	46,740	(3,260)	42,227
Planning fees	25,000	9,250	(15,750)	22,100
Inspection fees	662,000	657,905	(4,095)	616,980
Erosion control fees	9,000	6,025	(2,975)	6,113
Fire protection permit	18,000	22,289	4,289	20,565
Nuisance abatement fees	20,500	31,048	10,548	28,561
Police Department	-	300	300	-
Total	795,500	787,618	(7,882)	748,323
Sales and services:				
Utility patching service	30,000	18,476	(11,524)	18,755
Recreation fees	754,078	623,933	(130,145)	531,174
Recreation concession	55,000	67,931	12,931	55,034
Photocopy and map sales	200	1,027	827	295
Credit reports	8,000	9,083	1,083	7,706
Powell Bill equipment use allowance	31,000	14,745	(16,255)	18,400
Property leases	77,100	77,100	-	77,100
Youth Center	5,000	-	(5,000)	-
Annexation/street closing petition	1,500	1,500	-	1,500
Funeral escorts	5,000	6,776	1,776	5,050
Wrecker rotation member	8,000	8,500	500	7,750
Miscellaneous sales	1,500	209	(1,291)	1,232
NC DOT	3,361	-	(3,361)	3,362
Total	979,739	829,280	(150,459)	727,358
Investment earnings:				
Investment earnings	76,320	47,598	(28,722)	68,836
Investment earnings - Powell Bill	469	117	(352)	435
Total	76,789	47,715	(29,074)	69,271
Miscellaneous:				
Police court fees	62,800	58,280	(4,520)	62,788
Parking fines	20	-	(20)	-
Program income–Powell Bill	-	17,350	17,350	17,350
Miscellaneous	143,143	269,994	126,851	336,123
Contributions	11,400	12,428	1,028	23,350
Total	217,363	358,052	140,689	439,611
Total revenues	38,191,957	39,399,688	1,207,731	39,527,370

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:				
General government				
Mayor and Council				
Salaries and employee benefits		$ 60,202		$ 60,212
Operating expenses		112,005		121,043
Other departmental expenses		199,629		133,219
Overhead allocation from General Fund		(192,789)		(200,338)
Total		179,047		114,136
City Manager				
Salaries and employee benefits		503,110		463,072
Operating expenses		36,290		40,925
Maintenance and repair		-		310
Contracted services		-		-
Other departmental expenses		87,664		75,983
Overhead allocation from General Fund		(288,811)		(274,767)
Total		338,253		305,523
Human Resources				
Salaries and employee benefits		391,764		421,535
Operating expenses		143,220		169,218
Maintenance and repair		-		
Contracted services		35,269		18,310
Other departmental expenses		60,018		64,737
Capital outlay		-		
Overhead allocation from General Fund		(205,243)		(175,079)
Total		425,028		498,721
City Clerk				
Salaries and employee benefits		165,698		163,679
Operating expenses		11,144		15,102
Other departmental expenses		42,016		38,729
Overhead allocation from General Fund		(43,223)		(42,796)
Total		175,635		174,714
Elections				
Contracted services		20,083		-
Total		20,083		-
Finance				
Salaries and employee benefits		1,343,012		1,326,273
Operating expenses		335,882		318,364
Maintenance and repairs		585		25
Contracted services		496,954		402,319
Other departmental expenses		183,949		198,816
Capital outlay		2,800		13,185
Overhead allocation from General Fund		(978,986)		(966,687)
Total		1,384,196		1,292,295

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Community Programs				
Salaries and employee benefits		$ 179,530		$ 169,080
Operating expenses		50,427		75,243
Maintenance and repairs		158		3,755
Contracted services		40,858		55,903
Other departmental expenses		38,622		35,597
Overhead allocation from General Fund		(45,626)		(40,209)
Total		263,969		299,369
Legal				
Salaries and employee benefits		180,800		179,781
Operating expenses		11,833		13,926
Contracted services		6,355		3,078
Other departmental expenses		6,719		8,441
Overhead allocation from General Fund		(141,520)		(139,832)
Total		64,187		65,394
Planning				
Salaries and employee benefits		747,693		718,077
Operating expenses		73,021		103,670
Maintenance and repairs		-		6,047
Contracted services		-		3,879
Other departmental expenses		62,552		64,729
Capital outlay		1,280		-
Overhead allocation from General Fund		(119,691)		(97,138)
Total		764,855		799,264
Transportation				
Salaries and employee benefits		193,291		191,641
Operating expenses		20,026		22,458
Maintenance and repairs		5,154		-
Contracted services		213,251		88,758
Other departmental expenses		25,452		26,318
Total		457,174		329,175
Non-departmental				
Salaries and employee benefits		-		526
Operating expenses		86,017		85,291
Utilities, maintenance and repairs		5,379		4,829
Contracted services		4,347		15,207
Other departmental expenses		(3,681)		64,016
Reserve for insurance deductible		222,430		211,385
Miscellaneous payments		189,756		207,340
Bad debts		9,600		18,772
Total		513,848		607,366
Total general government	5,785,375	4,586,275	1,199,100	4,485,957

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Public works				
Inspections				
Salaries and employee benefits		$ 501,063		$ 512,738
Operating expenses		48,948		73,310
Contracted services		-		8
Other departmental expenses		112,577		123,088
Capital outlay		27,340		25,378
Total		689,928		734,522
Code Enforcement				
Salaries and employee benefits		224,254		223,947
Operating expenses		19,693		24,338
Contracted services		9,917		7,174
Other departmental expenses		29,018		31,558
Total		282,882		287,017
Administration				
Salaries and employee benefits		27,292		43,847
Operating expenses		2,461		2,299
Other departmental expenses		10,067		9,471
Total		39,820		55,617
Engineering				
Salaries and employee benefits		140,302		162,495
Operating expenses		14,170		22,211
Maintenance and repairs		1		3,464
Contracted services		6,024		4,641
Other departmental expenses		37,199		36,036
Overhead allocation from General Fund		(105,039)		(113,884)
Total		92,657		114,963
Maintenance				
Salaries and employee benefits		466,547		508,648
Operating expenses		72,680		84,755
Utilities		12,339		10,554
Maintenance and repairs		35,691		55,585
Contracted services		22,992		64,981
Other departmental expenses		58,645		65,992
Capital outlay		172,955		7,726
Overhead allocation from General Fund		(115,861)		(120,978)
Total		725,988		677,263

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Streets - Powell Bill				
Salaries and employee benefits		$ 395,992		$ 426,198
Operating expenses		425,418		295,714
Maintenance and repairs		21,243		29,172
Contracted services		4,410		8,073
Total		847,063		759,157
Streets - Non-Powell Bill				
Salaries and employee benefits		580,498		602,351
Operating expenses		129,913		139,503
Utilities		576,238		576,574
Maintenance and repairs		6,122		508
Street lighting		406,895		397,748
Contracted services		52,418		14,314
Other departmental expenses		80,803		79,990
Mosquito control		11,593		18,255
Capital outlay		18,561		101,217
Overhead allocation from General Fund		(75,796)		(73,156)
Total		1,787,245		1,857,304
Streets - Traffic Signal Control				
Salaries and employee benefits		179,349		102,204
Operating expenses		41,107		9,282
Utilities		412		-
Maintenance and repairs		1,396		2,952
Other departmental expenses		20,522		22,065
Capital outlay		302,169		55,486
Total		544,955		191,989
Total public works	6,046,749	5,010,538	1,036,211	4,677,832
Public safety				
Police				
Salaries and employee benefits		8,625,384		8,712,568
Employer contribution to separation allowance trust fund		250,710		266,476
Operating expenses		1,559,823		1,557,319
Utilities		59,414		54,460
Maintenance and repairs		32,649		31,535
Contracted services		16,358		30,438
Other departmental expenses		1,230,208		1,307,856
Capital outlay		532,849		592,224
Total		12,307,395		12,552,876

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Fire				
Salaries and employee benefits		$ 5,051,246		$ 4,973,299
Operating expenses		480,020		479,898
Utilities		78,186		77,420
Maintenance and repairs		42,338		50,738
Contracted services		42,906		45,657
Other departmental expenses		387,612		416,470
Capital outlay		782,771		213,981
Total		6,865,079		6,257,463
Total public safety	20,244,982	19,172,474	1,072,508	18,810,339
Cultural and recreational				
Recreation				
Salaries and employee benefits		2,232,662		2,217,950
Operating expenses		620,065		600,397
Utilities		281,268		273,022
Maintenance and repairs		120,735		109,658
Contracted services		791,076		840,842
Other departmental expenses		313,656		297,019
Capital outlay		62,297		108,947
Total cultural and recreational	4,893,123	4,421,759	471,364	4,447,835
Debt service				
Principal retirements	3,699,634	3,390,973	308,661	2,858,417
Interest and fees	1,337,829	1,243,860	93,969	1,120,423
Total debt service	5,037,463	4,634,833	402,630	3,978,840
Total expenditures	42,007,692	37,825,879	4,181,813	36,400,803
Revenues over (under) expenditures	(3,815,735)	1,573,809	5,389,544	3,126,567

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Debt issued	$ 680,091	$ 650,981	$ (29,110)	$ 1,692,109
Appropriated fund balance	6,986,897	-	(6,986,897)	-
Sales of general capital assets	45,000	100,647	55,647	88,536
Sales of capital assets - Powell Bill	-	6,360	6,360	-
Transfers in--				
From Major Capital Project Fund	541,739	541,739	-	493,864
From Major Enterprise Fund	-	-	-	20,360
From Non-Major Governmental Fund	1,173,784	1,173,785	1	748,370
Transfers (out)--				
To Major Capital Project Fund	(321,585)	(321,585)	-	(263,000)
To Major Enterprise Fund	(2,092,452)	(1,526,155)	566,297	(1,419,938)
To Non-Major Governmental Fund	(3,197,739)	(3,197,738)	1	(3,223,790)
Total other financing (uses)	3,815,735	(2,571,966)	(6,387,701)	(1,863,489)
Net change in fund balance	$ -	(998,157)	$ (998,157)	1,263,078
Fund balance:				
Beginning of year, July 1		19,758,241		18,495,163
End of year, June 30		$ 18,760,084		$ 19,758,241

MAJOR CAPITAL PROJECTS FUND

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

Individual Project Descriptions:

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

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 construction of a Vietnam Veterans Memorial.

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

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

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

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.

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.

MAJOR CAPITAL PROJECTS FUND
(Continued)

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.

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.

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

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

Fair Winds Property Capital Project – accounts for funds used for the purchase of the Fair Winds Property

East Railroad Parking Lot Capital Project – accounts for funds used for the construction of a parking facility on East Railroad Road and Old Bridge Street

City of Jacksonville, North Carolina
Major Capital Projects Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and investments	$ 6,897,646	$ 7,869,383
Restricted cash and investments	9,383,090	23,050,976
Accounts receivable (net)	5,500	2,120
Total Assets	$ 16,286,236	$ 30,922,479
Liabilities and Fund Balances		
Accounts payable and accrued liabilities	$ 1,919,994	$ 2,385,285
Total Liabilities	1,919,994	2,385,285
Fund Balances:		
Restricted:		
Stabilization by State Statute	5,500	2,120
Capital Projects	5,337,402	16,338,963
Assigned:		
Capital Projects	9,023,340	12,196,111
Total Fund Balances	14,366,242	28,537,194
Total Liabilities and Fund Balances	$ 16,286,236	$ 30,922,479

Schedule 4

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues:					
NC Transp Enhancement Grant	$ 650,000	$ -	$ -	$ -	$ (650,000)
Part F Grant	490,000	-	-	-	(490,000)
104F Transportation	120,899	120,898	-	120,898	(1)
Contribution - Onslow County	400,000	400,000	-	400,000	-
NCDENR	368,020	300,837	-	300,837	(67,183)
Contributions - JTDA	550,000	500,000	50,000	550,000	-
Total Restricted Intergovernmental Revenues	2,578,919	1,321,735	50,000	1,371,735	(1,207,184)
Investment earnings	141,064	139,501	526	140,027	(1,037)
Miscellaneous Revenues	5,700	3,900	-	3,900	(1,800)
Contributions	773,727	588,665	187,041	775,706	1,979
Total revenues	3,499,410	2,053,801	237,567	2,291,368	(1,208,042)
Expenditures:					
General Government	7,492,451	2,995,318	216,517	3,211,835	(4,280,616)
Public Works	162,826	51,118	111,707	162,825	(1)
Public Safety	34,312,116	12,427,934	14,014,418	26,442,352	(7,869,764)
Cultural and Recreation	6,387,775	3,101,083	667,397	3,768,480	(2,619,295)
Non Capitalized Expenditures	1,990,495	853,214	332,219	1,185,433	(805,062)
Total expenditures	50,345,663	19,428,667	15,342,258	34,770,925	(15,574,738)
Revenues (under) expenditures	(46,846,253)	(17,374,866)	(15,104,691)	(32,479,557)	14,366,696
Other financing sources (uses):					
Debt issued	29,061,455	28,037,000	1,024,000	29,061,000	(455)
Premium on debt issued	2,290,000	2,290,000	-	2,290,000	-
Transfers in--					
From Capital Reserve Fund	6,300,475	5,867,275	433,200	6,300,475	-
From General Fund	10,468,922	10,147,337	321,585	10,468,922	-
From Major Enterprise Fund	100,000	100,000	-	100,000	-
Transfers (out)--				-	
To Capital Reserve Fund	(337,605)	(34,297)	(303,307)	(337,604)	1
To General Fund	(1,036,994)	(495,255)	(541,739)	(1,036,994)	-
Total other financing sources	46,846,253	45,912,060	933,739	46,845,799	(454)
Net Change In Fund Balance	$ -	$ 28,537,194	$ (14,170,952)	$ 14,366,242	$ 14,366,242

City of Jackosnville, North Carolina
Major Capital Projects Fund
Combining Balance Sheet
June 30, 2014
With Comparative Totals for June 30, 2013

	NC24 Culvert Trail	Marine Corps Museum	Wilson Bay Initiative	Vietnam Veterans Memorial	Police/Fire Facility
Assets					
Current Assets:					
Cash and cash equivalents	$ 77,820	$ 756,286	$ 3,000	$ 72,504	$ 3,638,330
Restricted cash and cash equivalents	-	-	-	-	3,837,338
Accounts receivable	-	-	-	-	-
Total Current Assets	77,820	756,286	3,000	72,504	7,475,668
Total Assets	$ 77,820	$ 756,286	$ 3,000	$ 72,504	$ 7,475,668
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 200	$ -	$ -	$ -	$ 1,304,508
Total Liabilities	200	-	-	-	1,304,508
Fund Balances:					
Restricted					
Stabilization by State Statute	-	-	-	-	-
Capital Projects	16,101	-	-	-	3,356,680
Assigned:					
Capital Projects	61,519	756,286	3,000	72,504	2,814,480
Total Fund Balance	77,620	756,286	3,000	72,504	6,171,160
Total Liabilities and Fund Balances	$ 77,820	$ 756,286	$ 3,000	$ 72,504	$ 7,475,668

Continued on next page,

	Buddy Phillips Bridge Improvements	Relocation of Northwoods Fire Station	Freedom Fountain	Richard Ray Park Garden Improvements	Wooten Park
Assets					
Current Assets:					
Cash and cash equivalents	$ 1	$ 288,335	$ 55,001	$ 7,835	$ 10,173
Restricted cash and cash equivalents	-	1,816,270	-	-	-
Accounts receivable	-	-	5,500	-	-
Total Current Assets	1	2,104,605	60,501	7,835	10,173
Total Assets	$ 1	$ 2,104,605	$ 60,501	$ 7,835	$ 10,173
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 406,456	$ 2,255	$ -	$ -
Total Liabilities	-	406,456	2,255	-	-
Fund Balances:					
Restricted					
Stabilization by State Statute	-	-	5,500	-	-
Capital Projects	-	1,526,284	-	-	-
Assigned:					
Capital Projects	1	171,865	52,746	7,835	10,173
Total Fund Balance	1	1,698,149	58,246	7,835	10,173
Total Liabilities and Fund Balances	$ 1	$ 2,104,605	$ 60,501	$ 7,835	$ 10,173

Statement 5,
continued,

JTDA - Museum of the Marine	New Bridge Streetscape	Sturgeon City Education Center	Jacksonville Landing Park	Jack Amyette Phase II	LP Willingham Splash Pad	Phillips Park
$ 200,559	$ 94,693	$ 115,006	$ 430,621	$ 489,531	$ 95,500	$ 478,311
-	-	3,729,482	-	-	-	-
-	-	-	-	-	-	-
200,559	94,693	3,844,488	430,621	489,531	95,500	478,311
$ 200,559	$ 94,693	$ 3,844,488	$ 430,621	$ 489,531	$ 95,500	$ 478,311
$ -	$ -	$ -	$ 2,760	$ 198,509	$ -	$ 3,066
-	-	-	2,760	198,509	-	3,066
-	-	-	-	-	-	-
-	-	108,782	-	241,762	-	84,875
200,559	94,693	3,735,706	427,861	49,260	95,500	390,370
200,559	94,693	3,844,488	427,861	291,022	95,500	475,245
$ 200,559	$ 94,693	$ 3,844,488	$ 430,621	$ 489,531	$ 95,500	$ 478,311

Statement 5,
continued.

	Labyrinth Garden	Riverwalk Parking Lot	Fair Winds Property	East Railroad Parking Phase I	June 30, 2014	June 30, 2013
Assets						
Current Assets:						
Cash and cash equivalents	$ 2,100	$ 11,990	$ 27,500	$ 42,550	$ 6,897,646	$ 7,869,383
Restricted cash and cash equivalents	-	-	-	-	9,383,090	23,050,976
Accounts receivable	-	-	-	-	5,500	2,120
Total Current Assets	2,100	11,990	27,500	42,550	16,286,236	30,922,479
Total Assets	$ 2,100	$ 11,990	$ 27,500	$ 42,550	$ 16,286,236	$ 30,922,479
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 2,240	$ 1,919,994	$ 2,385,285
Total Liabilities	-	-	-	2,240	1,919,994	2,385,285
Fund Balances:						
Restricted						
Stabilization by State Statute	-	-	-	-	5,500	2,120
Capital Projects	-	-	-	2,918	5,337,402	16,338,963
Assigned:						
Capital Projects	2,100	11,990	27,500	37,392	9,023,340	12,196,111
Total Fund Balance	2,100	11,990	27,500	40,310	14,366,242	28,537,194
Total Liabilities and Fund Balances	$ 2,100	$ 11,990	$ 27,500	$ 42,550	$ 16,286,236	$ 30,922,479

Schedule 6

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	NC24 Culvert Trail	Marine Corps Museum	Wilson Bay Initiative	Vietnam Veterans Memorial
Revenues:				
Restricted intergovernmental revenues	$ -	$ -	$ -	$ 50,000
Investment earnings	-	221	-	161
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Lawsuit settlement	-	-	-	-
Total revenues	-	221	-	50,161
Expenditures:				
Capital Outlay:				
General Government	-	-	15,200	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreation	44,850	-	-	-
Non-capitalized expenditures	-	-	-	307,464
Total expenditures	44,850	-	15,200	307,464
Revenues over (under) expenditures	(44,850)	221	(15,200)	(257,303)
Other financing sources (uses):				
Debt Issued	-	-	-	-
Transfers in	-	-	18,200	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	18,200	-
Net change in fund balance	(44,850)	221	3,000	(257,303)
Fund balances:				
Beginning of year, July 1	122,470	756,065	-	329,807
End of year, June 30	$ 77,620	$ 756,286	$ 3,000	$ 72,504

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Country Club Park	Police/Fire Facility	Sturgeon City Boardwalk III	Buddy Phillips Bridge Improvements
Revenues:				
Restricted intergovernmental revenues	$ -	$ -	$ -	$ -
Investment earnings	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Lawsuit settlement	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Capital Outlay:				
General Government	-	-	-	-
Public Works	-	-	-	111,707
Public Safety	-	12,982,610	-	-
Cultural and Recreation	-	-	-	-
Non-capitalized expenditures	-	-	-	-
Total expenditures	-	12,982,610	-	111,707
Revenues over (under) expenditures	-	(12,982,610)	-	(111,707)
Other financing sources (uses):				
Debt Issued	-	1,024,000	-	-
Transfers in	-	-	-	-
Transfers (out)	(41,820)	(462,755)	(22,394)	(182,674)
Total other financing sources (uses)	(41,820)	561,245	(22,394)	(182,674)
Net change in fund balance	(41,820)	(12,421,365)	(22,394)	(294,381)
Fund balances:				
Beginning of year, July 1	41,820	18,592,525	22,394	294,382
End of year, June 30	$ -	$ 6,171,160	$ -	$ 1

Relocation of Northwoods Fire Station	Northeast Creek Ramp & Boardwalk	Jack Amyette Center Renovations	Freedom Fountain	Richard Ray Park Garden Improvements	Wooten Park
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	70,234	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	70,234	-	-
-	-	-	39,832	-	-
-	-	-	-	-	-
1,031,808	-	-	-	-	-
-	-	3,490	-	-	220,284
-	-	-	-	-	-
1,031,808	-	3,490	39,832	-	220,284
(1,031,808)	-	(3,490)	30,402	-	(220,284)
-	-	-	-	-	-
240,000	-	-	-	-	-
-	(19,223)	(78,085)	-	-	-
240,000	(19,223)	(78,085)	-	-	-
(791,808)	(19,223)	(81,575)	30,402	-	(220,284)
2,489,957	19,223	81,575	27,844	7,835	230,457
$ 1,698,149	$ -	$ -	$ 58,246	$ 7,835	$ 10,173

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	JTDA-Museum of the Marine	New Bridge Streetscape	Richard Ray Park Phase II	City Hall Envelope
Revenues:				
Restricted intergovernmental revenues	$ -	$ -	$ -	$ -
Investment earnings	144	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Lawsuit settlement	-	-	-	-
Total revenues	144	-	-	-
Expenditures:				
Capital Outlay:				
General Government	-	14,819	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreation	-	-	-	-
Non-capitalized expenditures	-	-	-	-
Total expenditures	-	14,819	-	-
Revenues over (under) expenditures	144	(14,819)	-	-
Other financing sources (uses):				
Debt Issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(11,500)	(899)	(25,696)
Total other financing sources (uses)	-	(11,500)	(899)	(25,696)
Net change in fund balance	144	(26,319)	(899)	(25,696)
Fund balances:				
Beginning of year, July 1	200,415	121,012	899	25,696
End of year, June 30	$ 200,559	$ 94,693	$ -	$ -

Sturgeon City Education Center	Jacksonville Landing Park	Jack Amyette Phase II	LP Willingham Splash Pad	Phillips Park
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
115,007	-	-	-	-
-	1,800	-	-	-
-	-	-	-	-
115,007	1,800	-	-	-
64,015	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	11,710	387,063	-	-
-	-	-	-	24,755
64,015	11,710	387,063	-	24,755
50,992	(9,910)	(387,063)	-	(24,755)
-	-	-	-	-
-	-	378,085	-	-
-	-	-	-	-
-	-	378,085	-	-
50,992	(9,910)	(8,978)	-	(24,755)
3,793,496	437,771	300,000	95,500	500,000
$ 3,844,488	$ 427,861	$ 291,022	$ 95,500	$ 475,245

Schedule 6
Continued.

City of Jacksonville, North Carolina
Major Capital Projects Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Labyrinth Garden	Riverwalk Parking Lot	Fair Winds Property	East Railroad Parking Phase I	Totals June 30, 2014	Totals June 30, 2013
Revenues:						
Restricted intergovernmental revenues	$ -	$ -	$ -	$ -	$ 50,000	$ 300,000
Investment earnings	-	-	-	-	526	1,181
Contributions	-	-	-	-	185,241	139,406
Miscellaneous	-	-	-	-	1,800	3,900
Lawsuit settlement	-	-	-	-	-	638,000
Total revenues	-	-	-	-	237,567	1,082,487
Expenditures:						
Capital Outlay:						
General Government	-	31,961	47,500	3,190	216,517	1,141,883
Public Works	-	-	-	-	111,707	(227)
Public Safety	-	-	-	-	14,014,418	7,913,435
Cultural and Recreation	-	-	-	-	667,397	1,287,866
Non-capitalized expenditures	-	-	-	-	332,219	-
Total expenditures	-	31,961	47,500	3,190	15,342,258	10,342,957
Revenues over (under) expenditures	-	(31,961)	(47,500)	(3,190)	(15,104,691)	$ (9,260,470)
Other financing sources (uses):						
Debt Issued	-	-	-	-	1,024,000	1,147,000
Transfers in	-	-	75,000	43,500	754,785	1,889,946
Transfers (out)	-	-	-	-	(845,046)	(1,687,773)
Total other financing sources (uses)	-	-	75,000	43,500	933,739	1,349,173
Net change in fund balance	-	(31,961)	27,500	40,310	(14,170,952)	(7,911,297)
Fund balances:						
Beginning of year, July 1	2,100	43,951	-	-	28,537,194	36,448,491
End of year, June 30	$ 2,100	$ 11,990	$ 27,500	$ 40,310	$ 14,366,242	$ 28,537,194

Schedule 7

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
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		355,428	44,850	400,278	
Total expenditures	1,127,899	355,428	44,850	400,278	727,621
Revenues (under) expenditures	(357,000)	(234,530)	(44,850)	(279,380)	77,620
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	$ -	$ 122,470	(44,850)	$ 77,620	$ 77,620
Fund Balance:					
Beginning of year, July 1			122,470		
End of year, June 30			$ 77,620		

Schedule 8

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ 57,290	$ 56,065	$ 221	$ 56,286	$ (1,004)
Total revenues	57,290	56,065	221	56,286	(1,004)
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)	(43,935)	221	(43,714)	756,286
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	$ -	$ 756,065	221	$ 756,286	$ 756,286
Fund Balance:					
Beginning of year, July 1			756,065		
End of year, June 30			$ 756,286		

Schedule 9

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		270,428	15,200	285,628	
Total expenditures	288,627	270,428	15,200	285,628	2,999
Revenues (under) expenditures	(288,627)	(270,428)	(15,200)	(285,628)	2,999
Other financing sources (uses):					
Transfers in--					
From General Fund	1,391	1,391	-	1,391	-
From Capital Reserve Fund	309,925	291,725	18,200	309,925	-
Transfers out--					
To General Fund	(1,391)	(1,391)	-	(1,391)	-
To Capital Reserve Fund	(21,298)	(21,297)	-	(21,297)	(1)
Total other financing sources (uses)	288,627	270,428	18,200	288,628	(1)
Net change in fund balance	$ -	$ -	3,000	$ 3,000	$ 3,000
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			$ 3,000		

Schedule 10

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Jacksonville TDA	$ 350,000	$ 300,000	$ 50,000	$ 350,000	$ -
Investment earnings	83,205	83,021	161	83,182	(23)
Total revenues	433,205	383,021	50,161	433,182	(23)
Expenditures:					
Capital outlay:					
Other improvements		753,214	307,464	1,060,678	
Total expenditures	1,133,205	753,214	307,464	1,060,678	72,527
Revenues over (under) expenditures	(700,000)	(370,193)	(257,303)	(627,496)	72,504
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	$ -	$ 329,807	(257,303)	$ 72,504	$ 72,504
Fund Balance:					
Beginning of year, July 1			329,807		
End of year, June 30			$ 72,504		

Schedule 11

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, 2014

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

Schedule 12

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
NCDENR	$ 68,020	$ 68,020	$ -	$ 68,020	$ -
Total revenues	68,020	68,020	-	68,020	-
Expenditures:					
Capital outlay:					
Other improvements		12,059,891	12,982,610	25,042,501	
Total expenditures	31,214,116	12,059,891	12,982,610	25,042,501	6,171,615
Revenues (under) expenditures	(31,146,096)	(11,991,871)	(12,982,610)	(24,974,481)	6,171,615
Other financing sources (uses):					
Debt issued	21,569,455	20,545,000	1,024,000	21,569,000	(455)
Premium on debt issued	1,755,000	1,755,000	-	1,755,000	-
Transfers in --					
From General Fund	8,698,260	8,698,260	-	8,698,260	-
Transfers (out) --					
To General Fund	(876,619)	(413,864)	(462,755)	(876,619)	-
Total other financing sources	31,146,096	30,584,396	561,245	31,145,641	(455)
Net change in fund balance	$ -	$ 18,592,525	(12,421,365)	$ 6,171,160	$ 6,171,160
Fund Balance:					
Beginning of year, July 1			18,592,525		
End of year, June 30			$ 6,171,160		

Schedule 13

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
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	377,606	310,423	-	310,423	67,183
Revenues (under) expenditures	(77,606)	(77,606)	-	(77,606)	-
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	100,000	100,000	-	100,000	-
Transfers (out) --					
To Capital Reserve Fund	(22,394)	-	(22,394)	(22,394)	-
Total other financing sources	77,606	100,000	(22,394)	77,606	-
Net change in fund balance	$ -	$ 22,394	(22,394)	$ -	$ -
Fund Balance:					
Beginning of year, July 1			22,394		
End of year, June 30			$ -		

Schedule 14

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		51,118	111,707	162,825	
Total expenditures	162,826	51,118	111,707	162,825	1
Revenues over (under) expenditures	(162,826)	(51,118)	(111,707)	(162,825)	1
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	345,500	345,500	-	345,500	-
Transfers (out) --					
To Capital Reserve Fund	(182,674)	-	(182,674)	(182,674)	-
Total other financing sources	162,826	345,500	(182,674)	162,826	-
Net change in fund balance	$ -	$ 294,382	(294,381)	$ 1	$ 1
Fund Balance:					
Beginning of year, July 1			294,382		
End of year, June 30			$ 1		

Schedule 15

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Contributions	$ 13,000	$ 13,000	$ -	$ 13,000	$ -
Total revenues	13,000	13,000	-	13,000	-
Expenditures:					
Capital outlay:					
Other improvements		368,043	1,031,808	1,399,851	
Total expenditures	3,098,000	368,043	1,031,808	1,399,851	1,698,149
Revenues (under) expenditures	(3,085,000)	(355,043)	(1,031,808)	(1,386,851)	1,698,149
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	206,250	6,250	200,000	206,250	-
From Capital Reserve Fund	91,750	51,750	40,000	91,750	-
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	3,085,000	2,845,000	240,000	3,085,000	-
Net change in fund balance	$ -	$ 2,489,957	(791,808)	$ 1,698,149	$ 1,698,149
Fund Balance:					
Beginning of year, July 1			2,489,957		
End of year, June 30			$ 1,698,149		

Schedule 16

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, 2014

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

Schedule 17

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		313,425	3,490	316,915	
Total expenditures	316,915	313,425	3,490	316,915	-
Revenues (under) expenditures	(316,915)	(313,425)	(3,490)	(316,915)	-
Other financing sources:					
Transfers in --					
From General Fund	395,000	395,000	-	395,000	-
Transfers (out) --					
To General Fund	(78,085)	-	(78,085)	(78,085)	-
Total other financing sources	316,915	395,000	(78,085)	316,915	-
Net change in fund balance	$ -	$ 81,575	(81,575)	$ -	$ -
Fund Balance:					
Beginning of year, July 1			81,575		
End of year, June 30			$ -		

Schedule 18

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Contributions	$ 610,720	$ 540,665	$ 70,234	$ 610,899	$ 179
Total revenues	610,720	540,665	70,234	610,899	179
Expenditures:					
Capital outlay:					
Other improvements		925,745	39,832	965,577	
Total expenditures	1,023,644	925,745	39,832	965,577	58,067
Revenues over (under) expenditures	(412,924)	(385,080)	30,402	(354,678)	58,246
Other financing sources:					
Transfers in --					
From General Fund	412,924	412,924	-	412,924	-
Total other financing sources	412,924	412,924	-	412,924	-
Net change in fund balance	$ -	$ 27,844	30,402	$ 58,246	$ 58,246
Fund Balance:					
Beginning of year, July 1			27,844		
End of year, June 30			$ 58,246		

Schedule 19

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, 2014

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

Schedule 20

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		73,043	220,284	293,327	
Total expenditures	303,500	73,043	220,284	293,327	10,173
Revenues (under) expenditures	(303,500)	(73,043)	(220,284)	(293,327)	10,173
Other financing sources:					
Transfers in --					
From General Fund	146,500	146,500	-	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	303,500		303,500	-
Net change in fund balance	$ -	$ 230,457	(220,284)	$ 10,173	$ 10,173
Fund Balance:					
Beginning of year, July 1			230,457		
End of year, June 30			$ 10,173		

Schedule 21

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Contributions - JTDA	$ 200,000	$ 200,000	$ -	$ 200,000	$ -
Investment earnings	569	415	144	559	(10)
Total revenues	200,569	200,415	144	200,559	(10)
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	200,569	-	-	-	(200,569)
Revenues over expenditures	-	200,415	144	200,559	200,559
Net change in fund balance	$ -	$ 200,415	144	$ 200,559	$ 200,559
Fund Balance:					
Beginning of year, July 1			200,415		
End of year, June 30			$ 200,559		

Schedule 22

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		5,988	14,819	20,807	
Total expenditures	115,500	5,988	14,819	20,807	94,693
Revenues (under) expenditures	(115,500)	(5,988)	(14,819)	(20,807)	94,693
Other financing sources:					
Transfers in --					
From Capital Reserve Fund	127,000	127,000	-	127,000	-
Transfers (out) --					
To Capital Reserve Fund	(11,500)	-	(11,500)	(11,500)	-
Total other financing sources	115,500	127,000	(11,500)	115,500	-
Net change in fund balance	$ -	$ 121,012	(26,319)	$ 94,693	$ 94,693
Fund Balance:					
Beginning of year, July 1			121,012		
End of year, June 30			$ 94,693		

Schedule 23

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, 2014

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

Schedule 24

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, 2014

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

Schedule 25

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Sturgeon City Contribution	$ 115,007	$ -	$ 115,007	$ 115,007	$ -
Total revenues	115,007	-	115,007	115,007	-
Expenditures:					
Capital outlay:					
Other improvements		206,504	64,015	270,519	
Total expenditures	4,115,007	206,504	64,015	270,519	3,844,488
Revenues (under) expenditures	(4,000,000)	(206,504)	50,992	(155,512)	3,844,488
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	$ -	$ 3,793,496	50,992	$ 3,844,488	$ 3,844,488
Fund Balance:					
Beginning of year, July 1			3,793,496		
End of year, June 30			$ 3,844,488		

Schedule 26

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Contributions - Onslow County	$ 400,000	$ 400,000	$ -	$ 400,000	$ -
Miscellaneous Revenue	5,700	3,900	1,800	5,700	-
Total revenues	405,700	403,900	1,800	405,700	-
Expenditures:					
Capital outlay:					
Other improvements		1,621,129	11,710	1,632,839	
Total expenditures	2,060,700	1,621,129	11,710	1,632,839	427,861
Revenues (under) expenditures	(1,655,000)	(1,217,229)	(9,910)	(1,227,139)	427,861
Other financing sources:					
Debt Issued	1,147,000	1,147,000	-	1,147,000	-
Transfers in --					
From General Fund	188,000	188,000	-	188,000	-
From Capital Reserve Fund	320,000	320,000	-	320,000	-
Total other financing sources	1,655,000	1,655,000	-	1,655,000	-
Net change in fund balance	$ -	$ 437,771	(9,910)	$ 427,861	$ 427,861
Fund Balance:					
Beginning of year, July 1			437,771		
End of year, June 30			$ 427,861		

Schedule 27

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		-	387,063	387,063	
Total expenditures	678,085	-	387,063	387,063	291,022
Revenues (under) expenditures	(678,085)	-	(387,063)	(387,063)	291,022
Other financing sources:					
Transfers in --					
From General Fund	78,085	-	78,085	78,085	-
From Capital Reserve Fund	600,000	300,000	300,000	600,000	-
Total other financing sources	678,085	300,000	378,085	678,085	-
Net change in fund balance	$ -	$ 300,000	(8,978)	$ 291,022	$ 291,022
Fund Balance:					
Beginning of year, July 1			300,000		
End of year, June 30			$ 291,022		

Schedule 28

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		-	-	-	
Total expenditures	95,500	-	-	-	95,500
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			95,500		
End of year, June 30			$ 95,500		

Schedule 29

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
PART F Grant	$ 490,000	$ -	$ -	$ -	$ (490,000)
Total revenues	490,000	-	-	-	(490,000)
Expenditures:					
Capital outlay:					
Other improvements		-	24,755	24,755	
Total expenditures	990,000	-	24,755	24,755	965,245
Revenues (under) expenditures	(500,000)	-	(24,755)	(24,755)	475,245
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	(24,755)	$ 475,245	$ 475,245
Fund Balance:					
Beginning of year, July 1			500,000		
End of year, June 30			$ 475,245		

Schedule 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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
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	-	(12,900)	-	2,100	2,100
Net change in fund balance	$ -	$ 2,100	-	$ 2,100	$ 2,100
Fund Balance:					
Beginning of year, July 1			2,100		
End of year, June 30			$ 2,100		

Schedule 31

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		360,549	31,961	392,510	
Total expenditures	404,500	360,549	31,961	392,510	11,990
Revenues (under) expenditures	(404,500)	(360,549)	(31,961)	(392,510)	11,990
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	(31,961)	$ 11,990	$ 11,990
Fund Balance:					
Beginning of year, July 1			43,951		
End of year, June 30			$ 11,990		

Schedule 32

City of Jacksonville, North Carolina
Fair Winds Property Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		-	47,500	47,500	
Total expenditures	75,000	-	47,500	47,500	27,500
Revenues over (under) expenditure	(75,000)	-	(47,500)	(47,500)	27,500
Other financing sources (uses):					
Transfers in--					
From Capital Reserve Fund	75,000	-	75,000	75,000	-
Total other financing sources	75,000	-	75,000	75,000	-
Net change in fund balance	$ -	$ -	27,500	$ 27,500	$ 27,500
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ 27,500		

Schedule 33

City of Jacksonville, North Carolina
East Railroad Parking Lot Phase I Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year ended June 30, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital outlay:					
Other improvements		-	3,190	3,190	
Total expenditures	43,500	-	3,190	3,190	40,310
Revenues over (under) expenditures	(43,500)	-	(3,190)	(3,190)	40,310
Other financing sources (uses):					
Transfers in--					
From General Fund	43,500	-	43,500	43,500	-
Total other financing sources	43,500	-	43,500	43,500	-
Net change in fund balance	$ -	$ -	40,310	$ 40,310	$ 40,310
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			$ 40,310		

JACKSONVILLE N.C.
a
Caring
Community
HOME OF
CAMP LEJEUNE
MCAS NEW RIVER

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, 2014 and 2013

	2014	2013
Assets		
Current Assets:		
Cash and cash equivalents	$ 28,907,463	$ 33,558,772
Accounts receivable (net)	3,023,275	2,913,153
Interfund receivables	4,954	-
Inventories	203,056	295,720
Prepaid items	1,063	1,075
Total Current Assets	32,139,811	36,768,720
Noncurrent Assets:		
Restricted cash and cash equivalents	4,154,972	5,110,014
Capital assets (net)	129,202,501	133,743,024
Total Noncurrent Assets	133,357,473	138,853,038
Total Assets	165,497,284	175,621,758
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	1,565,519	2,455,261
Compensated absences payable-current	135,494	133,929
Installment purchases payable-current	3,324,294	3,193,607
Loans payable-current	2,949,763	2,447,786
Bonds payable-current	1,755,055	1,654,827
Total Current Liabilities	9,730,125	9,885,410
Noncurrent Liabilities:		
Compensated absences payable-noncurrent	54,858	62,008
Customer deposits	882,044	780,439
Other postemployment benefits	34,498	29,622
Installment purchases payable-noncurrent	5,135,826	7,882,350
Loans payable-noncurrent	47,572,892	50,522,655
Bonds payable-noncurrent	34,620,214	36,726,528
Total Noncurrent Liabilities	88,300,332	96,003,602
Total Liabilities	98,030,457	105,889,012
Deferred Inflows of Resources	90,278	96,438
Net Position		
Net investment in capital assets	37,999,429	36,425,284
Unrestricted	29,377,120	33,211,024
Total Net Position	$ 67,376,549	$ 69,636,308

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, 2014 and 2013

	2014	2013
Operating revenues:		
Charges for services	$ 21,849,926	$ 22,247,424
Total operating revenues	21,849,926	22,247,424
Operating expenses:		
Water/Sewer Operations	7,190,053	6,969,586
Water Supply	2,103,713	1,953,922
Wastewater Treatment	2,340,683	2,204,625
Non-capitalized expenses - projects	-	265,050
Depreciation	10,956,090	10,034,792
Total operating expenses	22,590,539	21,427,975
Operating income (loss)	(740,613)	819,449
Nonoperating revenues (expenses):		
Investment earnings	23,638	55,423
Gain (loss) on sale of capital assets	(58,312)	(24,559)
Miscellaneous revenues	1,008,169	646,493
Interest on long-term debt	(2,762,229)	(3,009,421)
Total nonoperating (expenses)	(1,788,734)	(2,332,064)
Income before capital contributions and transfers	(2,529,347)	(1,512,615)
Capital contributions:		
ONWASA contribution	59,379	37,272
State Revolving Fund-ARRA forgiveness loan	-	75,000
NC Department of Commerce	-	125,000
Developer contributions	271,921	932,943
Total capital contributions	331,300	1,170,215
Income before transfers	(2,198,047)	(342,400)
Transfers:		
Transfers in	388,288	338,886
Transfers (out)	(450,000)	(100,375)
Total transfers	(61,712)	238,511
Increase (Decrease) in Net Position	(2,259,759)	(103,889)
Net Position		
Beginning of year, July 1, as previously reported	69,636,308	69,787,535
Restatement for accounting change	-	(47,338)
Beginning of year, July 1, as restated	69,636,308	69,740,197
End of year, June 30	$ 67,376,549	$ 69,636,308

City of Jacksonville, North Carolina
Water and Sewer Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	$ 21,707,557	$ 21,986,537
Cash paid for goods and services	(6,546,733)	(5,237,738)
Cash paid to employees	(5,705,623)	(5,821,788)
Customer deposits	101,605	(171,318)
Net cash provided by operating activities	9,556,806	10,755,693
Cash flows from noncapital financing activities:		
Transfers in	388,288	338,886
Transfers (out)	(450,000)	(100,375)
Miscellaneous revenues	1,008,169	646,493
Net cash provided (used) by noncapital financing activities	946,457	885,004
Cash flows from capital and related financing activities:		
Capital contributions	59,379	339,992
Debt issued	335,092	1,338,473
Principal paid on long-term debt	(7,324,617)	(7,064,630)
Interest paid on long-term debt	(2,842,413)	(3,059,619)
Acquisition and construction of capital assets	(6,382,298)	(7,927,915)
Proceeds from sale of capital assets	21,603	25,282
Net cash provided (used) by capital and related financing activities	(16,133,254)	(16,348,417)
Cash flows from investing activities:		
Interest earned on investments	23,638	55,423
Net cash provided by investing activities	23,638	55,423
Net increase (decrease) in cash and cash equivalents	(5,606,353)	(4,652,297)
Cash and cash equivalents, July 1	38,668,788	43,321,085
Cash and cash equivalents, June 30	$ 33,062,435	$ 38,668,788

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, 2014 and 2013

	2014	2013
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	$ (740,613)	$ 819,449
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	10,956,090	10,034,792
Reclass construction in progress to expense	226,467	
Bad debt expense	37,654	36,820
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(136,209)	(249,384)
(Increase) decrease in inventories	8,411	4,012
(Increase) decrease in prepaid items	12	(215)
Increase (decrease) in accounts payable and accrued liabilities	(884,866)	304,381
Increase (decrease) in compensated absences payable	(5,585)	(11,341)
Increase (decrease) in deferred inflows of resources	(6,160)	(11,504)
Increase (decrease) in customer deposits	101,605	(171,318)
Total adjustments	10,297,419	9,936,243
Net cash provided by operating activities	$ 9,556,806	$ 10,755,692
Noncash investing, capital, and financing activities:		
Gain (loss) on noncash disposal of capital assets	$ (79,917)	$ (49,841)
Capital contributed by developers	271,921	830,223
Total noncash investing, capital, and financing activities	$ 192,004	$ 780,382

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, 2014

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

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for sales and services:				
Water sales	$ 7,500,000	$ 7,648,594	$ 148,594	$ 7,715,250
Water tap fees	4,000	8,024	4,024	11,683
Water facility fees	300,000	284,107	(15,893)	371,075
Water Meter Purchases	28,000	26,711	(1,289)	34,968
Sewer sales	11,700,000	11,908,208	208,208	12,031,097
Sewer tap fees	-	9,234	9,234	-
Sewer facility fees	650,000	648,657	(1,343)	771,585
Sewer grease trap violations	2,000	8,738	6,738	2,975
Late penalty charges	210,000	229,030	19,030	223,934
New account service charges	210,000	206,400	(3,600)	213,480
Inflow and Infiltration Fee	815,000	866,198	51,198	865,264
Onslow County leachate	2,000	-	(2,000)	-
Other operating revenue	5,000	6,025	1,025	6,113
Total	21,426,000	21,849,926	423,926	22,247,424
Nonoperating revenues:				
Interest earned on investments	41,635	23,638	(17,997)	55,423
Sale of capital assets	7,000	(58,312)	(65,312)	(24,559)
Miscellaneous revenue	644,129	1,008,169	364,040	646,493
ONWASA contributions	-	59,379	59,379	37,272
State Revolving Fund-ARRA Forgiveness loan	-	-	-	75,000
NC Department of Commerce	-	-	-	125,000
Developer contributions	-	271,921	271,921	932,943
Total	692,764	1,304,795	612,031	1,847,572
Total revenues	22,118,764	23,154,721	1,035,957	24,094,996
Expenditures:				
Water/Sewer operations				
Administration				
Salaries and employee benefits		126,802		275,653
Supplies		27,806		6,075
Insurance		3,303		3,198
Maintenance and repair		30		6
Contracted services-info technology		65,187		59,725
Contracted services		9,836		26,835
Bad debt		37,654		36,820
Overhead allocation from General Fund		1,632,006		1,572,969
Other departmental expenditures		133,700		123,778
Total		2,036,324		2,105,059

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Engineering				
Salaries and employee benefits		$ 668,777		$ 681,418
Supplies		2,891		4,277
Insurance		4,516		4,531
Contracted services		421,992		201,229
Contracted services-info technology		70,547		78,219
Other departmental expenditures		41,612		46,888
Total		1,210,335		1,016,562
Metering distribution				
Salaries and employee benefits		209,441		252,485
Supplies		79,134		51,409
Insurance		6,277		3,471
Utilities		3,558		3,473
Maintenance and repair		1,557		235
Contracted services		10,294		10,464
Contracted services-info technology		33,594		37,247
Other departmental expenditures		41,961		65,283
Total		385,816		424,067
Utilities maintenance				
Salaries and employee benefits		1,476,292		1,381,238
Supplies		161,825		186,794
Insurance		24,806		20,066
Utilities		313,339		274,256
Maintenance and repair		551,826		560,815
Contracted services		642,995		605,476
Contracted services-info technology		90,702		100,567
Other departmental expenditures		295,793		294,686
Total		3,557,578		3,423,898
Total Water/Sewer operations	9,290,948	7,190,053	2,100,895	6,969,586
Water supply				
Salaries and employee benefits		753,486		776,879
Supplies		158,099		102,627
Insurance		95,424		83,799
Utilities		638,063		537,108
Maintenance and repair		186,153		169,830
Contracted services		120,952		112,194
Contracted services-info technology		80,625		89,393
Other departmental expenditures		70,911		82,092
Total water supply	2,508,773	2,103,713	405,060	1,953,922

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Wastewater treatment				
Salaries and employee benefits		$ 838,110		$ 870,254
Supplies		204,785		132,488
Insurance		40,626		37,732
Utilities		578,985		624,784
Maintenance and repair		199,069		152,119
Contracted services		202,696		143,841
Contracted services-info technology		50,391		55,870
Other departmental expenditures		226,021		187,537
Total wastewater treatment	2,662,543	2,340,683	321,860	2,204,625
Total	14,462,264	11,634,449	2,827,815	11,128,133
Budgetary appropriations:				
Interest paid	3,512,769	2,762,229	750,540	3,009,421
Debt principal	8,629,554	7,324,617	1,304,937	7,064,630
Increase (decrease) in inventory	-	(92,664)	92,664	(4,012)
(Increase) decrease in compensated absences payable	-	5,585	(5,585)	11,341
Increase (decrease) in prepaid expenditures	-	(12)	12	214
Debt issued	(335,569)	(335,092)	(477)	(444,444)
Appropriated retained earnings	(18,145,693)	-	(18,145,693)	-
Transfers (in)--				
From Water/Sewer Capital Projects	(506,684)	(506,685)	1	(688,905)
From Non-Major Governmental Funds	(388,289)	(388,288)	(1)	(338,886)
Transfers out--				
To Water/Sewer Capital Projects	13,953,409	13,953,409	-	3,015,214
To General Fund	-	-	-	375
To Non-Major Governmental Funds	450,000	450,000	-	100,000
Non-capitalized expenditures - projects	-	-	-	265,050
Capital outlay	487,003	456,034	30,969	545,589
Total budgetary appropriations	7,656,500	23,629,133	(15,972,633)	12,535,587
Total expenditures	$ 22,118,764	$ 35,263,582	$ (13,144,818)	$ 23,663,720

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		$ 23,154,721		$ 24,094,996
Total expenditures		35,263,582		23,663,720
Excess of revenues over (under) expenditures		(12,108,861)		431,276
Budgetary appropriations (above):				
Payment of debt principal		7,324,617		7,064,630
Debt issued		(335,092)		(444,444)
Increase (decrease) in inventory		(92,664)		(4,012)
(Increase) decrease in compensated absences payable		5,585		11,341
Increase (decrease) in prepaid expenditures		(12)		214
Capital outlay		456,034		545,589
Transfers		13,446,724		2,326,309
Total budgetary appropriations		20,805,192		9,499,627
Depreciation (Statement 35)		(10,956,090)		(10,034,792)
Increase (Decrease) in net position (Statement 35)		$ (2,259,759)		$ (103,889)

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

Schedule 38

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ 63,516	$ 63,516	$ -	$ 63,516	$ -
ONWASA	60,000	-	59,379	59,379	(621)
NC Dept. of Commerce	125,000	125,000	-	125,000	-
ARRA funds-SRF	1,500,000	1,500,000	-	1,500,000	-
Contractor reimbursement	426,298	-	426,298	426,298	-
Total revenues	2,174,814	1,688,516	485,677	2,174,193	(621)
Expenditures:					
Fire Protection Water Improvements	92,642	92,642	-	92,642	-
Water Treatment Plant	47,649,691	42,478,130	298,476	42,776,606	4,873,085
Water System Improvements Ph II	5,432,224	4,617,535	379,724	4,997,259	434,965
Piney Green & 17 Water Service Area	2,654,500	201,237	69,984	271,221	2,383,279
Water Line Replacement (Hargett St.)	1,211,300	451,239	549,840	1,001,079	210,221
New Base Entry Utility Relocation	324,292	108,097	108,098	216,195	108,097
North Marine Towne Center	335,061	335,061	-	335,061	-
Commerce Grant - Test Well	453,000	-	178,138	178,138	274,862
FY14 Water Line Replacement	3,200	-	3,200	3,200	-
Total expenditures	58,155,910	48,283,941	1,587,460	49,871,401	8,284,509
Revenues over (under) expenditures	(55,981,096)	(46,595,425)	(1,101,783)	(47,697,208)	8,283,888
Other financing sources (uses):					
Debt issued--					
Installment purchases	1,992,152	1,992,152	-	1,992,152	-
Loans payable - SRF	41,495,263	39,991,013	-	39,991,013	(1,504,250)
Revenue bonds	7,190,542	7,190,542	-	7,190,542	-
Transfers in--					
From Water/Sewer Fund	5,513,186	1,566,186	3,947,000	5,513,186	-
From Water/Sewer Capital Reserve	16,990	16,990	-	16,990	-
Transfers (out)--					
To Water/Sewer Fund	(227,037)	-	(227,037)	(227,037)	-
Total other financing sources	55,981,096	50,756,883	3,719,963	54,476,846	(1,504,250)
Excess of revenues and other sources over (under) expenditures	$ -	$ 4,161,458	2,618,180	$ 6,779,638	$ 6,779,638
Fund Balance					
Beginning of year, July 1			4,161,458		
End of year, June 30			$ 6,779,638		

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ 9,220	$ 9,220	$ -	$ 9,220	$ -
Total revenues	9,220	9,220	-	9,220	-
Expenditures:					
Pump Station Rehabilitation	5,141,173	5,114,698	2,391	5,117,089	24,084
Public Service Complex Phase II	527,542	262,279	-	262,279	265,263
Barrus Lift Station Improvements	1,084,316	1,084,315	-	1,084,315	1
Western Pkwy Utilities Relocation	409,000	-	221,814	221,814	187,186
Ellis Lift Station Site Improvements	3,400	3,400	-	3,400	-
Parkwood Regional Lift Station	1,368,000	347,705	14,729	362,434	1,005,566
Western Trunk Sewer Lower	290,000	-	-	-	290,000
Piney Green Sewer w/ ONWASA	4,108,500	520,784	1,860,445	2,381,229	1,727,271
SCADA Upgrade	1,194,000	513,331	206,400	719,731	474,269
Henderson/CC Villa Station	2,352,141	2,181,260	78,190	2,259,450	92,691
Canterbury Lift Station Replacement	621,430	11,205	313,619	324,824	296,606
Memorial Lift Station Replacement	518,310	63,292	5,240	68,532	449,778
NCDOT Sewer Relocation PG Rd.	388,028	-	127,807	127,807	260,221
Inflow/Infiltration Phase II	1,418,285	96,451	1,221,737	1,318,188	100,097
Brookview Forcemain Replacement	800,000	80,967	26,554	107,521	692,479
Barn Street Sewer Replacement	109,000	-	11,985	11,985	97,015
Wilmington Hwy. Sewer Service	151,538	8,865	142,673	151,538	-
Jean Circle Water & Sewer	441,000	21,280	71,480	92,760	348,240
Zack Circle Water & Sewer	307,000	7,100	2,980	10,080	296,920
FY14 Sewer Replacement	132,000	-	-	-	132,000
Bell Fork Sewer Upgrade	203,000	-	30,758	30,758	172,242
Total expenditures	21,567,663	10,316,932	4,338,802	14,655,734	6,911,929
Revenues (under) expenditures	(21,558,443)	(10,307,712)	(4,338,802)	(14,646,514)	6,911,929
Other financing sources (uses):					
Debt issued--					
Installment purchases	$ 1,720,553	$ 1,720,553	$ -	$ 1,720,553	$ -
Revenue bonds	3,947,395	3,947,395	-	3,947,395	-
Transfers in--					
From Water/Sewer Fund	16,379,474	6,373,065	10,006,409	16,379,474	-
From General Capital Reserve	634,120	634,120	-	634,120	-
Transfers (out)--					
To Water/Sewer Fund	(739,127)	(459,480)	(279,647)	(739,127)	-
To General Capital Reserve	(383,972)	(383,972)	-	(383,972)	-
Total other financing sources	21,558,443	11,831,681	9,726,762	21,558,443	-
Excess of revenues and other sources over (under) expenditures and other uses	$ -	$ 1,523,969	5,387,960	$ 6,911,929	$ 6,911,929
Fund Balance					
Beginning of year, July 1			1,523,969		
End of year, June 30			$ 6,911,929		

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ 468,383	$ 466,889	$ 190	$ 467,079	$ (1,304)
Total revenues	468,383	466,889	190	467,079	(1,304)
Expenditures:					
Water supply and distribution	403,727	-	-	-	403,727
Sewage collection and treatment	109,539	-	-	-	109,539
Total expenditures	513,266	-	-	-	513,266
Revenues over (under) expenditures	(44,883)	466,889	190	467,079	511,962
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	$ -	$ 511,772	190	$ 511,962	$ 511,962
Fund Balance					
Beginning of year, July 1			511,772		
End of year, June 30			$ 511,962		

SOLID WASTE FUND

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

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Net Position
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets:		
Cash and cash equivalents	$ 140,018	$ 96,000
Accounts receivable (net)	290,882	298,422
Total Current Assets	430,900	394,422
Noncurrent Assets:		
Restricted cash and cash equivalents	243,682	245,167
Capital assets (net)	1,539,613	916,011
Total Noncurrent Assets	1,783,295	1,161,178
Total Assets	2,214,195	1,555,600
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	303,425	500,991
Compensated absences payable - current	46,681	48,723
Installment purchases payable - current	499,813	237,337
Total Current Liabilities	849,919	787,051
Noncurrent Liabilities:		
Compensated absences payable - noncurrent	41,934	42,113
Other postemployment benefits	27,536	25,098
Installment purchases payable - noncurrent	1,292,187	551,818
Total Noncurrent Liabilities	1,361,657	619,029
Total Liabilities	2,211,576	1,406,080
Net Position		
Net investment in capital assets	48,654	372,023
Unrestricted	(46,035)	(222,503)
Total Net Position	$ 2,619	$ 149,520

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, 2014 and 2013

	2014	2013
Operating revenues:		
Charges for services	$ 3,582,715	$ 3,537,164
Total operating revenues	3,582,715	3,537,164
Operating expenses:		
Solid Waste Operations	4,881,841	4,807,238
Depreciation	414,479	346,713
Total operating expenses	5,296,320	5,153,951
Operating (loss)	(1,713,605)	(1,616,787)
Nonoperating revenues (expenses):		
Investment earnings	252	290
Gain on sale of capital assets	11,420	-
Restricted revenue - State	41,718	45,786
Miscellaneous revenue	277	230
Interest on long-term debt	(13,118)	(10,918)
Total nonoperating revenues	40,549	35,388
Loss before transfers	(1,673,056)	(1,581,399)
Transfers:		
Transfers in	1,526,155	1,419,938
Total transfers	1,526,155	1,419,938
Change in Net Position	(146,901)	(161,461)
Net Position:		
Beginning of year, July 1	149,520	310,981
End of year, June 30	$ 2,619	$ 149,520

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	$ 3,587,226	$ 3,470,839
Cash paid for goods and services	(3,191,538)	(2,711,026)
Cash paid to employees	(1,884,622)	(1,842,189)
Net cash (used) by operating activities	(1,488,934)	(1,082,376)
Cash flows from noncapital financing activities:		
Transfers in	1,526,155	1,419,938
Miscellaneous non-operating revenue	277	230
Restricted Intergovernmental - State	41,718	45,786
Net cash provided by noncapital financing activities	1,568,150	1,465,954
Cash flows from capital and related financing activities:		
Debt issued	1,315,952	407,714
Principal paid on long-term debt	(313,107)	(276,409)
Interest paid on long-term debt	(13,118)	(10,918)
Purchase of capital assets	(1,038,082)	(404,713)
Proceeds from sale of assets	11,420	-
Net cash (used) by capital related financing activities	(36,935)	(284,326)
Cash flows from investing activities:		
Interest earned on investments	252	290
Net cash provided by investing activities	252	290
Net increase (decrease) in cash and cash equivalents	42,533	99,542
Cash and cash equivalents, July 1	341,167	241,625
Cash and cash equivalents, June 30	$ 383,700	$ 341,167

Continued on next page.

City of Jacksonville, North Carolina
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Reconciliation of operating (loss) to net cash (used) by operating activities:		
Operating (loss)	$ (1,713,605)	$ (1,616,787)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation	414,479	346,713
Bad debt expense	3,029	3,056
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	4,511	(66,325)
Increase (decrease) in accounts payable and accrued liabilities	(195,127)	250,045
Increase (decrease) in compensated absences payable	(2,221)	922
Total adjustments	224,671	534,411
Net cash (used) by operating activities	$ (1,488,934)	$ (1,082,376)

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for sales and services:				
Commercial fees	$ 2,137,985	$ 2,146,876	$ 8,891	$ 2,103,317
Commercial pickups	1,000	977	(23)	3,183
Residential fees	1,408,441	1,373,137	(35,304)	1,375,647
Recycling revenues	-	200	200	127
Other operating revenues	46,000	61,525	15,525	54,890
Total operating revenues	3,593,426	3,582,715	(10,711)	3,537,164
Nonoperating revenues:				
Restricted revenue - State	48,650	41,718	(6,932)	45,786
Sale of capital assets	-	11,420	11,420	-
Miscellaneous revenue	100	277	177	230
Interest earned on investments	283	252	(31)	290
Total nonoperating revenues	49,033	53,667	4,634	46,306
Total revenues	3,642,459	3,636,382	(6,077)	3,583,470
Expenditures:				
Solid Waste Disposal				
Salaries and employee benefits		1,582,608		1,579,098
Unleaded fuel		206,655		211,735
Supplies		75,364		91,649
Maintenance and repair		283,440		270,949
Contracted services - landfill		2,244,611		2,267,103
Contracted services - internal services		50,252		43,922
Bad debt		3,029		3,056
Overhead allocation from General Fund		287,560		264,461
Other expenditures		80,213		75,265
Total Solid Waste Disposal (Residential)	5,335,000	4,813,732	521,268	4,807,238
Commercial Dumpster Collection				
Salaries and employee benefits		14,671		-
Unleaded fuel		1,579		-
Maintenance and repair		10,654		-
Other expenditures		41,205		-
Total Commercial Dumpster Collection	109,524	68,109	41,415	-
Total	5,444,524	4,881,841	562,683	4,807,238

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Budgetary appropriations:				
Interest paid	18,335	13,118	5,217	10,918
Debt principal	310,315	313,107	(2,792)	276,409
Decr. (Incr.) in compensated absences payable	-	2,221	(2,221)	(922)
Debt issued	(1,317,639)	(1,315,952)	(1,687)	(407,714)
Transfers (in)--				
From General Fund	(2,092,452)	(1,526,155)	(566,297)	(1,419,938)
Capital outlay	1,279,217	1,038,082	241,135	404,713
Appropriated retained earnings	159	-	159	-
Total budgetary appropriations	(1,802,065)	(1,475,579)	(326,486)	(1,136,534)
Total expenditures	$ 3,642,459	$ 3,406,262	$ 236,197	$ 3,670,704

Reconciliation of modified accrual basis to full accrual basis:

Total revenues	$ 3,636,382	$ 3,583,470
Total expenditures	3,406,262	3,670,704
Excess of revenues over (under) expenditures	230,120	(87,234)
Budgetary appropriations (above):		
Payment of debt principal	313,107	276,409
Debt issued	(1,315,952)	(407,714)
Decrease (Increase) in compensated absences payable	2,221	(922)
Capital outlay	1,038,082	404,713
Total budgetary appropriations	37,458	272,486
Depreciation (Statement 42)	(414,479)	(346,713)
Change in Net Position (Statement 42)	$ (146,901)	$ (161,461)

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

JACKSONVILLE N.C.
a
Caring
Community
HOME OF
CAMP LEJEUNE
MCAS NEW RIVER

STORMWATER FUND

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

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Comparative Statements of Net Position
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,524,008	$ 870,688
Accounts receivable (net)	189,488	192,938
Total Current Assets	1,713,496	1,063,626
Noncurrent Assets:		
Restricted cash and cash equivalents	-	346,734
Capital assets (net)	7,204,007	7,517,569
Total Noncurrent Assets	7,204,007	7,864,303
Total Assets	8,917,503	8,927,929
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	50,461	136,604
Compensated absences - current	40,097	33,976
Installment purchases payable-current	507,697	485,002
Total Current Liabilities	598,255	655,582
Noncurrent Liabilities:		
Compensated absences payable	15,407	17,808
Installment purchases payable-noncurrent	2,623,984	3,068,690
Total Noncurrent Liabilities	2,639,391	3,086,498
Total Liabilities	3,237,646	3,742,080
Net Position		
Net investment in capital assets	4,072,326	4,310,611
Unrestricted	1,607,531	875,238
Total Net Position	$ 5,679,857	$ 5,185,849

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Total operating revenues	$ 2,893,937	$ 2,885,148
Operating expenses:		
Stormwater/Water Quality Operations	1,930,152	1,993,060
Depreciation	400,430	378,195
Total operating expenses	2,330,582	2,371,255
Operating income (loss)	563,355	513,893
Nonoperating revenues (expenses):		
Investment earnings	714	1,356
Gain on sale of capital assets	4,540	11,260
Tax rebate - Build America Bond interest	33,919	39,230
Miscellaneous	543	480
Interest on long-term debt	(109,063)	(121,875)
Total nonoperating (expenses)	(69,347)	(69,549)
Income (loss) before contributions and transfers	494,008	444,344
Capital Contributions		
Developer contributions	-	878,017
Total contributions	-	878,017
Income before transfers	494,008	1,322,361
Change in Net Position	494,008	1,322,361
Net position:		
Beginning of year, July 1	5,185,849	3,863,488
End of year, June 30	$ 5,679,857	$ 5,185,849

City of Jacksonville, North Carolina
Stormwater/Water Quality Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	$ 2,901,882	$ 2,855,152
Cash paid for goods and services	(570,046)	(884,144)
Cash paid to employees	(1,447,024)	(1,433,512)
Net cash provided by operating activities	884,812	537,496
Cash flows from noncapital financing activities:		
Miscellaneous revenue	543	480
Net cash (used) by noncapital financing activities	543	480
Cash flows from capital and related financing activities:		
Debt issued	68,824	197,167
Principal paid on long term debt	(490,835)	(501,407)
Interest paid on long term debt	(109,063)	(121,875)
Tax rebate - Build America Bond interest	33,919	39,230
Acquisition and construction of capital assets	(86,868)	(1,096,832)
Sale of capital assets	4,540	11,260
Net cash (used) by capital and related financing activities	(579,483)	(1,472,457)
Cash flows from investing activities:		
Interest earned on investments	714	1,356
Net cash provided by investing activities	714	1,356
Net increase (decrease) in cash and cash equivalents	306,586	(933,125)
Cash and cash equivalents, July 1	1,217,422	2,150,547
Cash and cash equivalents, June 30	$ 1,524,008	$ 1,217,422
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ 563,355	$ 513,893
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	400,430	378,195
Bad debt expense	(4,495)	15,551
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	7,945	(29,996)
Increase (decrease) in accounts payable	(86,143)	(338,634)
Increase (decrease) in compensated absences payable	3,720	(1,513)
Total adjustments	321,457	23,603
Net cash provided by operating activities	$ 884,812	$ 537,496
Noncash investing, capital, and financing activities:		
Capital contributed by developers	$ -	$ 878,017

Schedule 48

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Commercial fees	$ 2,020,354	$ 2,042,344	$ 21,990	$ 2,031,175
Residential fees	817,664	801,268	(16,396)	811,573
Permits and fees	50,000	50,325	325	42,400
Total operating revenues	2,888,018	2,893,937	5,919	2,885,148
Nonoperating revenues:				
Interest earned on investments	330	714	384	1,356
Sale of capital assets	-	4,540	4,540	11,260
Tax rebate - Build America Bond interest	33,541	33,919	378	39,230
Miscellaneous revenue	300	543	243	480
Developer contributions	-	-	-	878,017
Total nonoperating revenues	34,171	39,716	5,545	930,343
Total revenues	2,922,189	2,933,653	11,464	3,815,491
Expenditures:				
Stormwater/Water Quality				
Salaries and employee benefits		1,057,725		1,024,565
Supplies		32,964		34,352
Insurance		14,949		14,167
Maintenance and repair		22,914		31,887
Contracted services		37,175		87,695
Contracted services-internal service		109,239		93,120
Bad debt		(4,495)		15,551
Overhead allocation from General Fund		393,019		407,434
Other expenditures		266,662		284,289
Total	2,244,635	1,930,152	314,483	1,993,060
Budgetary appropriations:				
Interest paid	111,136	109,063	2,073	121,875
Debt principal	538,233	490,835	47,398	501,407
(Increase) in compensated absences payable	-	(3,720)	3,720	1,513
Debt issued	(69,329)	(68,824)	(505)	(197,167)
Transfers in--				
From Proprietary Fund	(359,645)	(359,645)	-	(120,000)
Transfers out--				
To Capital Projects	-	-	-	303,700
Capital outlay	78,509	77,743	766	206,090
Appropriated retained earnings	378,650	-	378,650	-
Total budgetary appropriations	677,554	245,452	432,102	817,418
Total expenditures	$ 2,922,189	$ 2,175,604	$ 746,585	$ 2,810,478

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		$ 2,933,653		$ 3,815,491
Total expenditures		2,175,604		2,810,478
Excess of revenues over (under) expenditures		758,049		1,005,013
Budgetary appropriations (above):				
Payment of debt principal		490,835		501,407
Debt issued		(68,824)		(197,167)
(Increase) in compensated absences payable		(3,720)		1,513
Transfers		(359,645)		183,700
Capital outlay		77,743		206,090
Total budgetary appropriations		136,389		695,543
Depreciation (Statement 46)		(400,430)		(378,195)
Change in Net Position (Statement 46)		$ 494,008		$ 1,322,361

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

Schedule 49

City of Jacksonville, North Carolina
Stormwater/Water Quality Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	$ 4,477	$ 4,167	$ 222	$ 4,389	$ (88)
Total revenues	4,477	4,167	222	4,389	(88)
Expendituers:					
Capital outlay:					
Parkwood Area	3,820,499	3,820,285	125	3,820,410	89
Downtown Central/Wilson Bay	850,910	119,649	9,000	128,649	722,261
Center Street Area	65,000	65,000	-	65,000	-
Total expenditures	4,736,409	4,004,934	9,125	4,014,059	722,350
Revenues (under) expenditures	(4,731,932)	(4,000,767)	(8,903)	(4,009,670)	722,262
Other financing sources (uses):					
Debt issued--					
Build America Bonds	3,987,697	3,987,697	-	3,987,697	-
Loans payable - SRF	850,910	-	-	-	(850,910)
Transfers in--					
From General Fund	66,000	66,000	-	66,000	-
From Proprietary Fund	306,970	306,970	-	306,970	-
Transfers (out)--					
To Proprietary Fund	(479,645)	(120,000)	(359,645)	(479,645)	-
Total other financing sources (uses)	4,731,932	4,240,667	(359,645)	3,881,022	(850,910)
Excess of revenues and other sources over expenditures and other uses	$ -	$ 239,900	(368,548)	$ (128,648)	$ (128,648)
Fund Balance:					
Beginning of year, July 1			239,900		
End of year, June 30			$ (128,648)		

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NON-MAJOR FUNDS

- Non-Major Governmental Funds
- Internal Service Funds

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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.

2014 Justice Assistance Grant – accounts for the revenues and expenditures of the 2014 Justice Assistance Grant Program.

NON-MAJOR GOVERNMENTAL FUNDS
(Continued)

Law Enforcement Grants Fund continued:

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.

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

2014 Governor's Crime Commission Prescription Drug Diversion – accounts for the revenues and expenditures of the Governor's Crime Commission Prescription Drug Diversion.

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.

Street Improvements Fund:

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

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

NON-MAJOR GOVERNMENTAL FUNDS
(Continued)

Street Improvements Fund continued:

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

FY14 Street Reclamation Project – accounts for the revenues and expenditures of the FY14 Street Reclamation Project.

FY13 and FY14 Street Reclamation Project – accounts for the revenues and expenditures of the FY13 and FY14 Street Reclamation Project.

Enouch 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.

FY14 Sidewalk Installation Project – accounts for the revenues and expenditures of the FY14 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.

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.

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City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2014
With Comparative Totals for June 30, 2013

	Community Development			
	CDBG	CREATE Project	Continuum of Care	NCHFA/HOME/ Affordable Housing Construction
Assets				
Cash and cash equivalents	$ -	$ 224,071	$ 23,400	$ 213,447
Restricted cash and cash equivalents	5,583	-	-	-
Accounts receivable	33,160	-	-	228
Notes receivable, net	1,740,979	-	-	124,512
Total Assets	$ 1,779,722	$ 224,071	$ 23,400	$ 338,187
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 5,508	$ -	$ -	$ -
Interfund payable	-	-	-	-
Total Liabilities	5,508	-	-	-
Fund Balance:				
Restricted:				
Streets	-	-	-	-
Public Safety	-	-	-	-
Community Development	1,774,214	224,071	23,400	338,187
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	1,774,214	224,071	23,400	338,187
Total Liabilities and Fund Balances	$ 1,779,722	$ 224,071	$ 23,400	$ 338,187

Continued on next page,

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2014
With Comparative Totals for June 30, 2013

	Law Enforcement Grants				
	School Resource Officer	**Bulletproof Vest**	**Federal DEA**	**State DEA**	**GCC Domestic Violence**
Assets					
Cash and cash equivalents	$ 229,844	$ 44,982	$ -	$ -	$ 10,457
Restricted cash and cash equivalents	-	-	74,159	61,783	-
Accounts receivable	-	3,062	-	-	5,787
Notes receivable, net	-	-	-	-	-
Total Assets	$ 229,844	$ 48,044	$ 74,159	$ 61,783	$ 16,244
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 18,621	$ -	$ 3,658	$ -	$ 2,318
Interfund payable	-	-	-	-	-
Total Liabilities	18,621	-	3,658	-	2,318
Fund Balance:					
Restricted:					
Streets	-	-	-	-	-
Public Safety	211,223	48,044	70,501	61,783	13,926
Community Development	-	-	-	-	-
Capital Projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	211,223	48,044	70,501	61,783	13,926
Total Liabilities and Fund Balances	$ 229,844	$ 48,044	$ 74,159	$ 61,783	$ 16,244

Law Enforcement Grants				E-911 Fund
Cops Universal Hiring Grant	2012 Cops Universal Hiring Grant	800MHZ Radio System Upgrade	GCC Prescription Drug Diversion	Emergency Telephone System
$ -	$ -	$ 115,583	$ 6,134	$ -
-	-	1,744,551	-	1,340,162
15,976	27,544	35,460	1,350	26,357
-	-	-	-	-
$ 15,976	$ 27,544	$ 1,895,594	$ 7,484	$ 1,366,519
$ -	$ 3,298	$ 82,790	$ 1,800	$ 6,462
15,976	24,246	-	-	-
15,976	27,544	82,790	1,800	6,462
-	-	-	-	-
-	-	1,812,804	5,684	1,360,057
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,812,804	5,684	1,360,057
$ 15,976	$ 27,544	$ 1,895,594	$ 7,484	$ 1,366,519

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2014
With Comparative Totals for June 30, 2013

	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	$ -	$ -	$ -	$ 58,560	$ 7,133	$ 32,423
Restricted cash and cash equivalents	-	673,565	6,075	-	265,706	-
Accounts receivable	-	75,468	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Total Assets	$ -	$ 749,033	$ 6,075	$ 58,560	$ 272,839	$ 32,423
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ 55,174	$ -	$ 27,962	$ -	$ -
Interfund payable	-	-	-	-	-	-
Total Liabilities	-	55,174	-	27,962	-	-
Fund Balance - Reserved:						
Restricted:						
Streets	-	-	-	-	265,706	32,423
Public Safety	-	-	-	-	-	-
Community Development	-	693,859	6,075	30,598	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	-	-	-	-	7,133	-
Total Fund Balance	-	693,859	6,075	30,598	272,839	32,423
Total Liabilities and Fund Balances	$ -	$ 749,033	$ 6,075	$ 58,560	$ 272,839	$ 32,423

	Street Improvements Fund					
	FY13 & FY14 Street Reclamation	**Enouch Lane Improvements**	**FY12 Sidewalks**	**FY13 Sidewalks**	**FY14 Sidewalks**	**NCDOT TIP Sidewalks Piney Green**
Assets						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Restricted cash and cash equivalents	1,863,092	25,800	51,636	171,479	180,000	68,509
Accounts receivable	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Total Assets	$ 1,863,092	$ 25,800	$ 51,636	$ 171,479	$ 180,000	$ 68,509
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Interfund payable	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Fund Balance - Reserved:						
Restricted:						
Streets	1,863,092	25,800	51,636	171,479	180,000	68,509
Public Safety	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	1,863,092	25,800	51,636	171,479	180,000	68,509
Total Liabilities and Fund Balances	$ 1,863,092	$ 25,800	$ 51,636	$ 171,479	$ 180,000	$ 68,509

City of Jacksonville, North Carolina
Non-Major Governmental funds
Combining Balance Sheet
June 30, 2014
With Comparative Totals for June 30, 2013

	Hargett Street Pedestrian Improvements NPB	General Capital Reserve Fund	Totals June 30, 2014	Totals June 30, 2013
Assets				
Cash and cash equivalents	$ 117,700	$ 787,568	$ 1,871,302	$ 2,073,642
Restricted cash and cash equivalents	-	-	6,532,100	3,250,827
Accounts receivable	-	-	224,392	793,325
Notes receivable, net	-	-	1,865,491	2,538,526
Total Assets	$ 117,700	$ 787,568	$ 10,493,285	$ 8,656,320
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ -	$ 207,591	$ 924,672
Interfund payable	-	-	40,222	375,793
Total Liabilities	-	-	247,813	1,300,465
Fund Balance - Reserved:				
Restricted:				
Streets	117,700	-	2,776,345	1,988,454
Public Safety	-	-	3,584,022	1,472,614
Community Development	-	-	3,090,404	4,032,298
Capital Projects	-	787,568	787,568	866,749
Unassigned	-	-	7,133	(1,004,260)
Total Fund Balance	117,700	787,568	10,245,472	7,355,855
Total Liabilities and Fund Balances	$ 117,700	$ 787,568	$ 10,493,285	$ 8,656,320

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Community Development Fund			
	CDBG	CREATE Project	Continuum of Care	NCHFA/HOME/ Affordable Housing Construction
Revenues:				
Restricted intergovernmental revenues	$ 280,200	$ -	$ -	$ -
Investment earnings	29	171	-	78
Miscellaneous	70,602	-	-	15,548
Total revenues	350,831	171	-	15,626
Expenditures:				
General Government	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Cultural and Recreational	-	-	-	-
Economic and Physical Development	476,497	-	-	(92,243)
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	476,497	-	-	(92,243)
Revenues over (under) expenditures	(125,666)	171	-	107,869
Other financing sources (uses):				
Debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(125,666)	171	-	107,869
Fund balances:				
Beginning of year, July 1	1,899,880	223,900	23,400	230,318
End of year, June 30	$ 1,774,214	$ 224,071	$ 23,400	$ 338,187

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Law Enforcement Grants Fund					
	School Resource Officer	Bulletproof Vest	Highway Safety	Federal DEA	State DEA	GCC Domestic Violence
Revenues:						
Restricted intergovernmental revenues	$ 272,333	$ 4,587	$ 1,566	$ 189,423	$ 7,509	$ 49,657
Investment earnings	-	-	-	70	54	-
Miscellaneous	-	-	-	-	-	-
Total revenues	272,333	4,587	1,566	189,493	7,563	49,657
Expenditures:						
General Government	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Safety	349,449	9,174	2,089	73,595	2,801	66,345
Cultural and Recreational	-	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-	-
Capital outlay	-	-	-	178,013	50,000	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Total expenditures	349,449	9,174	2,089	251,608	52,801	66,345
Revenues over (under) expenditures	(77,116)	(4,587)	(523)	(62,115)	(45,238)	(16,688)
Other financing sources (uses):						
Debt issued	-	-	-	-	-	-
Transfers in	122,352	24,800	-	-	-	-
Transfers (out)	-	-	(1,034)	(19,132)	-	-
Total other financing sources (uses)	122,352	24,800	(1,034)	(19,132)	-	-
Net change in fund balance	45,236	20,213	(1,557)	(81,247)	(45,238)	(16,688)
Fund balances:						
Beginning of year, July 1	165,987	27,831	1,557	151,748	107,021	30,614
End of year, June 30	$ 211,223	$ 48,044	$ -	$ 70,501	$ 61,783	$ 13,926

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

Law Enforcement Grants Fund						
2012 JAG Grant Non-ARRA	2014 JAG Grant Non-ARRA	COPS Universal Hiring Grant	2012 COPS Universal Hiring Grant	800 MHz Radio System	Federal Treasury Seizures	2014 GCC Prescription Drug Diversion
$ -	$ -	$ 204,832	$ 96,787	$ 122,195	$ -	$ 37,617
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	204,832	96,787	122,195	-	37,617
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	204,090	96,787	255,433	-	19,931
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,782	31,134
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	204,090	96,787	255,433	2,782	51,065
-	-	742	-	(133,238)	(2,782)	(13,448)
-	-	-	-	1,744,551	-	-
-	-	-	-	223,089	-	19,132
(94)	-	-	-	-	-	-
(94)	-	-	-	1,967,640	-	19,132
(94)	-	742	-	1,834,402	(2,782)	5,684
94	-	(742)	-	(21,598)	2,782	-
$ -	$ -	$ -	$ -	$ 1,812,804	$ -	$ 5,684

Continued on next page.

	E-911 Fund	Fire Grants Fund	Transportation Fund	
	Emergency Telephone System	SAFER Grant	City Transportation Project	Transit ARRA Project
Revenues:				
Restricted intergovernmental revenues	$ 316,281	$ (6,935)	$ 647,404	$ -
Investment earnings	224	-	-	-
Miscellaneous	-	-	149,827	-
Total revenues	316,505	(6,935)	797,231	-
Expenditures:				
General Government	-	-	-	-
Public Works	-	-	-	-
Public Safety	190,761	210,921	-	-
Cultural and Recreational	-	-	-	-
Economic and Physical Development	-	-	1,059,020	-
Capital outlay	100,681	-	-	-
Debt service:				
Principal retirement	16,500	-	-	-
Interest and fees	16	-	-	-
Total expenditures	307,958	210,921	1,059,020	-
Revenues over (under) expenditures	8,547	(217,856)	(261,789)	-
Other financing sources (uses):				
Debt issued	594,000	-	-	-
Transfers in	-	215,991	370,803	-
Transfers (out)	-	-	(9,805)	-
Total other financing sources (uses)	594,000	215,991	360,998	-
Net change in fund balance	602,547	(1,865)	99,209	-
Fund balances:				
Beginning of year, July 1	757,510	1,865	594,650	6,075
End of year, June 30	$ 1,360,057	$ -	$ 693,859	$ 6,075

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Non-Capitalized Projects Fund	Street Improvements Fund			
	Northeast Creek Lagoons	Streets Powell Bill	Developer Contributed Sidewalks	FY13 Street Reclamation	FY14 Street Reclamation
Revenues:					
Restricted intergovernmental revenues	$ -	$ -	$ -	$ -	$ -
Investment earnings	-	1,311	-	-	-
Miscellaneous	-	-	11,556	-	-
Total revenues	-	1,311	11,556	-	-
Expenditures:					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Cultural and Recreational	491,557	-	-	-	-
Economic and Physical Development	-	-	-	-	-
Capital outlay	-	-	-	29,908	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total expenditures	491,557	-	-	29,908	-
Revenues over (under) expenditures	(491,557)	1,311	11,556	(29,908)	-
Other financing sources (uses):					
Debt issued	-	-	-	-	-
Transfers in	450,000	991,005	-	-	906,000
Transfers (out)	-	(1,201,000)	-	(957,092)	(906,000)
Total other financing sources (uses)	450,000	(209,995)	-	(957,092)	-
Net change in fund balance	(41,557)	(208,684)	11,556	(987,000)	-
Fund balances:					
Beginning of year, July 1	72,155	481,523	20,867	987,000	-
End of year, June 30	$ 30,598	$ 272,839	$ 32,423	$ -	$ -

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Street Improvements Fund				
	FY13 & FY14 Street Reclamation	**Enouch Lane Improvements**	**FY12 Sidewalks**	**FY13 Sidewalk Installation**	**FY14 Sidewalk Installation**
Revenues:					
Restricted intergovernmental revenues	$ -	$ -	$ -	$ -	$ -
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-
Capital outlay	-	-	6,094	4,546	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total expenditures	-	-	6,094	4,546	-
Revenues over (under) expenditures	-	-	(6,094)	(4,546)	-
Other financing sources (uses):					
Debt issued	-	-	-	-	-
Transfers in	1,863,092	-	-	-	180,000
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	1,863,092	-	-	-	180,000
Net change in fund balance	1,863,092	-	(6,094)	(4,546)	180,000
Fund balances:					
Beginning of year, July 1	-	25,800	57,730	176,025	-
End of year, June 30	$ 1,863,092	$ 25,800	$ 51,636	$ 171,479	$ 180,000

Streets Improvements Fund continued		Special Revenue		Totals	
NCDOT TIP Sidewalks Piney Green	Hargett Street Pedestrian Improvements	Hurricane Irene	General Capital Reserve Fund	June 30, 2014	June 30, 2013
$ -	$ -	$ -	$ -	$ 2,223,456	$ 2,312,281
-	-	-	392	2,329	3,243
-	-	-	11,157	258,690	302,818
-	-	-	11,549	2,484,475	2,618,342
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,481,376	1,536,738
-	-	-	-	491,557	85,335
-	-	-	-	1,443,274	1,285,886
-	53,300	-	-	456,458	1,583,979
-	-	-	-	16,500	-
-	-	-	-	16	-
-	53,300	-	-	3,889,181	4,491,938
-	(53,300)	-	11,549	(1,404,706)	(1,873,596)
-	-	-	-	2,338,551	-
-	-	-	1,776,095	7,142,359	5,920,220
-	-	(225,605)	(1,866,825)	(5,186,587)	(4,116,723)
-	-	(225,605)	(90,730)	4,294,323	1,803,497
-	(53,300)	(225,605)	(79,181)	2,889,617	(70,099)
68,509	171,000	225,605	866,749	7,355,855	7,425,954
$ 68,509	$ 117,700	$ -	$ 787,568	$ 10,245,472	$ 7,355,855

Transfers in	$ 7,142,359	Transfers out	$ 5,186,587
Transfers within Non-Major Governmental Funds	(3,191,314)	Transfers within Non-Major Governmental Funds	(3,191,314)
	$ 3,951,045		$ 1,995,273

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Entitlement Grant 2012 CD1201					
Entitlement Grant 2012	$ 366,460	$ 15,505	$ 280,200	$ 295,705	$ (70,755)
Program income	226,404	1,933,453	70,602	2,004,055	1,777,651
Investment earnings	56	6	29	35	(21)
Total	592,920	1,948,964	350,831	2,299,795	1,706,875
Entitlement Grant 2013 CD1301					
Entitlement Grant 2013	370,853	-	-	-	(370,853)
Program income	150,962	-	-	-	(150,962)
Investment earnings	40	-	-	-	(40)
Total	521,855	-	-	-	(521,855)
Total revenues	1,114,775	1,948,964	350,831	2,299,795	1,185,020
Expenditures:					
Entitlement Grant 2012 CD1201					
Administration		15,141	77,964	93,105	
Housing rehabilitation		14,334	142,479	156,813	
Clearance		17,284	55,504	72,788	
Acquisition of property		2,325	139,537	141,862	
Bad debts		-	61,013	61,013	
Total	592,920	49,084	476,497	525,581	67,339
Entitlement Grant 2013 CD1301					
Administration		-	-	-	
Housing rehabilitation		-	-	-	
Clearance		-	-	-	
Acquisition of property		-	-	-	
Total	521,855	-	-	-	521,855
Total expenditures	1,114,775	49,084	476,497	525,581	589,194
Revenues over expenditures	-	1,899,880	(125,666)	1,774,214	1,774,214
Net change in fund balance	$ -	$ 1,899,880	(125,666)	$ 1,774,214	$ 1,774,214
Fund balance:					
Beginning of year, July 1			1,899,880		
End of year, June 30			$ 1,774,214		

Schedule 53

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Program income	$ 703,789	$ 698,424	$ -	$ 698,424	$ (5,365)
Investment earnings	1,385	900	171	1,071	(314)
Total revenues	705,174	699,324	171	699,495	(5,679)
Expenditures:					
Affordable Housing		553,924	-	553,924	
Total expenditures	753,665	553,924	-	553,924	199,741
Revenues over (under) expenditures	(48,491)	145,400	171	145,571	194,062
Other financing sources:					
Transfers in--					
From Community Development Grant	78,500	78,500	-	78,500	-
Transfers out--					
To Community Development Grant	(30,009)	-	-		30,009
Total other financing sources	48,491	78,500	-	78,500	30,009
Net change in fund balance	$ -	$ 223,900	171	$ 224,071	$ 224,071
Fund balance:					
Beginning of year, July 1			223,900		
End of year, June 30			$ 224,071		

Schedule 54

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, 2014

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

Schedule 55

City of Jacksonville, North Carolina
Non-Major Governmental Funds
NCHFA/HOME/Affordable Housing Construction Project
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Home CD0501					
Program income	$ 875,949	$ 685,737	$ 15,548	$ 701,285	$ (174,664)
Investment earnings	8,698	8,502	78	8,580	(118)
Total revenues	884,647	694,239	15,626	709,865	(174,782)
Expenditures:					
Operating expenditures		548,274	(92,243)	456,031	
Total expenditures	969,018	548,274	(92,243)	456,031	512,987
Revenues over (under) expenditures	(84,371)	145,965	107,869	253,834	338,205
Other financing sources:					
Transfers in--					
From Affordable Home Ownership	84,371	84,353	-	84,353	(18)
Total other financing sources	84,371	84,353	-	84,353	(18)
Net change in fund balance	$ -	$ 230,318	107,869	$ 338,187	$ 338,187
Fund balance:					
Beginning of year, July 1			230,318		
End of year, June 30			$ 338,187		

Schedule 56

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Onslow County Board of Education	$ 3,557,585	$ 3,285,251	$ 272,333	$ 3,557,584	$ (1)
Investment earnings	7,376	7,376	-	7,376	-
Total revenues	3,564,961	3,292,627	272,333	3,564,960	(1)
Expenditures:					
Salaries and employee benefits		3,963,309	303,171	4,266,480	
Operating expenditures		493,213	46,278	539,491	
Capital outlay		181,261	-	181,261	
Total expenditures	5,198,455	4,637,783	349,449	4,987,232	211,223
Revenues (under) expenditures	(1,633,494)	(1,345,156)	(77,116)	(1,422,272)	211,222
Other financing sources (uses):					
Transfers in--					
From General Fund	1,797,747	1,675,395	122,352	1,797,747	-
Transfers (out)--					
To General Fund	(162,448)	(162,447)	-	(162,447)	1
To Special Revenue Fund-	(1,805)	(1,805)	-	(1,805)	-
Total other financing sources	1,633,494	1,511,143	122,352	1,633,495	1
Net change in fund balance	$ -	$ 165,987	45,236	$ 211,223	$ 211,223
Fund balance:					
Beginning of year, July 1			165,987		
End of year, June 30			$ 211,223		

Schedule 57

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Bureau of Justice Grant	$ 139,755	$ 131,173	$ 4,587	$ 135,760	$ (3,995)
NCLM Bulletproof Grant	27,000	24,500	-	24,500	(2,500)
Total revenues	166,755	155,673	4,587	160,260	(6,495)
Expenditures:					
Operating expenditures		289,758	9,174	298,932	
Total expenditures	353,471	289,758	9,174	298,932	54,539
Revenues (under) expenditures	(186,716)	(134,085)	(4,587)	(138,672)	48,044
Other financing sources:					
Transfers in--					
From General Fund	186,716	161,916	24,800	186,716	-
Total other financing sources	186,716	161,916	24,800	186,716	-
Net change in fund balance	$ -	$ 27,831	20,213	$ 48,044	$ 48,044
Fund balance:					
Beginning of year, July 1			27,831		
End of year, June 30			$ 48,044		

Schedule 58

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Highway Safety Grant	$ 41,434	$ 36,763	$ 1,566	$ 38,329	$ (3,105)
Total revenues	41,434	36,763	1,566	38,329	(3,105)
Expenditures:					
Operating expenditures		19,500	2,089	21,589	
Capital outlay		29,517	-	29,517	
Total expenditures	54,211	49,017	2,089	51,106	3,105
Revenues (under) expenditures	(12,777)	(12,254)	(523)	(12,777)	-
Other financing sources:					
Transfers in--					
From Special Revenue Fund	13,811	13,811	-	13,811	-
Transfers (out)--					
To General Fund	(1,034)	-	(1,034)	(1,034)	-
Total other financing sources (uses)	12,777	13,811	(1,034)	12,777	-
Net change in fund balance	$ -	$ 1,557	(1,557)	$ -	$ -
Fund balance:					
Beginning of year, July 1			1,557		
End of year, June 30			$ -		

Schedule 59

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Drug enforcement	$ 922,899	$ 765,818	$ 189,423	$ 955,241	$ 32,342
Investment earnings	34,100	32,349	70	32,419	(1,681)
Gain/Loss from insurance	22,625	22,625	-	22,625	-
Total revenues	979,624	820,792	189,493	1,010,285	30,661
Expenditures:					
Operating expenditures		552,290	73,595	625,885	
Capital outlay		311,587	178,013	489,600	
Total expenditures	1,155,327	863,877	251,608	1,115,485	39,842
Revenues over (under) expenditures	(175,703)	(43,085)	(62,115)	(105,200)	70,503
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	(72,426)	(53,294)	(19,132)	(72,426)	-
Total other financing sources	175,703	194,833	(19,132)	175,701	(2)
Net change in fund balance	$ -	$ 151,748	(81,247)	$ 70,501	$ 70,501
Fund balance:					
Beginning of year, July 1			151,748		
End of year, June 30			$ 70,501		

Schedule 60

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Drug enforcement	$ 196,645	$ 195,625	$ 7,509	$ 203,134	$ 6,489
Investment earnings	23,056	23,049	54	23,103	47
Total revenues	219,701	218,674	7,563	226,237	6,536
Expenditures:					
Operating expenditures		156,125	2,801	158,926	
Capital outlay		95,490	50,000	145,490	
Total expenditures	359,663	251,615	52,801	304,416	55,247
Revenues over (under) expenditures	(139,962)	(32,941)	(45,238)	(78,179)	61,783
Other financing sources (uses):					
Transfers in--					
From General Fund	161,422	161,422	-	161,422	-
From Special Revenue	1,934	1,934	-	1,934	-
Transfers (out)--					
To Special Revenue Fund	(23,394)	(23,394)	-	(23,394)	-
Total other financing sources	139,962	139,962	-	139,962	-
Net change in fund balance	$ -	$ 107,021	(45,238)	$ 61,783	$ 61,783
Fund balance:					
Beginning of year, July 1			107,021		
End of year, June 30			$ 61,783		

Schedule 61

City of Jacksonville, North Carolina
Non-Major Governmental Funds
Governor's Crime Commission Domestic Violence
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Domestic Violence Grant	$ 128,393	$ 36,362	$ 49,657	$ 86,019	$ (42,374)
Total revenues	128,393	36,362	49,657	86,019	(42,374)
Expenditures:					
Salaries and employee benefits		42,510	63,963	106,473	
Operating expenditures		6,036	2,382	8,418	
Total expenditures	171,191	48,546	66,345	114,891	56,300
Revenues (under) expenditures	(42,798)	(12,184)	(16,688)	(28,872)	13,926
Other financing sources:					
Transfers in--					
From General Fund	20,363	20,363	-	20,363	-
From Special Revenue Fund	22,435	22,435	-	22,435	-
Total other financing sources	42,798	42,798	-	42,798	-
Net change in fund balance	$ -	$ 30,614	(16,688)	$ 13,926	$ 13,926
Fund balance:					
Beginning of year, July 1			30,614		
End of year, June 30			$ 13,926		

Schedule 62

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, 2014

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

Schedule 63

City of Jacksonville, North Carolina
Non-Major Governmental Funds
2014 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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
JAG Grant - Non ARRA	$ 16,910	$ -	$ -	$ -	$ (16,910)
Total revenues	16,910	-	-	-	(16,910)
Expenditures:					
Operating expenditures		-	-	-	
Capital outlay		-	-	-	
Total expenditures	16,910	-	-	-	16,910
Revenues (under) expenditures	-	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ -		

Schedule 64

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
COPS Universal Hiring Grant	$ 964,596	$ 677,454	$ 204,832	$ 882,286	$ (82,310)
Total revenues	964,596	677,454	204,832	882,286	(82,310)
Expenditures:					
Salaries and employee benefits		678,196	204,090	882,286	
Total	964,596	678,196	204,090	882,286	82,310
Total expenditures	964,596	678,196	204,090	882,286	82,310
Revenues (under) expenditures	-	(742)	742	-	-
Net change in fund balance	$ -	$ (742)	742	$ -	$ -
Fund balance:					
Beginning of year, July 1			(742)		
End of year, June 30			$ -		

Schedule 65

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
COPS Universal Hiring Grant	$ 328,526	$ 138,576	$ 96,787	$ 235,363	$ (93,163)
Total revenues	328,526	138,576	96,787	235,363	(93,163)
Expenditures:					
Salaries and employee benefits		138,576	96,787	235,363	
Total	328,526	138,576	96,787	235,363	93,163
Total expenditures	328,526	138,576	96,787	235,363	93,163
Revenues (under) expenditures	$ -	$ -	-	$ -	$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ -		

Schedule 66

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Onslow County	$ 397,279	$ 200,561	$ 122,195	$ 322,756	$ (74,523)
Total revenues	397,279	200,561	122,195	322,756	(74,523)
Expenditures:					
Operating expenditures		222,159	255,433	477,592	
Total expenditures	2,364,919	222,159	255,433	477,592	1,887,327
Revenues over (under) expenditures	(1,967,640)	(21,598)	(133,238)	(154,836)	1,812,804
Other financing sources (uses):					
Debt issued	1,744,551	-	1,744,551	1,744,551	-
Transfers in--					
From Capital Reserve Fund	306,589	83,500	223,089	306,589	-
Transfers (out)--					
To Capital Reserve	(83,500)	(83,500)	-	(83,500)	-
Total other financing sources (uses)	1,967,640	-	1,967,640	1,967,640	-
Net change in fund balance	$ -	$ (21,598)	1,834,402	$ 1,812,804	$ 1,812,804
Fund balance:					
Beginning of year, July 1			(21,598)		
End of year, June 30			$ 1,812,804		

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, 2014

	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	23	-	23	8
Total revenues	28,337	28,334	-	28,334	(3)
Expenditures:					
Operating expenditures		25,552	2,782	28,334	
Total expenditures	28,337	25,552	2,782	28,334	3
Revenues over (under) expenditures	-	2,782	(2,782)	-	-
Net change in fund balance	$ -	$ 2,782	(2,782)	$ -	$ -
Fund balance:					
Beginning of year, July 1			2,782		
End of year, June 30			$ -		

Schedule 68

City of Jacksonville, North Carolina
Non-Major Governmental Funds
2014 Governor's Crime Commission - Prescription Drug Diversion Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Prescription Drug Grant	$ 57,394	$ -	$ 37,617	$ 37,617	$ (19,777)
Special Revenue	-	-	-	-	-
Total revenues	57,394	-	37,617	37,617	(19,777)
Expenditures:					
Operating expenditures		-	19,931	19,931	
Capital outlay		-	31,134	31,134	
Total expenditures	76,526	-	51,065	51,065	25,461
Revenues (under) expenditures	(19,132)	-	(13,448)	(13,448)	5,684
Other financing sources:					
Transfers in--					
From Special Revenue Fund	19,132	-	19,132	19,132	-
Total other financing sources	19,132	-	19,132	19,132	-
Net change in fund balance	$ -	$ -	5,684	$ 5,684	$ 5,684
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ 5,684		

Schedule 69

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovermental	$ 2,413,024	$ 2,159,152	$ 316,281	$ 2,475,433	$ 62,409
Investment earnings	32,686	26,301	224	26,525	(6,161)
Total revenues	2,445,710	2,185,453	316,505	2,501,958	56,248
Expenditures:					
Implemental functions		540,006	8,837	548,843	
Telephone		163,028	77,584	240,612	
Furniture		4,944	1,651	6,595	
Software maintenance		198,697	58,118	256,815	
Hardware maintenance		160,171	43,226	203,397	
Training		3,452	1,345	4,797	
Debt service					
Principal retirement			16,500	16,500	
Interest and fees			16	16	
Capital outlay		321,037	100,681	421,718	
S.L. 2010-158 expenditures		384,291	-	384,291	
Total expenditures	3,387,394	1,775,626	307,958	2,083,584	1,303,810
Revenues over (under) expenditures	(941,684)	409,827	8,547	418,374	1,360,058
Other financing sources (uses):					
Debt issued	594,000	-	594,000	594,000	-
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)	941,684	347,683	594,000	941,683	(1)
Net change in fund balance	$ -	$ 757,510	602,547	$ 1,360,057	$ 1,360,057
Fund balance:					
Beginning of year, July 1			757,510		
End of year, June 30			$ 1,360,057		

Schedule 70

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
SAFER Grant	$ 541,900	$ 537,814	$ (6,935)	$ 530,879	$ (11,021)
Total revenues	541,900	537,814	(6,935)	530,879	(11,021)
Expenditures:					
Salaries and employee benefits		1,033,287	210,921	1,244,208	
Operating Expenditures		16,154	-	16,154	
Total expenditures	1,271,384	1,049,441	210,921	1,260,362	11,022
Revenues (under) expenditures	(729,484)	(511,627)	(217,856)	(729,483)	1
Other financing sources:					
Transfers in--					
From General Fund	729,484	513,492	215,991	729,483	(1)
Total other financing sources	729,484	513,492	215,991	729,483	(1)
Net change in fund balance	$ -	$ 1,865	(1,865)	$ -	$ -
Fund balance:					
Beginning of year, July 1			1,865		
End of year, June 30			$ -		

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, 2014

		Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:						
FY 2006-2007 Jacksonville Transit	**TR0602**					
NCDOT SMAP FY 2006-2007		$ 136,677	$ 136,676	$ -	$ 136,676	$ (1)
NCDOT State match		47,217	46,044	-	46,044	(1,173)
FTA Section 5307		650,468	640,237	8,173	648,410	(2,058)
Jacksonville Transit fares		32,913	32,913	-	32,913	-
ADA fares		410	410	-	410	-
Total		867,685	856,280	8,173	864,453	(3,232)
FY 2008-2009 Jacksonville Transit	**TR0802**					
NCDOT SMAP FY 2008-2009		152,709	152,708	-	152,708	(1)
NCDOT State match		180,460	117,728	2,379	120,107	(60,353)
FTA Section 5307		1,917,492	1,267,059	19,032	1,286,091	(631,401)
Jacksonville Transit fares		79,197	79,197	-	79,197	-
ADA fares		3,183	3,183	-	3,183	-
Miscellaneous		16,631	16,630	-	16,630	(1)
Total		2,349,672	1,636,505	21,411	1,657,916	(691,756)
FY 2009-2010 Jacksonville Transit	**TR1001**					
NCDOT SMAP FY 2009-2010		135,955	135,955	-	135,955	-
NCDOT State match		72,999	10,720	-	10,720	(62,279)
FTA Section 5307		1,159,598	412,434	-	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		1,490,741	681,298	-	681,298	(809,443)
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		1,522,493	665,763	-	665,763	(856,730)
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	18,601	469,770	(656,171)
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		1,490,371	745,394	18,601	763,995	(726,376)
FY 2011-2012 Jacksonville Transit	**TR1301**					
NCDOT SMAP FY 2012-2013		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		1,562,608	743,250	-	743,250	(819,358)
FY 2013-2014 Jacksonville Transit	**TR1401**					
NCDOT SMAP FY 2013-2014		167,000	-	158,170	158,170	(8,830)
NCDOT State match		80,000	-	-	-	(80,000)
FTA Section 5307		1,264,000	-	441,049	441,049	(822,951)
Jacksonville Transit fares		100,000	-	123,957	123,957	23,957
ADA fares		8,677	-	13,733	13,733	5,056
Miscellaneous		3,890	-	12,137	12,137	8,247
Total		1,623,567	-	749,046	749,046	(874,521)
Total revenues		10,907,137	5,328,490	797,231	6,125,721	(4,781,416)

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, 2014

		Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Expenditures:						
FY 2006-2007 Jacksonville Transit	**TR0602**					
Salaries and employee benefits			55,045	-	55,045	
Operating expenditures			443,909	1,120	445,029	
Capital outlay			491,812	-	491,812	
Refund to grantor			32,697	-	32,697	
Total		1,027,815	1,023,463	1,120	1,024,583	3,232
FY 2008-2009 Jacksonville Transit	**TR0802**					
Salaries and employee benefits			84,062	-	84,062	
Operating expenditures			670,939	24,138	695,077	
Capital outlay			1,129,505	-	1,129,505	
Refund to grantor			16,644	-	16,644	
Total		2,716,908	1,901,150	24,138	1,925,288	791,620
FY 2009-2010 Jacksonville Transit	**TR1001**					
Salaries and employee benefits			51,688	-	51,688	
Operating expenditures			617,172	-	617,172	
Capital outlay			155,925	-	155,925	
Refund to grantor			12,540	-	12,540	
Total		1,751,196	837,325	-	837,325	913,871
FY 2010-2011 Jacksonville Transit	**TR1101**					
Salaries and employee benefits			114,034	-	114,034	
Operating expenditures			-	15,000	15,000	
Refund to grantor			727,179	50,585	777,764	
Total		1,823,946	841,213	65,585	906,798	917,148
FY 2011-2012 Jacksonville Transit	**TR1201**					
Salaries and employee benefits			155,790	-	155,790	
Operating expenditures			779,983	23,252	803,235	
Total		1,776,595	935,773	23,252	959,025	817,570
FY 2012-2013 Jacksonville Transit	**TR1301**					
Salaries and employee benefits			129,325	-	129,325	
Operating expenditures			807,892	-	807,892	
Total		1,919,608	937,217	-	937,217	982,391
FY 2013-2014 Jacksonville Transit	**TR1401**					
Salaries and employee benefits			-	119,773	119,773	
Operating expenditures			-	825,152	825,152	
Total		1,994,370	-	944,925	944,925	1,049,445
Total expenditures		13,010,438	6,476,141	1,059,020	7,535,161	5,475,277
Revenues (under) expenditures		(2,103,301)	(1,147,651)	(261,789)	(1,409,440)	693,861
Other financing sources (uses):						
Transfers in--						
From General Fund		2,221,248	1,850,445	370,803	2,221,248	-
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		(117,947)	(108,144)	(9,805)	(117,949)	(2)
Total other financing sources:		2,103,301	1,742,301	360,998	2,103,299	(2)
Net change in fund balance		$ -	$ 594,650	99,209	$ 693,859	$ 693,859
Fund balance:						
Beginning of year, July 1				594,650		
End of year, June 30				$ 693,859		

Schedule 72

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, 2014

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

Schedule 73

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital improvements		127,845	491,557	619,402	
Total expenditures	650,000	127,845	491,557	619,402	30,598
Revenues (under) expenditures	(650,000)	(127,845)	(491,557)	(619,402)	30,598
Other financing sources:					
Transfers in--					
From Proprietary Fund	200,000	200,000	-	200,000	-
From Major Enterprise Fund	450,000	-	450,000	450,000	-
Total other financing sources	650,000	200,000	450,000	650,000	-
Net change in fund balance	$ -	$ 72,155	(41,557)	$ 30,598	$ 30,598
Fund balance:					
Beginning of year, July 1			72,155		
End of year, June 30			$ 30,598		

Schedule 74

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ 1,117,265	$ 1,115,813	$ 1,311	$ 1,117,124	$ (141)
Contributions	321,000	321,000	-	321,000	-
Miscellaneous	66,767	66,767	-	66,767	-
Total revenues	1,505,032	1,503,580	1,311	1,504,891	(141)
Expenditures:					
Capital Improvements		15,974,762	-	15,974,762	
Total expenditures	16,247,739	15,974,762	-	15,974,762	272,977
Revenues over (under) expenditures	(14,742,707)	(14,471,182)	1,311	(14,469,871)	272,836
Other financing sources (uses):					
Transfers in--					
From General Fund	10,378,475	10,378,475	-	10,378,475	-
From General Fund - Powell Bill	8,915,540	7,924,535	991,005	8,915,540	-
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	(2,253,000)	(1,167,000)	(1,086,000)	(2,253,000)	-
To Powell Bill Projects	(2,440,874)	(2,325,874)	(115,000)	(2,440,874)	-
Total other financing sources (uses)	14,742,707	14,952,705	(209,995)	14,742,710	3
Net change in fund balance	$ -	$ 481,523	(208,684)	$ 272,839	$ 272,839
Fund balance:					
Beginning of year, July 1			481,523		
End of year, June 30			$ 272,839		

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Sidewalks	$ 30,202	$ 20,867	$ 11,556	$ 32,423	$ 2,221
Total revenues	30,202	20,867	11,556	32,423	2,221
Expenditures:					
Reserve for sidewalk		-	-	-	
Total expenditures	30,202	-	-	-	30,202
Revenues over expenditures	-	20,867	11,556	32,423	32,423
Net change in fund balance	$ -	$ 20,867	11,556	$ 32,423	$ 32,423
Fund balance:					
Beginning of year, July 1			20,867		
End of year, June 30			$ 32,423		

Schedule 76

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements		-	29,908	29,908	
Total expenditures	29,908	-	29,908	29,908	-
Revenues over (under) expenditures	(29,908)	-	(29,908)	(29,908)	-
Other financing sources:					
Transfers in--					
From Capital Projects - Powell Bill	987,000	987,000	-	987,000	-
Transfers out--					
To Capital Projects - Powell Bill	(957,092)	-	(957,092)	(957,092)	-
Total other financing sources	29,908	987,000	(957,092)	29,908	-
Net change in fund balance	$ -	$ 987,000	(987,000)	$ -	$ -
Fund balance:					
Beginning of year, July 1			987,000		
End of year, June 30			$ -		

Schedule 77

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY14 Street Reclamation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements	-	-	-	-	
Total expenditures	-	-	-	-	-
Revenues (under) expenditures	-	-	-	-	-
Other financing sources (uses):					
Transfers in--					
From Capital Projects - Powell Bill	906,000	-	906,000	906,000	-
Transfers out--					
To Capital Projects - Powell Bill	(906,000)	-	(906,000)	(906,000)	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ -		

Schedule 78

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY13 & FY14 Street Reclamation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	1,863,092	-	-	-	1,863,092
Revenues over (under) expenditures	(1,863,092)	-	-	-	1,863,092
Other financing sources (uses):					
Transfers in--					
From Capital Projects - Powell Bill	1,863,092	-	1,863,092	1,863,092	-
Total other financing sources	1,863,092	-	1,863,092	1,863,092	-
Net change in fund balance	$ -	$ -	1,863,092	$ 1,863,092	$ 1,863,092
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ 1,863,092		

Schedule 79

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
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		

Schedule 80

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements		60,270	6,094	66,364	
Total expenditures	118,000	60,270	6,094	66,364	51,636
Revenues (under) expenditures	(118,000)	(60,270)	(6,094)	(66,364)	51,636
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	$ -	$ 57,730	(6,094)	$ 51,636	$ 51,636
Fund balance:					
Beginning of year, July 1			57,730		
End of year, June 30			$ 51,636		

Schedule 81

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements		3,975	4,546	8,521	
Total expenditures	180,000	3,975	4,546	8,521	171,479
Revenues (under) expenditures	(180,000)	(3,975)	(4,546)	(8,521)	171,479
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	$ -	$ 176,025	(4,546)	$ 171,479	$ 171,479
Fund balance:					
Beginning of year, July 1			176,025		
End of year, June 30			$ 171,479		

Schedule 82

City of Jacksonville, North Carolina
Non-Major Governmental Funds
FY14 Sidewalk Installation
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	180,000	-	-	-	180,000
Revenues (under) expenditures	(180,000)	-	-	-	180,000
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	$ -	$ -	180,000	$ 180,000	$ 180,000
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			$ 180,000		

Schedule 83

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
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	$ -	$ 68,509	-	$ 68,509	$ 68,509
Fund balance:					
Beginning of year, July 1			68,509		
End of year, June 30			$ 68,509		

Schedule 84

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Total revenues	$ -	$ -	$ -	$ -	$ -
Expenditures:					
Capital Improvements		-	-	-	
Total expenditures	171,000	-	53,300	53,300	117,700
Revenues (under) expenditures	(171,000)	-	(53,300)	(53,300)	117,700
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	$ -	$ 171,000	(53,300)	$ 117,700	$ 117,700
Fund balance:					
Beginning of year, July 1			171,000		
End of year, June 30			$ 117,700		

Schedule 85

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
FEMA	$ 734,447	$ 731,865	$ -	$ 731,865	$ (2,582)
FEMA State Match	244,816	243,956	-	243,956	(860)
Gain/Loss from insurance	99,695	99,395	-	99,395	(300)
Total revenues	1,078,958	1,075,216	-	1,075,216	(3,742)
Expenditures:					
General Fund Emergencies		632,002	-	632,002	
Water/ Sewer Emergencies		217,609	-	217,609	
Total expenditures	853,353	849,611	-	849,611	3,742
Revenues over (under) expenditures	225,605	225,605	-	225,605	-
Other financing sources (uses):					
Transfers in--					
From General Fund	50,000	50,000	-	50,000	-
Transfers (out)--					
To General Fund	(216,948)	(50,000)	(166,948)	(216,948)	-
To Proprietary Fund	(58,657)	-	(58,657)	(58,657)	-
Total other financing sources	(225,605)	-	(225,605)	(225,605)	-
Net change in fund balance	$ -	$ 225,605	(225,605)	$ -	$ -
Fund balance:					
Beginning of year, July 1			225,605		
End of year, June 30			$ -		

Schedule 86

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, 2014

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ 2,168,048	$ 2,167,655	$ 392	$ 2,168,047	$ (1)
Investment earnings-Powell Bill	28,736	28,638	-	28,638	(98)
Onslow County Board of Education	53,000	53,000	-	53,000	-
Contributions from developers	315,611	304,455	11,157	315,612	1
Miscellaneous	282,159	282,159	-	282,159	-
Total revenues	2,847,554	2,835,907	11,549	2,847,456	(98)
Expenditures:					
Initiatives FY '99		-	-	-	
Reserve for debt retirement		-	-	-	
Reserve for recreation		-	-	-	
Total expenditures	787,664	-	-	-	787,664
Revenues over expenditures	2,059,890	2,835,907	11,549	2,847,456	787,566
Other financing sources (uses):					
Transfers in--					
From General Fund	22,178,240	20,705,453	1,472,787	22,178,240	-
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	2,862,597	2,559,287	303,308	2,862,595	(2)
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	(9,523,559)	(8,642,652)	(880,905)	(9,523,557)	2
To Capital Project Fund	(19,659,005)	(19,002,714)	(433,200)	(19,435,914)	223,091
To Major Enterprise Fund	(668,518)	(338,886)	(329,631)	(668,517)	1
To Proprietary Fund	(4,030,535)	(4,030,536)	-	(4,030,536)	(1)
To Special Revenue Fund	(22,000)	(22,000)	(223,089)	(245,089)	(223,089)
To Non-Capital Project Fund	(600,000)	(600,000)	-	(600,000)	-
Total other financing (uses)	(2,059,890)	(1,969,158)	(90,730)	(2,059,888)	2
Net change in fund balance	$ -	$ 866,749	(79,181)	$ 787,568	$ 787,568
Fund balance:					
Beginning of year, July 1			866,749		
End of year, June 30			$ 787,568		

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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, 2014
With Comparative Totals for June 30, 2013

	Fleet Maintenance	City Hall Maintenance	Information Technology Services
Assets			
Current Assets:			
Cash and cash equivalents	$ 248,174	$ 242,132	$ 501,514
Accounts receivable (net)	-	-	-
Inventories	99,629	-	-
Prepaid items	-	-	-
Total Current Assets	347,803	242,132	501,514
Noncurrent Assets:			
Restricted cash and cash equivalents	198	-	29,214
Capital Assets:			
Capital assets (net)	77,057	15,646	550,600
Total Assets	425,058	257,778	1,081,328
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	97,118	7,605	58,669
Current portion of long-term debt	18,941	2,614	98,139
Total Current Liabilities	116,059	10,219	156,808
Noncurrent Liabilities:			
Compensated absences payable	26,862	4,043	64,444
Noncurrent portion of long-term debt	57,552	6,222	94,048
Total Noncurrent Liabilities	84,414	10,265	158,492
Total Liabilities	200,473	20,484	315,300
Net Position			
Invested in capital assets, net of related debt	762	6,810	387,627
Unrestricted	223,823	230,484	378,401
Total Net Position	$ 224,585	$ 237,294	$ 766,028

Video/ Media Services	Self Insurance	Totals June 30, 2014	Totals June 30, 2013
$ 396,297	$ 1,670,472	$ 3,058,589	$ 2,944,509
50,638	88	50,726	44,424
-	-	99,629	101,628
-	76,100	76,100	76,115
446,935	1,746,660	3,285,044	3,166,676
-	-	29,412	3,191
23,139	-	666,442	642,877
470,074	1,746,660	3,980,898	3,812,744
19,825	241,075	424,292	602,894
1,497	-	121,191	109,994
21,322	241,075	545,483	712,888
23,760	-	119,109	98,709
-	-	157,822	91,711
23,760	-	276,931	190,420
45,082	241,075	822,414	903,308
21,642	-	416,841	444,363
403,350	1,505,585	2,741,643	2,465,073
$ 424,992	$ 1,505,585	$ 3,158,484	$ 2,909,436

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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Fleet Maintenance	City Hall Maintenance	Information Technology Services
Operating revenues:			
Charges to other funds	$ 2,453,468	$ 136,495	$ 2,598,542
Other operating revenue	6,562	73	1,102
Total operating revenues	2,460,030	136,568	2,599,644
Operating expenses:			
Operations	2,528,842	176,688	2,185,335
Depreciation	16,715	2,233	325,630
Total operating expenses	2,545,557	178,921	2,510,965
Operating income (loss)	(85,527)	(42,353)	88,679
Nonoperating revenues (expenses):			
Investment earnings	62	103	309
Gain (loss) on sale of capital assets	738	-	779
Interest on long-term debt	(490)	(119)	(1,551)
Total nonoperating revenues	310	(16)	(463)
Income (loss) before transfers	(85,217)	(42,369)	88,216
Operating transfers:			
Transfers (out)	-	-	-
Total transfers	-	-	-
Net income (loss)	(85,217)	(42,369)	88,216
Net position:			
Beginning of year, July 1	309,802	279,663	677,812
End of year, June 30	$ 224,585	$ 237,294	$ 766,028

Video/ Media Services	Self Insurance	Totals June 30, 2014	Totals June 30, 2013
$ 601,570	$ 3,172,780	$ 8,962,855	$ 9,213,346
425	1,345,988	1,354,150	1,394,943
601,995	4,518,768	10,317,005	10,608,289
461,426	4,313,703	9,665,994	10,163,324
56,167	-	400,745	389,736
517,593	4,313,703	10,066,739	10,553,060
84,402	205,065	250,266	55,229
94	384	952	1,841
(1,444)	-	73	13,258
(83)	-	(2,243)	(2,760)
(1,433)	384	(1,218)	12,339
82,969	205,449	249,048	67,568
-	-	-	(19,985)
-	-	-	(19,985)
82,969	205,449	249,048	47,583
342,023	1,300,136	2,909,436	2,861,853
$ 424,992	$ 1,505,585	$ 3,158,484	$ 2,909,436

City of Jacksonville, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	Fleet Maintenance	City Hall Maintenance	Information Technology Services
Cash flows from operating activities:			
Cash receipts from interfund services provided	$ 2,460,188	$ 137,236	$ 2,599,644
Cash payments for interfund services (used)	(2,501,735)	(181,478)	(2,165,178)
Net cash provided (used) by operating activities	(41,547)	(44,242)	434,466
Cash flows from noncapital financing activities:			
Transfers in / (out)	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(13,171)	(2,584)	(117,044)
Interest paid on long-term debt	(490)	(119)	(1,551)
Debt issued	56,830	-	160,000
Purchase of capital assets	(61,994)	-	(363,759)
Proceeds from sale of assets	738	-	779
Net cash (used) for capital and related financing activities	(18,087)	(2,703)	(321,575)
Cash flows from investing activities:			
Interest earned on investments	62	103	309
Net cash provided by investing activities	62	103	309
Net increase (decrease) in cash and cash equivalents	(59,572)	(46,842)	113,200
Cash and cash equivalents, July 1	307,944	288,974	417,528
Cash and cash equivalents, June 30	$ 248,372	$ 242,132	$ 530,728
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (85,527)	$ (42,353)	$ 88,679
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	16,715	2,233	325,630
Change in assets and liabilities:			
(Increase) decrease accounts receivable	158	668	-
(Increase) decrease in inventories	1,999	-	-
(Increase) decrease in prepaid items	-	-	15
Increase (decrease) in accounts payable	19,782	(4,572)	7,827
Increase (decrease) in compensated absences payable	5,326	(218)	12,315
Total adjustments	43,980	(1,889)	345,787
Net cash provided (used) by operating activities	$ (41,547)	$ (44,242)	$ 434,466
Noncash investing, capital, and financing activities:			
Gain (loss) on noncash disposal of capital assets	$ -	$ -	$ -
Trade-in allowance for used equipment	-	-	-
Total noncash investing, capital, and financing activities	$ -	$ -	$ -

Video/ Media Services	Self Insurance	Totals June 30, 2014	Totals June 30, 2013
$ 589,769	$ 4,523,865	$ 10,310,702	$ 10,564,535
(461,834)	(4,511,957)	(9,822,182)	(10,183,476)
127,935	11,908	488,520	381,059
-	-	-	(19,985)
-	-	-	(19,985)
(6,723)	-	(139,522)	(124,997)
(83)	-	(2,243)	(2,760)
-	-	216,830	143,825
-	-	(425,753)	(486,835)
-	-	1,517	9,858
(6,806)	-	(349,171)	(460,909)
94	384	952	1,841
94	384	952	1,841
121,223	12,292	140,301	(97,994)
275,074	1,658,180	2,947,700	3,045,694
$ 396,297	$ 1,670,472	$ 3,088,001	$ 2,947,700
$ 84,402	$ 205,065	$ 250,266	$ 55,229
56,167	-	400,745	389,736
(12,226)	5,097	(6,303)	(43,754)
-	-	1,999	(21,685)
-	-	15	1,898
(3,384)	(198,254)	(178,601)	(2,962)
2,976	-	20,399	2,597
43,533	(193,157)	238,254	325,830
$ 127,935	$ 11,908	$ 488,520	$ 381,059
$ (1,444)	$ -	$ (1,444)	$ -
-	-	-	3,400
$ (1,444)	$ -	$ (1,444)	$ 3,400

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	$ 245	$ 62	$ (183)	$ 203
Charges for services	3,217,185	2,453,468	(763,717)	2,512,577
Sale of capital assets	9,500	738	(8,762)	9,163
Other operating revenues	2,000	6,562	4,562	4,902
Total revenues	3,228,930	2,460,830	(768,100)	2,526,845
Expenditures:				
Salaries and employee benefits		555,590		540,461
Fuel		6,558		6,931
Utilities		19,818		16,516
Maintenance and repair		1,782,484		1,837,261
Other departmental expenditures		164,392		137,974
Total	3,183,518	2,528,842	654,676	2,539,143
Budgetary appropriations:				
Interest paid	496	490	6	383
Debt principal	12,239	13,171	(932)	7,632
Debt issued	(56,380)	(56,830)	450	(30,900)
Increase (decrease) in inventory	-	(1,999)	1,999	21,685
(Increase) decrease in compensated absences payable	-	(5,326)	5,326	(3,070)
Capital outlay	62,092	61,994	98	27,937
Appropriated retained earnings	26,965	-	26,965	-
Total budgetary appropriations	45,412	11,500	33,912	23,667
Total expenditures	$ 3,228,930	$ 2,540,342	$ 688,588	$ 2,562,810

Reconciliation of modified accrual basis to full accrual basis:

Total revenues	$ 2,460,830	$ 2,526,845
Total expenditures	2,540,342	2,562,810
Excess of revenues over (under) expenditures	(79,512)	(35,965)
Budgetary appropriations (above):		
Payment of debt principal	13,171	7,632
Debt issued	(56,830)	(30,900)
Increase (decrease) in inventory	(1,999)	21,685
(Increase) decrease in compensated absences payable	(5,326)	(3,070)
Capital outlay	61,994	27,937
Total budgetary appropriations	11,010	23,284
Depreciation (Statement 88)	(16,715)	(9,844)
Net income (loss) (Statement 88)	$ (85,217)	$ (22,525)

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	$ 202	$ 103	$ (99)	$ 187
Charges for services	272,989	136,495	(136,494)	249,668
Other operating revenues	-	73	73	113
Total revenues	273,191	136,671	(136,520)	249,968
Expenditures:				
Salaries and employee benefits		49,783		81,342
Utilities		81,812		83,572
Maintenance and repair		14,965		11,656
Other departmental expenditures		30,128		52,869
Total	267,122	176,688	90,434	229,439
Budgetary appropriations:				
Interest paid	121	119	2	82
Debt principal	2,584	2,584	-	1,506
Debt issued	-	-	-	(12,925)
(Increase) decrease in compensated absences payable	-	218	(218)	373
Capital outlay	-	-	-	12,579
Appropriated retained earnings	3,364	-	3,364	-
Total budgetary appropriations	6,069	2,921	3,148	1,615
Total expenditures	$ 273,191	$ 179,609	$ 93,582	$ 231,054

Reconciliation of modified accrual basis to full accrual basis:

Total revenues	$ 136,671	$ 249,968
Total expenditures	179,609	231,054
Excess of revenues over (under) expenditures	(42,938)	18,914
Budgetary appropriations (above):		
Payment of debt principal	2,584	1,506
Debt issued	-	(12,925)
(Increase) decrease in compensated absences payable	218	373
Capital outlay	-	12,579
Total budgetary appropriations	2,802	1,533
Depreciation (Statement 88)	(2,233)	(1,919)
Net income (loss) (Statement 88)	$ (42,369)	$ 18,528

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

Schedule 92

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	$ 89	$ 309	$ 220	$ 169
Charges for services	2,796,211	2,598,542	(197,669)	2,868,507
Sale of capital assets	1,300	779	(521)	695
Other operating revenues	-	1,102	1,102	933
Total revenues	2,797,600	2,600,732	(196,868)	2,870,304
Expenditures:				
Salaries and employee benefits		931,391		867,971
Fuel		1,181		1,197
Maintenance and repair		6,606		2,484
Contracted services		21,561		37,373
Other departmental expenditures		1,224,596		1,366,659
Total	2,436,880	2,185,335	251,545	2,275,684
Budgetary appropriations:				
Interest paid	4,466	1,551	2,915	2,114
Debt principal	124,715	117,044	7,671	108,467
Debt issued	(160,000)	(160,000)	-	(100,000)
Transfers				
Out to Capital Project Fund	40,000	40,000	-	40,000
Out to General Fund	-	-	-	19,985
(Increase) decrease in compensated absences payable	-	(12,315)	12,315	2,510
Increase (decrease) in prepaid expenditures	-	(15)	15	(553)
Capital outlay	383,981	363,759	20,222	417,770
Appropriated retained earnings	(32,442)	-	(32,442)	-
Total budgetary appropriations	360,720	350,024	10,696	490,293
Total expenditures	$ 2,797,600	$ 2,535,359	$ 262,241	$ 2,765,977

Reconciliation of modified accrual basis to full accrual basis:

Total revenues	$ 2,600,732	$ 2,870,304
Total expenditures	2,535,359	2,765,977
Excess of revenues over (under) expenditures	65,373	104,327
Budgetary appropriations (above):		
Payment of debt principal	117,044	108,467
Debt issued	(160,000)	(100,000)
Transfer to Capital Project (Schedule 93)	40,000	40,000
(Increase) decrease in compensated absences payable	(12,315)	2,510
Increase (decrease) in prepaid expenditures	(15)	(553)
Capital outlay	363,759	417,770
Total budgetary appropriations	348,473	468,194
Depreciation (Statement 88)	(325,630)	(290,952)
Net income (loss) (Statement 88)	$ 88,216	$ 281,569

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

Schedule 93

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, 2014

	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	460,787	368,187	-	368,187	92,600
Total expenditures	460,787	368,187	-	368,187	92,600
Revenues over (under) expenditures	(460,000)	(367,400)	-	(367,400)	92,600
Other financing sources (uses):					
Debt issued	180,000	180,000	-	180,000	-
Transfers in--					
From ITS Fund	280,000	240,000	40,000	280,000	-
Total other financing sources	460,000	420,000	40,000	460,000	-
Excess of revenues and other sources over expenditures	$ -	$ 52,600	$ 40,000	$ 92,600	$ 92,600

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	$ 339	$ 94	$ (245)	$ 335
Charges for services	625,200	601,570	(23,630)	421,180
Sale of capital assets	-	(1,444)	(1,444)	3,400
Other operating revenues	-	425	425	278
Total revenues	625,539	600,645	(24,894)	425,193
Expenditures:				
Salaries and employee benefits		276,864		237,190
Maintenance and repair		349		1,646
Contracted services		1,638		10,746
Other departmental expenditures		182,575		207,191
Total	615,629	461,426	154,203	456,773
Budgetary appropriations:				
Interest paid	87	83	4	181
Debt principal	6,723	6,723	-	7,392
(Increase) decrease in compensated absences payable	-	(2,976)	2,976	(2,410)
Increase (decrease) in prepaid expenditures	-	-	-	(1,345)
Capital outlay	7,231	-	7,231	28,549
Appropriated retained earnings	(4,131)	-	(4,131)	-
Total budgetary appropriations	9,910	3,830	6,080	32,367
Total expenditures	$ 625,539	$ 465,256	$ 160,283	$ 489,140

Reconciliation of modified accrual basis to full accrual basis:		
Total revenues	$ 600,645	$ 425,193
Total expenditures	465,256	489,140
Excess of revenues over expenditures	135,389	(63,947)
Budgetary appropriations (above):		
Payment of debt principal	6,723	7,392
(Increase) decrease in compensated absences payable	(2,976)	(2,410)
Increase (decrease) in prepaid expenditures	-	(1,345)
Capital outlay	-	28,549
Total budgetary appropriations	3,747	32,186
Depreciation (Statement 88)	(56,167)	(87,021)
Net income (loss) (Statement 88)	$ 82,969	$ (118,782)

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, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	$ 1,003	$ 384	$ (619)	$ 947
Charges for services	3,476,071	3,172,780	(303,291)	3,161,414
Other operating revenues	1,388,534	1,345,988	(42,546)	1,388,717
Total revenues	4,865,608	4,519,152	(346,456)	4,551,078
Expenditures:				
Benefit payments		4,313,703		4,662,285
Total	5,233,362	4,313,703	919,659	4,662,285
Budgetary appropriations:				
Appropriated retained earnings	(367,754)	-	(367,754)	-
Total budgetary appropriations	(367,754)	-	(367,754)	-
Total expenditures	$ 4,865,608	$ 4,313,703	$ 551,905	$ 4,662,285
Reconciliation of modified accrual basis to full accrual basis:				
Total revenues		4,519,152		4,551,078
Total expenditures		4,313,703		4,662,285
Excess of revenues over expenditures		205,449		(111,207)
Net income (loss) (Statement 88)		$ 205,449		$ (111,207)

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

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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.

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City of Jacksonville, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2014 and 2013

	2014	2013
Governmental funds capital assets:		
Land	$ 11,267,000	$ 7,613,778
Land Rights	3,218,903	3,017,730
Buildings	48,357,895	23,361,613
Equipment	6,440,924	6,330,048
Software	1,155,796	1,010,840
Heavy equipment	466,193	470,316
Vehicles	11,101,947	10,088,680
Infrastructure	51,341,569	50,276,268
Improvements other than buildings	12,651,568	12,595,366
Construction in progress	3,426,231	17,085,650
Total governmental funds capital assets	$ 149,428,026	$ 131,850,289
Investment in governmental funds capital assets		
General Fund	$ 46,791,858	$ 46,441,909
Major Capital Project Fund	72,762,469	56,944,252
Non-Major Governmental Funds	6,881,800	6,519,189
Donations, court awards, etc.	22,991,899	21,944,939
Total investment in governmental funds capital assets	$ 149,428,026	$ 131,850,289

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, 2014

	Land	Land Rights	Buildings	Equipment	Software
General Government:					
City Manager	$ -	$ -	$ -	$ -	$ -
Human Resources	-	-	-	-	6,255
Finance	-	-	-	34,294	43,155
Planning	-	-	-	-	121,156
Other-Unclassified	3,796,634	-	9,889,405	125,769	22,470
Total General Government	3,796,634	-	9,889,405	160,063	193,036
Public Works:					
Inspections	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Public Works	-	-	-	-	-
Engineering	47,500	-	-	17,344	18,277
Maintenance	21,412	-	83,672	127,610	-
Streets Powell Bill	67,500	3,218,903	100,209	37,007	-
Streets Non-Powell Bill	-	-	-	256,892	-
Traffic Signal Control	-	-	-	81,771	-
Total Public Works	136,412	3,218,903	183,881	520,624	18,277
Public Safety:					
Police	2,758	-	26,175,796	3,885,841	831,465
Animal Control	-	-	22,173	-	-
Fire	27,507	-	2,181,704	704,845	80,623
Total Public Safety	30,265	-	28,379,673	4,590,686	912,088
Cultural and Recreational:					
Recreation	7,303,689	-	9,000,693	667,602	32,395
Economic Development:					
Economic Development	-	-	904,243	501,949	-
Construction in progress	-	-	-	-	-
Total governmental funds capital assets	$ 11,267,000	$ 3,218,903	$ 48,357,895	$ 6,440,924	$ 1,155,796

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
$ -	$ -	$ -	$ 310,423	$ -	$ 310,423
-	-	-	-	-	6,255
-	-	-	-	-	77,449
-	72,706	-	-	-	193,862
-	-	-	1,187,205	-	15,021,483
-	72,706	-	1,497,628	-	15,609,472
-	152,413	-	-	-	152,413
-	42,234	-	-	-	42,234
-	-	12,438,280	-	-	12,438,280
-	-	-	-	-	83,121
-	333,793	-	-	-	566,487
349,827	67,616	36,563,053	497,733	-	40,901,848
24,005	564,958	397,460	-	-	1,243,315
-	256,286	-	19,374	-	357,431
373,832	1,417,300	49,398,793	517,107	-	55,785,129
5,995	3,346,956	-	185,762	-	34,434,573
-	-	-	-	-	22,173
8,090	4,691,487	-	-	-	7,694,256
14,085	8,038,443	-	185,762	-	42,151,002
78,276	591,949	1,942,776	10,245,276	-	29,862,656
-	981,549	-	205,795	-	2,593,536
-	-	-	-	3,426,231	3,426,231
$ 466,193	$ 11,101,947	$ 51,341,569	$ 12,651,568	$ 3,426,231	$ 149,428,026

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, 2014

	Capital Assets 2013	Additions	Deductions	Transfers	Capital Assets 2014
General Government:					
City Manager	$ -	$ 310,423	$ -	$ -	$ 310,423
Human Resources	6,255	-	-	-	6,255
Finance	80,757	2,800	6,108	-	77,449
Planning	143,615	1,280	-	48,967	193,862
Other-unclassified	12,428,003	2,593,480	-	-	15,021,483
Total General Government	12,658,630	2,907,983	6,108	48,967	15,609,472
Public Works:					
Inspections	188,990	27,340	-	(63,917)	152,413
Code Enforcement	42,234	-	-	-	42,234
Public Works	12,433,608	4,672	-	-	12,438,280
Engineering [a]	35,621	47,500	-	-	83,121
Maintenance	467,285	172,956	47,805	(25,949)	566,487
Streets	39,522,238	1,454,534	30,837	(44,087)	40,901,848
Streets Non-Powell Bill	1,189,226	18,562	-	35,527	1,243,315
Traffic Signal Control	55,486	302,169	-	(224)	357,431
Total Public Works	53,934,688	2,027,733	78,642	(98,650)	55,785,129
Public Safety:					
Police	9,009,101	25,671,421	261,309	15,360	34,434,573
Animal Control	22,173	-	-	-	22,173
Fire	7,147,319	854,474	307,537	-	7,694,256
Total Public Safety	16,178,593	26,525,895	568,846	15,360	42,151,002
Cultural and Recreational:					
Recreation	29,301,093	1,536,488	1,031,842	56,917	29,862,656
Economic Development:					
Economic Development	2,691,635	-	98,099	-	2,593,536
Construction in progress	17,085,650	1,832,874	15,492,293	-	3,426,231
Total governmental funds capital assets	$ 131,850,289	$ 34,830,973	$ 17,275,830	$ 22,594	$ 149,428,026

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.

[a] The beginning balances are different than the ending balances in FY13 CAFR due to a transfer that was coded incorrectly in the Maintenance department that occurred in the Engineering department. The beginning balances as presented are correct.

ADDITIONAL FINANCIAL DATA

This section contains the following:

Additional information on property taxes.

* Schedule of Ad Valorem Taxes Receivable

* Analysis of Current Tax Levy

City of Jacksonville, North Carolina **Schedule 99**
Schedule of Ad Valorem Taxes Receivable
June 30, 2014

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections and Credits	Uncollected Balance June 30, 2014
2013-2014	$ -	$ 20,600,957	$ 20,111,893	$ 489,064
2012-2013	634,360		355,684	278,676
2011-2012	215,501		57,155	158,346
2010-2011	168,104		30,266	137,838
2009-2010	149,708		6,038	143,670
2008-2009	153,650		6,328	147,322
2007-2008	106,833		4,649	102,184
2006-2007	92,273		2,452	89,821
2005-2006	287,506		777	286,729
2004-2005	184,735		1,081	183,654
2003-2004	63,049		63,049	-
	$ 2,055,719	$ 20,600,957	$ 20,639,372	$ 2,017,304

Less allowance for uncollected ad valorem taxes receivable	495,313
Real Property taxes receivable - net	$ 1,521,991
Tax Tags Together receivable	121,932
Taxes receivable - net	$ 1,643,923

Reconcilement with revenues:

Taxes - ad valorem - general fund	$ 18,938,480	
Tax Tags Together - general fund	$ 1,133,043	
Penalties and interest	151,571	$ 20,223,094
Discoveries and abatements - Net		441,187
Taxes written off		62,035
Refunds		12,401
Interest Collected		(99,345)
Total collections and credits per above		$ 20,639,372

City of Jacksonville, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2014

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current	$ 3,747,078,439	0.538	$ 20,159,282	$ 18,687,228	$ 1,472,054
Registered motor vehicles taxed at prior year's rate	110,927,881	0.538	596,792	-	596,792
Penalties			21,713	21,713	-
	3,858,006,320		20,777,787	18,708,941	2,068,846
Discoveries:					
Current year taxes and prior year taxes	5,924,164	0.538	31,872	15,976	15,896
Total	5,924,164		31,872	15,976	15,896
Abatements	(54,966,617)		(208,702)	(16,159)	(192,543)
Total Property Valuation	$ 3,808,963,867				
Net Levy			20,600,957	18,708,758	1,892,199
Less Uncollected tax at June 30, 2014 (Schedule 99)			(489,064)	(344,565)	(144,499)
Current year's taxes collected			$ 20,111,893	$ 18,364,193	$ 1,747,700
Percent current year collected			97.63%	98.16%	92.36%

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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			
	2005	**2006**	**2007**	**2008**
Governmental activities				
Net investment in capital assets	$ 23,213,667	$ 25,150,834	$ 36,483,370	$ 40,051,639
Restricted	2,273,770	2,197,646	2,439,679	3,112,204
Unrestricted	23,434,735	25,768,740	25,048,407	23,079,617
Total governmental activities net position	$ 48,922,172	$ 53,117,220	$ 63,971,456	$ 66,243,460
Business-type activities				
Net investment in capital assets	$ 41,903,685	$ 48,924,397	$ 48,250,136	$ 53,959,462
Unrestricted	8,413,512	1,357,170	4,797,748	2,054,402
Total business-type activities net position	$ 50,317,197	$ 50,281,567	$ 53,047,884	$ 56,013,864
Primary government				
Net investment in capital assets	$ 65,117,352	$ 74,075,231	$ 84,733,506	$ 94,011,101
Restricted	2,273,770	2,197,646	2,439,679	3,112,204
Unrestricted	31,848,247	27,125,910	29,846,155	25,134,019
Total primary government net position	$ 99,239,369	$ 103,398,787	$ 117,019,340	$ 122,257,324
Component Unit				
Net investment in capital assets	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total component unit net position	$ -	$ -	$ -	$ -

Table 1

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 44,298,070	$ 49,811,519	$ 54,511,124	$ 61,803,084	$ 70,194,243	$ 69,688,076
3,679,410	3,505,638	12,718,830	11,902,394	11,860,012	14,384,374
25,723,916	26,825,278	22,460,393	21,203,993	21,780,114	19,397,108
$ 73,701,396	$ 80,142,435	$ 89,690,347	$ 94,909,471	$ 103,834,369	$ 103,469,558
$ 70,678,265	$ 46,532,620	$ 41,894,354	$ 39,486,272	$ 41,107,918	$ 42,120,408
(8,044,529)	24,018,469	32,786,883	34,475,732	33,863,759	30,938,617
$ 62,633,736	$ 70,551,089	$ 74,681,237	$ 73,962,004	$ 74,971,677	$ 73,059,025
$ 114,976,335	$ 96,344,139	$ 96,405,478	$ 101,289,356	$ 111,302,161	$ 111,808,484
3,679,410	3,505,638	12,718,830	11,902,394	11,860,012	14,384,374
17,679,387	50,843,747	55,247,276	55,679,725	55,643,873	50,335,725
$ 136,335,132	$ 150,693,524	$ 164,371,584	$ 168,871,475	$ 178,806,046	$ 176,528,583
$ -	$ -	$ -	$ -	$ -	$ -
-	-	781,526	1,166,010	1,375,336	1,590,870
-	-	-	144,306	198,475	240,739
$ -	$ -	$ 781,526	$ 1,310,316	$ 1,573,811	$ 1,831,609

City of Jacksonville, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
Governmental Activities:				
Expenses				
General Government	$ 6,035,971	$ 6,477,418	$ 6,347,845	$ 5,366,793
Public Works	5,113,799	5,536,593	5,197,251	5,284,092
Public Safety	13,273,334	13,814,184	14,843,992	16,607,850
Economic and Physical Development	511,075	1,638,189	309,052	746,743
Environmental Protection	1,886,369	1,434	5,200	-
Cultural and Recreational	2,708,993	2,750,376	3,080,676	3,570,991
Interest on long-term debt	348,277	307,290	252,897	361,140
Total expenses	29,877,818	30,525,484	30,036,913	31,937,609
Program Revenues				
Charges for services:				
General Government	558,842	640,309	705,226	779,463
Public Works	645,046	571,493	795,696	741,442
Public Safety	62,684	64,820	85,997	117,753
Cultural and Recreational	269,760	289,996	328,895	401,834
Operating grants and contributions	2,789,477	3,675,947	2,763,818	3,824,357
Capital grants and contributions	284,282	465,512	1,386,287	1,266,935
Total program revenues	4,610,091	5,708,077	6,065,919	7,131,784
Total Governmental Activities Net Program Expense	(25,267,727)	(24,817,407)	(23,970,994)	(24,805,825)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	11,558,873	12,257,692	13,541,986	16,556,839
Sales tax	12,355,252	13,407,336	13,185,671	8,507,654
E-911 surcharge	380,125	367,294	420,799	423,724
Franchise tax	298,129	422,752	310,819	2,623,543
Beer and Wine tax	-	-	-	-
Gross receipts tax on short-term vehicle leases	78,488	98,316	104,109	114,395
Unrestricted grants and contributions	1,923,562	2,009,963	2,621,639	420,995
Investment earnings	594,463	844,477	1,264,390	1,139,000
Miscellaneous	3,079,850	2,076,432	6,124,021	672,649
Transfers	(1,316,668)	(2,461,530)	(2,747,247)	(3,380,970)
Total general revenues and other changes in net position	28,952,074	29,022,732	34,826,187	27,077,829
Total Governmental Activities Change in Net Position	$ 3,684,347	$ 4,205,325	$ 10,855,193	$ 2,272,004

Table 2

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 5,517,241	$ 5,596,384	$ 6,792,452	$ 7,994,140	$ 4,983,183	$ 5,080,369
5,786,244	3,882,329	6,533,211	6,377,902	6,627,300	6,824,331
18,040,904	20,979,364	19,198,958	19,915,276	20,600,507	21,181,815
851,295	814,390	1,163,709	667,729	1,583,916	1,992,960
-	-	-	-	-	-
4,129,539	4,915,686	5,021,989	4,601,950	5,530,950	5,936,222
311,838	258,864	221,531	329,417	1,224,639	1,132,525
34,637,061	36,447,017	38,931,850	39,886,414	40,550,495	42,148,222
901,203	898,699	250,468	138,799	171,465	162,977
724,790	1,294,058	1,289,267	927,358	706,159	745,549
137,236	211,289	240,263	398,019	372,576	293,269
440,391	456,832	480,852	586,966	589,570	693,995
3,692,813	4,553,143	6,458,917	7,228,718	4,753,141	2,955,773
6,677,474	4,108,039	4,723,314	2,753,328	8,564,614	2,155,063
12,573,907	11,522,060	13,443,081	12,033,188	15,157,525	7,006,626
(22,063,154)	(24,924,957)	(25,488,769)	(27,853,226)	(25,392,970)	(35,141,596)
17,395,985	17,887,016	18,512,342	18,847,266	19,766,554	20,609,794
10,707,904	10,643,840	11,037,388	11,687,324	11,492,666	10,132,239
420,799	420,799	420,799	350,341	333,471	316,281
3,188,160	3,213,168	3,030,253	2,842,416	2,806,225	2,932,050
-	-	359,696	335,106	376,544	343,092
114,171	154,786	174,971	173,012	174,815	187,443
-	-	-	-	-	-
435,342	115,235	118,629	69,928	81,204	32,083
931,473	1,110,048	1,242,944	1,324,085	1,224,987	1,688,246
(3,672,744)	(2,178,896)	139,659	(2,557,128)	(1,658,449)	(1,464,443)
29,521,090	31,365,996	35,036,681	33,072,350	34,598,017	34,776,785
$ 7,457,936	$ 6,441,039	$ 9,547,912	$ 5,219,124	$ 9,205,047	$ (364,811)

Continued on next page.

City of Jacksonville, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
Business-type Activities:				
Expenses				
Water and Sewer	$ 11,631,347	$ 12,976,043	$ 13,643,327	$ 15,624,868
Solid Waste Disposal	2,179,578	4,867,176	4,255,197	4,639,604
Stormwater/Water Quality	227,645	386,700	1,286,133	1,535,692
Total expenses	14,038,570	18,229,919	19,184,657	21,800,164
Revenues				
Charges for services:				
Water and Sewer	11,441,475	12,167,702	13,331,854	16,090,217
Solid Waste Disposal	2,054,850	2,391,135	2,338,256	2,574,942
Stormwater/Water Quality	-	-	-	-
Capital grants and contributions	843,689	714,338	1,990,356	2,017,348
Total revenues	14,340,014	15,273,175	17,660,466	20,682,507
Total Business-type Activities Net Program Expense	301,444	(2,956,744)	(1,524,191)	(1,117,657)
Other Changes in Net Position				
Investment earnings	234,690	355,453	360,044	293,797
Miscellaneous	150,805	104,131	1,183,217	408,870
Transfers	1,316,668	2,461,530	2,747,247	3,380,970
Total Business-type Activities Change in Net Position	$ 2,003,607	$ (35,630)	$ 2,766,317	$ 2,965,980
Total Primary Government Change in Net Position	$ 5,687,954	$ 4,169,695	$ 13,621,510	$ 5,237,984

Table 2, continued.

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 17,052,896	$ 19,605,964	$ 22,039,600	$ 25,911,275	$ 24,437,396	$ 25,352,766
4,757,063	4,936,541	5,030,182	5,204,115	5,164,869	5,309,438
1,653,473	1,706,904	1,999,166	2,458,468	2,493,130	2,439,645
23,463,432	26,249,409	29,068,948	33,573,858	32,095,395	33,101,849
19,585,091	25,432,654	25,077,038	23,178,499	22,247,424	21,849,926
2,594,445	2,622,685	2,710,478	2,807,152	3,537,164	3,582,715
2,041,550	2,077,406	2,086,443	2,163,960	2,885,148	2,893,937
1,997,949	1,587,697	3,143,054	1,291,589	2,048,232	331,300
26,219,035	31,720,442	33,017,013	29,441,200	30,717,968	28,657,878
2,755,603	5,471,033	3,948,065	(4,132,658)	(1,377,427)	(4,443,971)
111,166	137,377	205,659	99,003	57,069	24,604
80,359	130,047	116,083	757,294	718,920	1,042,272
3,672,744	2,178,896	(139,659)	2,557,128	1,658,449	1,464,443
$ 6,619,872	$ 7,917,353	$ 4,130,148	$ (719,233)	$ 1,057,011	$ (1,912,652)
$ 14,077,808	$ 14,358,392	$ 13,678,060	$ 4,499,891	$ 10,262,058	$ (2,277,463)

City of Jacksonville, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
General Fund				
Reserved	$ 5,987,978	$ 7,014,461	$ 4,812,557	$ 7,740,620
Non-Spendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unreserved	8,087,714	7,653,507	9,965,961	7,513,927
Unassigned	-	-	-	-
Total General Fund	$ 14,075,692	$ 14,667,968	$ 14,778,518	$ 15,254,547
All Other Governmental Funds				
Reserved	$ 4,614,185	$ 4,322,823	$ 5,129,315	$ 4,836,876
Restricted	-	-	-	-
Assigned	-	-	-	-
Unreserved, reported in:				
Capital Reserve Fund	4,854,928	5,149,649	3,058,622	2,139,779
Capital Projects Funds	1,967,547	2,296,107	4,169,992	3,912,698
Special Revenue Funds	325,834	643,011	1,173,947	1,026,118
Unassigned	-	-	-	-
Total All Other Governmental Funds	$ 11,762,494	$ 12,411,590	$ 13,531,876	$ 11,915,471

Table 3

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 8,668,338	$ 7,129,465	$ -	$ -	$ -	$ -
-	-	651,391	651,975	650,325	2,036,379
-	-	7,743,995	7,179,852	8,409,072	6,518,498
-	-	4,842,273	2,611,336	5,228,768	2,002,776
7,323,331	10,530,710	-	-	-	-
-	-	5,359,345	8,052,000	5,470,076	8,202,431
$ 15,991,669	$ 17,660,175	$ 18,597,004	$ 18,495,163	$ 19,758,241	$ 18,760,084
$ 4,355,700	$ 6,673,462	$ -	$ -	$ -	$ -
-	-	9,345,040	33,379,755	24,701,198	15,581,241
-	-	6,685,268	12,343,897	12,196,111	9,023,340
					-
1,378,279	323,514	-	-	-	-
4,547,887	2,929,440	-	-	-	-
1,899,319	1,366,861	-	-	-	-
-	-	(1,560,293)	(1,849,206)	(1,004,260)	7,133
$ 12,181,185	$ 11,293,277	$ 14,470,015	$ 43,874,446	$ 35,893,049	$ 24,611,714

City of Jacksonville, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
Revenues:				
Ad valorem taxes	$ 11,436,903	$ 12,036,716	$ 13,454,300	$ 16,375,725
CATV franchise tax [a]	380,125	422,752	310,820	32,253
Privilege licenses	471,796	548,999	620,597	649,834
Sales tax	12,355,252	13,407,336	13,185,671	8,507,654
Gross receipt on short term vehicle tax	78,488	98,316	104,109	114,395
Occupancy Tax[b]	-	-	-	-
Unrestricted intergovernmental revenues	1,925,113	2,009,407	2,620,232	3,041,423
Restricted intergovernmental revenues	3,273,205	4,508,753	4,554,837	4,747,278
Permits and fees	674,892	640,504	842,646	814,318
Sales and services	328,873	334,488	398,611	516,940
Investment earnings	603,360	801,748	1,266,126	1,192,808
Miscellaneous	822,192	778,031	804,395	608,948
Total revenues	32,350,199	35,587,050	38,162,344	36,601,576
Expenditures:				
General Government	5,758,657	6,098,696	5,680,777	5,167,232
Public Works	4,252,762	4,855,707	5,217,787	4,769,094
Public Safety	12,159,602	12,911,973	13,934,643	15,605,593
Environmental Protection	1,635,529	-	-	-
Cultural and Recreational	2,145,325	2,178,718	2,430,589	5,525,106
Economic and Physical Development	506,973	1,492,097	515,734	742,766
Capital outlay	6,669,256	3,190,490	7,695,294	908,510
Non-capitalized expenditures	-	-	9,312	28,475
Debt service:				
Principal retirement	2,533,964	2,334,137	2,061,532	2,066,522
Bond issuance costs	-	-	-	-
Interest and fees	348,277	307,290	283,915	361,140
Total expenditures	36,010,345	33,369,108	37,829,583	35,174,438
Excess of revenues over (under) expenditures	(3,660,146)	2,217,942	332,761	1,427,138
Other financing sources (uses):				
Debt issued	1,381,252	1,465,372	3,626,081	775,282
Premiums on debt issued	-	-	-	-
Sales of capital assets	54,722	194,110	187,970	39,133
Transfers in	5,699,596	5,715,094	9,872,164	5,484,935
Transfers (out)	(7,014,667)	(8,351,146)	(12,788,140)	(8,865,905)
Total other financing sources (uses)	120,903	(976,570)	898,075	(2,566,555)
Net change in fund balances	$ (3,539,243)	$ 1,241,372	$ 1,230,836	$ (1,139,417)
Debt service as a percentage of noncapital expenditures	10.9%	9.6%	8.4%	7.6%

[a] In FY 2008, the State changed the CATV franchise tax from a local tax to a State tax, with distributions then made to local governments by the State.
[b] Occupancy tax is a new revenue source beginning in 2011.

Table 4

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 17,099,462	$ 17,726,734	$ 18,531,433	$ 18,924,864	$ 19,761,590	$ 20,627,279
74,583	78,886	91,887	90,185	-	-
732,655	688,685	718,554	747,295	765,542	761,840
10,707,904	10,643,840	11,037,388	11,687,324	11,492,666	10,132,239
114,171	154,786	174,971	173,012	174,815	187,443
-	-	19,444	-	-	-
3,324,395	3,267,272	3,457,891	3,245,404	3,185,171	3,356,230
4,486,987	5,237,889	6,476,508	6,959,393	4,775,304	4,585,448
880,573	1,450,667	1,375,738	946,270	748,323	787,618
529,362	587,603	695,762	694,439	727,358	829,280
434,083	89,604	132,062	71,582	73,695	50,570
797,917	861,933	1,221,571	1,429,702	1,523,735	803,783
39,182,092	40,787,899	43,933,209	44,969,470	43,228,199	42,121,730
5,000,463	5,191,549	6,677,733	7,522,961	5,614,655	4,798,712
4,850,655	4,757,113	4,643,124	4,992,120	4,487,798	4,601,220
17,288,492	19,148,628	18,823,792	20,474,100	27,454,307	33,352,648
-	-	-	-	-	-
3,895,349	4,128,184	4,431,449	5,515,803	5,712,089	5,518,416
840,428	861,712	1,155,626	896,066	1,285,886	1,443,274
1,313,951	2,005,026	2,867,387	2,910,518	2,702,123	2,359,480
446,984	371,482	56,499	9,499	-	332,219
2,019,770	2,129,525	1,710,314	3,252,974	2,858,417	3,407,473
-	-	-	281,596	-	-
311,838	258,864	221,531	209,374	1,120,423	1,243,876
35,967,930	38,852,083	40,587,455	46,065,011	51,235,698	57,057,318
3,214,162	1,935,816	3,345,754	(1,095,541)	(8,007,499)	(14,935,588)
1,389,995	1,278,432	812,864	29,982,403	2,839,109	4,013,532
-	-	-	2,748,680	-	-
55,347	200,990	95,673	381,547	88,536	107,007
6,363,348	5,741,235	7,833,882	10,038,695	7,570,239	6,421,354
(10,020,016)	(8,375,875)	(7,974,606)	(12,753,194)	(9,208,703)	(7,885,797)
(2,211,326)	(1,155,218)	767,813	30,398,131	1,289,181	2,656,096
$ 1,002,836	$ 780,598	$ 4,113,567	$ 29,302,590	$ (6,718,318)	$ (12,279,492)
7.2%	6.9%	5.4%	9.5%	8.9%	9.3%

Table 5

City of Jacksonville, North Carolina
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property: Residential Property	Real Property: Commercial Property	Personal Property: Motor Vehicles	Personal Property: Other	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate Per $100
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
2014	1,937,078,200	1,230,598,207	384,543,812	292,082,090	35,338,442	3,808,963,867	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 2015 fiscal year. The last revaluation was completed in 2010. 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)

	City Direct Rates			Overlapping Rates	
Fiscal Year	Basic Rate	Council-Directed Capital Projects Initiative	Total Direct Rate	Onslow County	Total
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
2014	0.4596	0.0784	0.5380	0.585	1.123

Sources: City Finance Office and Onslow County Tax Administrator/Collector

Notes:

1. 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.

2. 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

	2014			2005		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
PR Jacksonville Limited Partnership	$ 39,371,480	1	1.08 %			
BRC Jacksonville Commons LLC	31,086,252	2	0.85	14,265,909	4	0.74 %
Progress Energy Carolinas	30,727,602	3	0.84	12,635,079	7	0.65
Independence Place Arlington West LLC	30,344,070	4	0.83	19,716,500	3	1.02
Jones-Onslow EMC	25,484,221	5	0.70			
Plantation at Jacksonville LLC	23,034,330	6	0.63			
Puller Place LLC	22,308,200	7	0.61			
Cross Pointe Developers LLC	22,102,690	8	0.60			
Williamsburg Plantation Apartments LLC	21,770,220	9	0.60			
Abbingdon SPE LLC	21,558,933	10	0.59			
Crown America Acquisition LP				35,323,383	1	1.82
Carolina Telephone & Telegraph				20,449,301	2	1.06
Marine Federal Credit Union				13,109,376	5	0.68
Wal Mart Real Estate Business Trust				12,688,307	6	0.66
United Dominion Realty Trust				12,108,482	8	0.63
Cross Pointe Developers				11,665,299	9	0.60
Lima Holding LLC				9,295,124	10	0.48
Total	$ 267,787,998		7.33 %	$ 161,256,760		8.34 %

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
2005	$ 11,599,071	$ 11,100,980	95.71%	$ 314,437	$ 11,415,417	98.42%
2006	12,283,606	11,702,137	95.27	294,740	11,996,877	97.66
2007	13,527,026	13,142,197	97.16	295,008	13,437,205	99.33
2008	16,625,906	16,077,078	96.70	446,644	16,523,722	99.39
2009	17,426,095	16,682,062	95.73	596,711	17,278,773	99.15
2010	17,957,339	17,254,271	96.08	559,398	17,813,669	99.20
2011	18,696,869	18,083,308	96.72	475,723	18,559,031	99.26
2012	18,985,311	18,416,665	97.00	410,300	18,826,965	99.17
2013	19,870,580	19,236,220	96.81	355,684	19,591,904	98.60
2014	20,600,957	20,111,893	97.63		20,111,893	97.63

Source: Onslow County Tax Administrator/Collector

Table 9

City of Jacksonville, North Carolina
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Onslow County [a]
2005	2.50
2006	2.50
2007	2.50
2008	2.50
2009	2.25 [b]
2010	2.00 [c]
2011	2.25 [d]
2012	2.25
2013	2.25
2014	2.25

Sources: City Finance Office and Onslow County Finance Office

Notes: The County sales tax rate may be changed only with the approval of the state legislature.

[a] The City does not levy a separate sales tax from the County.
[b] The County sales tax rate decreased to 2.25% effective October 1, 2008.
[c] The County sales tax rate decreased to 2.00% effective October 1, 2009.
[d] The County sales tax rate increased to 2.25% effective October 1, 2010.

Table 10

City of Jacksonville, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2005	$ -	0%	$ -
2006	-	0%	-
2007	-	0%	-
2008	-	0%	-
2009	-	0%	-
2010	-	0%	-
2011	-	0%	-
2012	-	0%	-
2013	-	0%	-
2014	-	0%	-

	Other Governmental Activities Debt	Business-type Activities						
Fiscal Year	Installment Purchase Loans	State Revolving Loan	Installment Purchase Loans	Revenue Bonds	Other Loans	Total Primary Government	Percentage of Personal Income [a]	Debt Per Capita
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	35,405,224	54,495,939	18,779,281	39,444,671	-	148,125,115	1.88%	1,985
2013	35,345,518	52,970,441	15,770,063	38,030,096	-	142,116,118	1.71%	1,857
2014	35,932,419	50,522,655	13,383,799	36,375,270		136,214,143	1.62%	1,742

Notes:

The City has no outstanding general obligation bonds. Details regarding the City's outstanding debt can be found in the notes to the financial statements (Note 9). The "Installment Purchase Loans" totals for 2012, 2013 and 2014 are adjusted to include the unamortized bond premium for the City's limited obligation bonds, Series 2012 (see Note 9D).

[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.

JACKSONVILLE N.C.
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Community
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Table 11

City of Jacksonville, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

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	$ 74,275,000	28.5%	$ 21,137,369
Other Debt			
Onslow County Certificates of Participation	53,610,000	28.5%	15,256,470
Onslow County Installment Purchase Loans	16,922,741	28.5%	4,815,917
Onslow County Special Obligation Bonds	2,970,000	28.5%	845,210
Onslow County Limited Obligation Bonds	38,500,000	28.5%	10,956,428
Subtotal, overlapping debt			53,011,394
City direct debt			37,724,419
Total direct and overlapping debt			$ 90,735,813

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, 2014, assessed valuation of the County of Onslow ($13,384,390,300) as compared to the June 30, 2014, assessed valuation of the City of Jacksonville ($3,808,963,867).

City of Jacksonville, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
Debt limit	$ 154,953,270	$ 162,724,896	$ 201,645,680	$ 212,391,193
Total net debt applicable to limit	9,845,590	10,419,924	11,003,772	9,714,850
Legal debt margin	$ 145,107,680	$ 152,304,972	$ 190,641,908	$ 202,676,343
Total net debt applicable to the limit as a percentage of debt limit	6.4%	6.4%	5.5%	4.6%

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 2014

Assessed value	$ 3,808,963,867
Debt limit (8% of assessed value)	304,717,109
Debt applicable to limit:	
Installment purchase	37,724,419
Total net debt applicable to limit	37,724,419
Legal debt margin	$ 266,992,690

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 221,148,026	$ 228,253,284	$ 275,956,149	$ 280,601,240	$ 292,839,267	$ 304,717,109
8,678,903	7,342,988	6,527,860	36,063,072	36,134,673	37,724,419
$ 212,469,123	$ 220,910,296	$ 269,428,289	$ 244,538,168	$ 256,704,594	$ 266,992,690
3.9%	3.2%	2.4%	12.9%	12.3%	12.4%

Table 13

City of Jacksonville, North Carolina
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	(1) Population [a]	(2) Personal Income [a] (in thousands)	(2) Per Capita Personal Income [a]	(1) Median Age [a]	(3) School Enrollment [b]	(4) Unemployment Rate Percentage
2005	73,531	4,881,345	30,715	23.98	27,213	6.1
2006	73,121	5,156,938	32,051	22.10 (5)	22,283	4.7
2007	74,433	5,752,998	35,222	22.40	22,787 (6)	5.1
2008	77,301	6,757,771	36,771	NA	22,840 (6)	6.0
2009	81,873	7,348,781	39,635	NA	23,361 (6)	8.8
2010	81,612	7,747,194	42,463	25.5	23,493 (6)	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	8,421,526	45,953	NA	24,377	8.8
2014	78,190	NA	NA	NA	25,251	8.7

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) American Community Survey, US Census Bureau
(6) 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.

Table 14

City of Jacksonville, North Carolina

Principal Employers, Current and Seven Years Ago [a]

	2014			2006 [a]		
Employer	**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 County Government	1,000+	4		1,000+	4	
Onslow Memorial Hospital	1,000+	5		1,000+	3	
Wal-Mart Associates, Inc.	1,000+	6		500-999	6	
Coastal Carolina Community College	500-999	7				
Food Lion, LLC	500-999	8		250-499	9	
Convergys Customer Management Group	500-999	9		250-499	8	
City of Jacksonville	500-999	10		250-499	10	
McDonald's Restaurants of NC, Inc.	250-499	11				
SAG Payroll, LLC	250-499	12				
Coastal Enterprises of Jacksonville	250-499	13				
Morale Welfare Recreation	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 (31.5%) of government employment at all levels contributes to an extremely stable economy for Jacksonville and Onslow County.

Industry	No. of Units	Annual Average Employment	Percentage	Average Weekly Wage
Total Federal Government	28	6,934	14.5 %	$ 980
Total State Government	16	998	2.1	595
Total Local Government	21	7,083	14.9	732
Total Private Industry	2,832	32,700	68.5	510
Total All Industries	2,897	47,715	100.0 %	

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Table 15

City of Jacksonville, North Carolina
Full-Time City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Mayor and Council	7	7	7	7	7	7	7	7	7	7
City Manager	5	5	5	5	5	6	6	6	6	6.5
Community Programs	-	-	1	2	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	3	3	3	3	3	3	3	3	3
Finance	19	20	22	22	23	24	24	24	24	24
Planning	6.5	6.5	8.3	10	8	8	7	7	11	11
Transportation	1.5	2.5	2.6	2.1	2.1	2.1	2.1	2.1	3.1	2.6
Traffic Signal Control	-	-	-	-	-	-	-	-	2	4
Public Safety:										
Police (Note 1)	130	131	132	-	-	-	-	-	-	-
Sworn	-	-	-	113	115	115	119	120	121	121
Non-sworn	-	-	-	26	26	27	29	30	31	32
Fire (Note 1)	75	75	75	-	-	-	-	-	-	-
Firefighters				73	79	83	86	86	86	86
Administrative Support				2	2	3	3	3	3	3
Building Inspections	12	12	12.1	12	11	11	11	11	7	7
Code Enforcement	-	-	-	-	3.8	3.8	3.8	3.8	3.3	3.3
Public Works:										
Administration	1.1	1.1	1.6	1.4	0.4	0.4	0.4	0.4	0.4	0.4
Engineering	4.5	4.5	3.6	4	4.5	4	4	4	3	3
Facilities Maintenance	13	13	13	13	15	10	10	10	10	10
Streets	30	30	22	22	22	23	23	19	20	20
Recreation and Parks	20	20	22	23	25	37	38	38	40	40
Water/Sewer Operations:										
Administration	2.9	2.9	3.4	3.6	2.6	3.6	3.6	3.6	3.6	2.6
Engineering	4.5	7.5	8.2	8.6	10.1	10.6	11.6	11.6	11.6	11.6
Metering	7	7	7	7	7	7	7	7	7	6
Utilities Maintenance	21	22	22	22	25	25	25	26	27	29
Water Supply	6	6	6	6	12	13.85	13.85	13.85	13.85	13.85
Wastewater	12	12	12	12	15	15.15	15.15	17.15	18.15	18.15
Stormwater/Water Quality	2	2	3	3	4	4	4	4	3	3
Streets/Stormwater Drainage	-	-	15	15	15	15	15	19	18	18
Sanitation/Solid Waste Disposal	41	41	41	41	41	41	41	41	41	41
Solid Waste/Commercial Dumps	-	-	-	-	-	-	-	-	-	5
Fleet Maintenance	8	8	8	9	9	9	9	9	9	10
City Hall Maintenance	1	1	1	1	2	2	2	2	2	2
Info Technology Services	10	10	10.1	11.1	12.1	12.3	12.3	12.3	12.3	12.3
Video/Media Services	1	2	2	2	2	3	3	3	3	4
Community Development	4	4	4	4	3.2	3.2	3.2	1.2	1.7	1.7
E-911 (Note 2)	-	-	0.1	0.2	0.2	-	-	-	-	-
TOTAL	453	462	479	492	520	540	550	553	560	570

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	2005	2006	2007	2008
General government				
Building permits issued (Note 1)	810	996	924	867
Number of residential units (Note 2)	404	385	318	240
Number of commercial units (Note 2)	25	25	29	49
Building inspections conducted (Note 1)	21,110	21,297	17,947	14,680
Business privilege licenses issued	3,694	4,321	4,049	3,863
Business privilege license collections (Note 3)	476,033	539,458	607,299	649,834
Zoning inspections conducted (Note 4)	2,139	2,122	2,749	1,993
Police (Note 5)				
Physical arrests (Note 6)	2,320	2,409	2,461	2,902
Traffic citations	10,074	12,399	14,114	18,746
Calls for service	78,874	85,414	96,214	99,658
Priority 1 response time (minutes/seconds)	6:40	7:31	6:47	6:28
Fire				
Emergency responses	2,319	2,260	2,283	2,407
Fires extinguished	178	184	229	180
Fire inspections conducted	1,227	1,093	1,361	1,179
Calls for service	NA	NA	NA	5,089
Public Works				
Potholes repaired (Note 8)	1,148	3,154	2,243	2,438
Total street miles swept	5,450.0	2,301.5	2,729.6	2,813
Recreation and Parks				
After school program registrations	NA	NA	NA	3,425
Athletic program registrations	NA	NA	NA	1,801
Summer and adventure camp registrations	NA	NA	NA	1,308
Senior citizen program registrations	593	457	540	615
Water				
Avg daily consumption (thousands of gallons)	4,484	4,825	4,810	3,952
Number of utility accounts	14,709	14,813	15,478	15,715
Wastewater				
Avg daily sewer treatment (thousands of gallons)	5,044	5,242	5,498	4,549
Solid Waste Disposal				
Refuse collected (residential/commercial tons/wk)	664.16	675.62	669.20	650.37
Yard waste collected (tons per week)	112.11	111.21	95.89	92.42
Recyclables collected (tons per fiscal year)	821.75	887.59	1,124.0	1,427.0
Stormwater				
Drainage ditches maintained (miles)	NA	41.1	59.0	47.7
Transportation				
Jacksonville Transit System				
ridership (monthly average) (Note 7)	810	965	1,306	1,937

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 inspections conducted. FY13 Building Inspections conducted was recorded in error in previous CAFR, corrected number is reflected in current table.

Note 2: The number of residential and commercial units does not correspond to the building permits issued because 1) building permits includes additions/alterations and Certificates of Occupancy, and 2) only one permit is issued for multi-family (apartment) buildings with multiple units.

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

2009	2010	2011	2012	2013	2014
675	1,533	1,031	1,215	838	792
225	674	356	440	210	111
58	51	64	100	184	220
12,371	15,470	18,916	16,965	12,236	11,444
4,356	3,891	4,827	5,106	4,686	5,093
704,057	710,282	718,554	747,295	765,542	761,840
2,677	2,533	2,672	2,741	2,049	4,470
2,622	2,802	3,380	3,880	4,025	3,983
18,637	22,838	27,687	29,292	23,255	15,327
98,458	106,279	106,132	111,355	99,576	74,749
6:32	13:26	8:52	4:37	3:14	3:16
2,541	2,727	2,525	2,636	2,018	2,783
181	201	196	164	126	121
1,164	1,951	1,819	1,745	1,946	1,867
6,425	15,500	15,490	16,695	18,613	19,926
2,509	1,056	4,491	483	168	157
3,147	2,500.0	1,798.0	702.2	4,680	3,708
3,488	2,159	4,310	6,398	7,478	5,315
3,139	3,919	3,617	3,560	3,263	4,261
1,201	1,009	877	884	879	912
488	456	514	465	483	418
3,991	4,081	3,928	3,865	3,574	3,470
16,066	16,716	17,420	17,429	17,002	17,267
3,990	5,895	4,567	4,624	5,500	5,500
622.0	603.61	605.80	778.40	587.37	586.00
94.51	93.77	88.65	111.00	74.00	75.00
1,557.0	1,793	1,967	2,385	2,398	2,588
71.0	80.0	100.0	88.4	64.0	98.0
3,936	4,943	6,892	7,555	7,821	9,833

Notes (continued):

Note 5: Due to a conversion of data on July 16, 2013 there was data that was either lost or did not transfer correctly causing some information to be lost. The data for FY14 reflects the information that could be restored.
Note 6: 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 7: 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 8: 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	2005	2006	2007	2008
General government				
Area (square miles)	43.71	44.62	45.15	45.30
Land/Buildings (dollars)	17,435,277	18,355,699	19,370,518	19,760,511
Police				
Stations	1	1	1	1
Police vehicles (Note 1)	137	123	118	143
Fire				
Stations	4	4	4	4
Fire Engines	9	9	9	9
Public Works				
Streets (miles) (Note 2)	168.99	170.41	173.73	174.87
Sidewalks (miles) (Note 3)	35.91	41.01	43.65	159.84
Recreation and Parks				
Parks (Note 4)	20	23	23	23
Acreage	262.4	294.23	292.57	292.57
Playgrounds	15	15	15	15
Athletic fields	25	25	25	25
Recreation centers	4	4	4	4
Water				
Water mains (miles)	207.80	209.48	273.59	275.00
Pump stations	39	39	39	39
Fire hydrants	1,967	1,989	2,057	2,133
Storage capacity (mil gallons)	2.8	3.9	3.9	3.9
Wastewater				
Sanitary sewers (miles)	204.57	206.5	247.13	245.00
Storm drainage ditches (miles)	NA	100.0	100.0	129.00
Treatment capacity (mgd) (Note 5)	6.0	6.0	6.3	6.6
Solid Waste Disposal				
Sanitation trucks	12	12	11	11
Other sanitation vehicles (Note 6)	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) Wastewater Treatment Capacity has incorrectly record the Nano-Plant in previous year. This facility is only a cleansing process for the water distributed from the Castle Haynes Aquifer
(6) Prior to FY2010, other sanitation vehicles included three boom trucks, three dial-a-trucks, and two pickup trucks.

Table 17

2009	2010	2011	2012	2013	2014
46.38	54.85	54.85	55.35	55.35	55.85
22,262,655	22,409,435	23,571,103	24,068,494	30,978,391	59,624,895
1	1	1	1	1	1
128	140	149	144	144	144
4	4	4	4	4	4
9	9	9	11	10	10
179.16	148.34	150.90	150.90	150.90	154.11
153.09	135.00	155.00	201.18	201.18	NA
23	19	19	19	19	19
292.57	267.40	267.40	267.40	267.40	267.40
15	19	19	19	19	19
25	21	21	21	21	21
4	4	4	4	4	4
278.00	280.00	271.00	272.13	310.00	310.00
40	42	42	42	45	45
2,181	2,156	2,156	2,184	2,184	2,401
3.9	3.4	5.9	5.9	5.9	5.9
248.00	248.60	253.98	255.62	291.22	291.22
85.00	80.00	100.00	88.36	64.00	98.00
6.6	9.0	9.0	10.5	10.5	6.5
12	19	18	20	20	28
7	2	2	2	2	3

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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.

McGladrey

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, 2014, 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 November 5, 2014. 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.

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 deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with goverance.

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 from 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 City of Jacksonville's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering City of Jacksonville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Morehead City, North Carolina
November 5, 2014

McGladrey

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 the City of Jacksonville's major federal program for the year ended June 30, 2014. City of Jacksonville's major federal 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 federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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.

Member of the RSM International network of independent accounting, tax and consulting firms.

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, 2014.

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 a 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 that 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

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

McGladrey LLP

Morehead City, North Carolina
November 5, 2014

McGladrey

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 City of Jacksonville's major State program for the year ended June 30, 2014. 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*, applicable sections of 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 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 state 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, 2014.

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 that 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
November 5, 2014

City of Jacksonville, North Carolina

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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 OMB Circular A-133?	_____	Yes	X	No

(Continued)

City of Jacksonville, North Carolina

Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2014

Identification of major federal program:

CFDA #	Program Name
20.507	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, 2014

Section 2. Financial Statement Findings

None

Section 3. Findings and Questioned Costs for Federal Awards

None

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, 2014

Section 2. Financial Statement Findings

No corrective action plan is required in the current year.

Section 3. Findings and Questioned Costs for Federal Awards

No corrective action plan is required in the current year.

Section 4. Findings and Questioned Costs for State Awards

No corrective action plan is required in the current year.

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2014

Finding 13-1 Buy America

The compliance requirement for Buy America was not monitored and equipment was purchased that was not manufactured in America.

Status: Corrected.

City of Jacksonville, North Carolina

Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through or Grantor's Number		Expenditures Federal Direct and Pass-Through	Expenditures State	Expenditures Local
FEDERAL AWARDS						
US Department of Housing & Urban Development						
Direct Program:						
Community Development Entitlement	14.218	B-11&12-MC-37-0014		$ 295,705	$ -	$ -
Total US Department of HUD				295,705	-	-
US Department of Justice						
Direct Programs:						
Bulletproof Vest Partnership Grant	16.607	N/A		4,587	-	4,587
COPS Universal Hiring Grant	16.710			300,877	-	-
Pass through: Onslow County Board of Education						
School Resource Officer	16.592	N/A		272,333	-	77,116
Pass through: NC Department of Crime Control and Public Safety						
Domestic Violence Investigator	16.588	2012-WF-AX-0058		49,657	-	16,688
Drug Diversion Program	16.738	2012-DJ-BX-0640		37,617	-	13,448
Total US Department of Justice				665,071	-	111,839
US Department of Transportation						
Direct Programs:						
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.507		M	478,682	2,379	362,546
Pass through: NC Department of Transportation						
NC Governor's Highway Safety Program	20.600			1,567	-	522
Section 5303 Grant	20.505			17,931	2,242	2,242
104-F Transportation Grant	20.205	N/A		293,771	-	73,443
Total US Department of Transportation				791,951	4,621	438,753
US Department of Homeland Security						
Direct Program:						
SAFER Grant	97.083	EMW-2008-FF-00151		-	-	210,921
Total US Department of Homeland Security				-	-	210,921
US Environmental Protection Agency						
Pass through: NC Department of Environment and Natural Resources						
Public Water Supply Division						
Drinking Water State Revolving Loan	66.468			103,172	25,793	-
Total US Environmental Proection Agency						

(Continued)

City of Jacksonville, North Carolina

Schedule of Expenditures of Federal and State Awards (Continued)
For the Fiscal Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through or Grantor's Number		Expenditures Federal Direct and Pass-Through	Expenditures State	Expenditures Local
STATE GRANTS (all direct):						
NC Department of Juvenile Justice and Delinquency Prevention						
Juvenile Transportation Grant		N/A		-	224	-
Total NC Department of Juvenile Justice and Delinquency Prevention				-	224	-
NC Department of Transportation						
Nonstate System Street Aid Allocation		N/A	M	-	916,079	-
State Maintenance Assistance Program		N/A		-	158,170	158,170
Total NC Department of Transportation				-	1,074,249	158,170
NC Department of Environment and Natural Resources						
Mosquito Control Grant		N/A		-	59,379	118,758
NC Department of Cultural resources						
NC Arts Council-Grass Roots Arts Program		N/A		-	1,000	-
Total federal expenditures				$ 1,855,899		
Total state expenditures					$ 1,165,266	
Total local expenditures						$ 1,038,441

See Notes to the Schedule of Expenditures of Federal and State Awards.

See Notes to the Schedule of Expenditures of Federal and State Awards.
M denoted major program.

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.