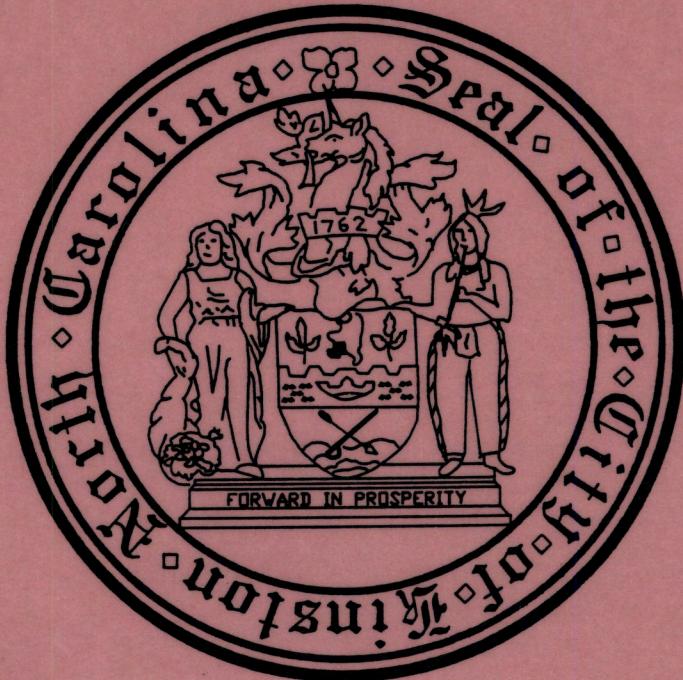


CITY OF KINSTON

NORTH CAROLINA



**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 1992**

**CITY OF KINSTON, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

**PREPARED BY
CITY OF KINSTON FINANCE DEPARTMENT**



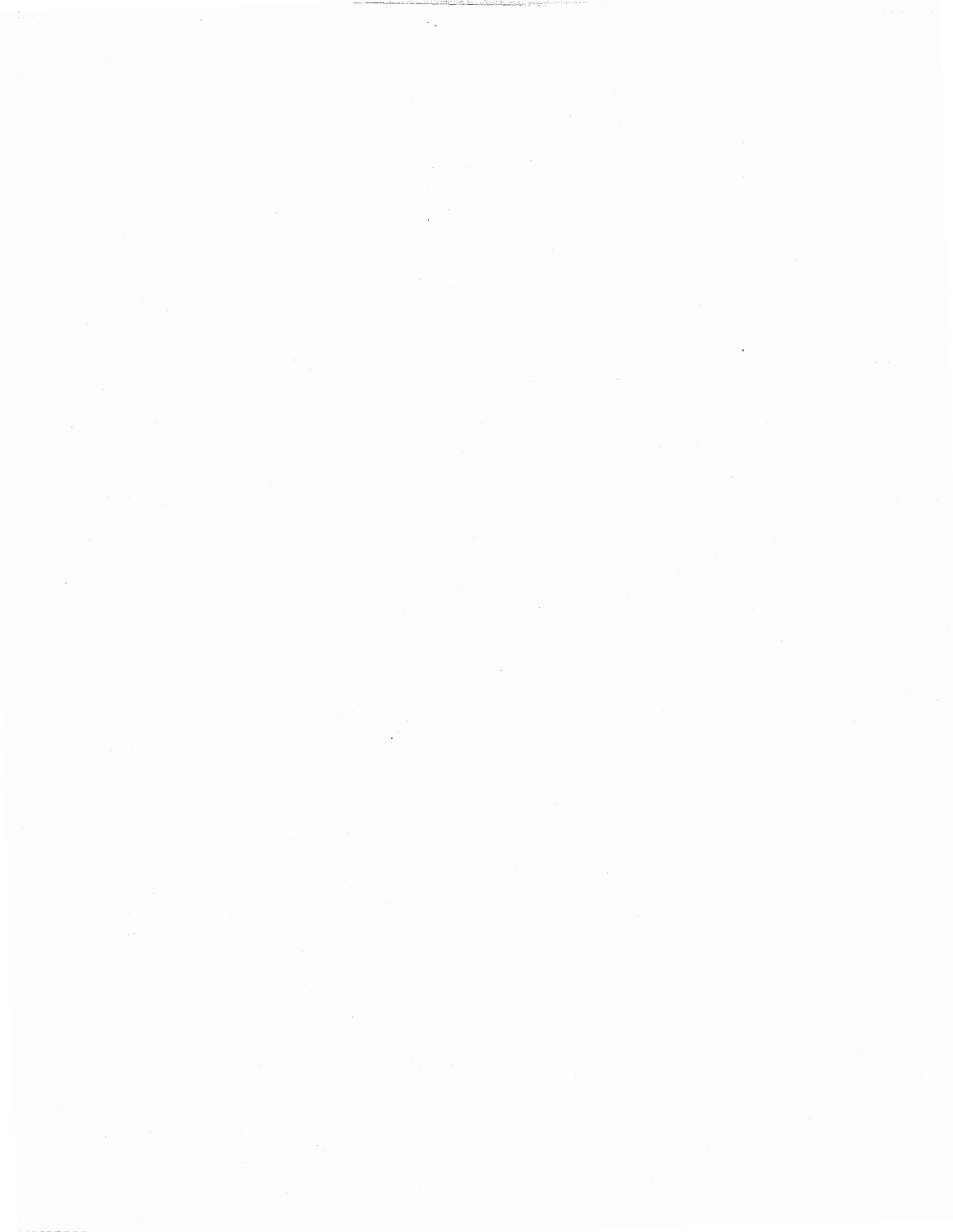
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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **List of Principal Officers**
- **Organizational Chart**
- **GFOA Certificate of Achievement**





City of Kinston

P. O. Box 339

Kinston, North Carolina 28502

Phone: (919) 559-4202 Fax: (919) 559-2164

October 19, 1992

O. A. RITCH, JR.
Mayor

STEPHEN W. RAPER
City Manager

VERNON H.
ROCHELLE
City Attorney

PEGGY D. BOONE
City Clerk

To the Citizens of the CITY OF KINSTON:

The comprehensive annual financial report of the **CITY OF KINSTON** (the City) for the fiscal year ended June 30, 1992, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the City. The City provides a full range of services including police and fire protection; sanitation services; construction and maintenance of streets and other infrastructure; planning and zoning services; and parks and recreational services. In addition to general governmental activities, the City owns and operates electrical, water, and wastewater utilities; therefore, these activities are included in the reporting entity. However, the City of Kinston Housing Authority, the Lenoir County-City of Kinston Airport Commission, and the City of Kinston School District do not meet the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. Information related to this single audit, including the schedule of federal and State financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

ECONOMIC CONDITION AND OUTLOOK

Kinston, located 75 miles east of the City of Raleigh (the State Capital) and 60 miles west of the Atlantic Coast, is the largest municipality in Lenoir County and serves as the County seat. In what promises to be the single most significant and dramatic economic development project ever in eastern North Carolina, the Lenoir County-City of Kinston Regional Jetport competed with scores of cities and counties across North Carolina in the spring of 1992 and was chosen as the site of the North Carolina Global Transpark. The development of the massive Global Transpark and business complex will define the future

environment for successful global manufacturing and distribution facilities in North Carolina and the nation. The complex will function as an international air cargo airport integrating "Just-In-Time" (JIT) manufacturing systems with air freight and other transport modes.

The JIT plants will be located along taxiways allowing air freighters to interface directly with industrial plants and distribution centers, and a central cargo facility will process freight utilizing state-of-the-art technologies. The North Carolina State Legislature has created and funded the North Carolina Air Cargo Airport Authority, while the U.S. Federal Aviation Administration has joined in funding the initial stages of the planning process. The Authority has been funded by the State to support the project into the next stages of planning and development.

The Global Transpark will be designed to help its tenants compete successfully during the "fifth wave" of international economic development and globalization of business transactions. It is expected, eventually, to create tens of thousands of jobs at the Transpark itself and twice as many jobs in the surrounding region and across the State.

MAJOR INITIATIVES

For the Year. During the FY 1992 budget process, priorities were developed to identify those areas of emphasis that each department would address during the upcoming fiscal year. These work objectives included street maintenance and repaving, dirt street construction and paving, annexation implementation, minimum housing code enforcement, recycling and solid waste management, and electric and water system improvements.

An aggressive crack filling program was the cornerstone of the City's street preventive maintenance program as it is a first line of defense against pavement deterioration. The City also continued with its routine resurfacing of Kinston's 100 miles of paved streets. Every two years the Institute for Transportation Research and Education (ITRE) conducts an analytical study and site evaluation which provides a priority listing of streets that need resurfacing. Dirt street construction and paving is among the highest priorities of the City Council. Approximately \$100,000 is committed annually to dirt street paving.

In July 1991 the City annexed approximately 12 square miles adjacent to the City. The major advantages to the City included an increased tax base, an increase in revenue, and a larger population. The broader tax base prepared the City for the widest variety of financing options through broader debt limits should the city require a need for bonds or other forms of debt to prepare for and meet the demands of the future. The advantages, however, also brought increased responsibilities. All annexed areas received police patrol and services, regular garbage and refuse collection, environmental services, street maintenance and storm water control, street lighting, street signs and full access to the City recreation programs. In addition, the City is required by General Statutes to provide water and sewer lines within a two-year period to the annexed area.

The Housing Code Enforcement program, newly implemented in FY 1991, received even greater emphasis in FY 1992. Sixty percent (60%) of structures inspected are not in accordance with State and local codes. If not repaired, structures found to be dilapidated underwent demolition proceedings.

The Public Works Department conducted a recycling feasibility study as a result of a State mandated reduction of 25 percent of the solid waste stream to the landfill. The City Council approved the implementation of the study recommendations in FY 1992-93.

The capital improvement program for FY 1992 included the construction of electric, water and wastewater systems designed in FY 1991. The City began the construction of a new 20 MVA electric substation and transmission tap and began the conversion of 13.4 miles of transmission system from 4 KV to 12 KV distribution. The extension of the water and sewer lines to the newly annexed areas was undertaken and four (4) existing water lines were lengthened. Construction began on phosphorous removal facilities at the City's two wastewater treatment plants at a cost of approximately \$2,500,000.

In the Future. During the FY 1993 budget process the City continued its efforts to economize and to improve efficiency of its operations. Substantial cost savings are anticipated from each activity.

The Water & Sewer Fund will continue a multi-year water meter replacement program which has substantially decreased losses and thereby increased revenue. The City also installed its own electric service to two water well sites serviced by its competitor Carolina Power & Light (CP&L) in prior years. There will also be an increased use of electric load management measures at both wastewater treatment plants, pump stations and deep wells.

The Electric Fund will also begin a meter replacement program in FY 1993 in order to reduce high load loss. There will also be a continuation of the on-going copper wire replacement program which will improve service, increase reliability and decrease outages. Tree-trimming will be performed by contract crews and City tree crews as in years past.

The General Fund's many departments will also seek ways to economize and improve efficiency. The Recreation Department conducted a comprehensive self-study and program evaluation in FY 1992 which resulted in elimination of various programs, consolidation of others, and increased fees and charges in the FY 1993 budgetary process. The Fire Department will use existing fire suppression personnel to conduct newly mandated inspections in lieu of hiring new personnel. The Engineering Department will increase in-house design of street, water, and sewer projects formerly designed by consulting engineers. Engineering will also purchase 75 plus used traffic signal heads and arrange for their refurbishing from prison labor which will save tens of thousands of dollars in purchase costs. The Police Department received two grant awards which provided the City with six new officers to implement its DWI enforcement program and increased patrol coverage in the community policing program and in public housing areas in particular.

The FY 1993 budget allowed for continuation of existing levels of service only with most capital projects unfunded or postponed.

Department Focus. Each year the City selects a department to highlight for its efforts and accomplishments. For FY 1992 the Electric Fund's Communication program was the first recipient of a new statewide award recognizing outstanding achievement in communications by municipally-owned electric utilities. The award was presented at the 1992 annual meeting of ElectriCities of North Carolina. ElectriCities is an association of 64 cities and towns that operate their own electric distribution systems.

The annual "Hometown Communicator" Award was inaugurated by ElectriCities to recognize members who carry out effective programs to communicate with their customers, their employees, the news media and the community.

The City was selected for its well rounded program which includes a quarterly, newsletter produced by the communications staff for industrial and commercial customers, a weekly column in the local newspaper focusing on ways consumers can conserve costs and energy, and a callback procedure used to check with customers following outages in electric service.

FINANCIAL INFORMATION

City management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure 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: (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 judgements by management.

Budgetary Controls. In addition to the internal control system, the City maintains a system of budgetary controls. These budgetary controls are designed to ensure compliance with the annual budget ordinance adopted by the City Council as well as compliance with the North Carolina General Statutes as they relate to budgetary procedures for local governments. Activities of the general fund, certain special revenue funds, and all proprietary funds are included in the annual appropriated budget. Project length financial plans are adopted for certain special revenue funds (CDBG multi-year funded projects). The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at year end are reported as reservations of fund balances as these commitments will be honored during the subsequent year.

The City continues to demonstrate its adherence to sound financial management principles and fiscal responsibility as evidenced by the statements and schedules included in this report.

General Government Functions. The following schedule presents a summary of the revenue and other financing sources for general governmental functions (General Fund and Special Revenue Funds) for the fiscal year ended June 30, 1992 and the amount and percentage of increases and decreases in relation to prior year revenue.

<u>Revenue and Other Financing Sources</u>	<u>Amount</u> <u>(Thousands)</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 1991</u> <u>(Thousands)</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
Ad valorem taxes	\$ 4,643	31.8%	\$ 441	10.5%
Sales and services	2,884	19.7	165	16.1
Other taxes	1,723	11.8	(19)	(1.1)
Intergovernmental:				
Unrestricted	1,504	10.3	52	3.6
Restricted	1,211	8.3	(76)	(5.9)
Other	397	2.7	(1)	(.3)
Transfers in	2,242	15.4	163	7.8
Total	\$ 14,604	100.0%	\$ 725	

The most significant source of revenue continues to be derived from "Ad Valorem Taxes" although the City has maintained the same tax rate (\$.61/\$100) over the last four years. The 10.5 percent increase resulted from newly annexed properties, a series of discoveries that increased the tax base, and an aggressive collection program. Collections for the year ended June 30, 1992 were 96.8 percent of the current levy, the eleventh consecutive year the collection rate has exceeded 96 percent.

The 16.1 percent increase in "Sales and Services" reflects the additional revenue received from providing garbage collection to the annexed areas.

The category of "Other Taxes" includes local government sales taxes, intangible taxes and licenses and permits. The 1.1 percent decrease reflects the withholding of all local governments' share of growth in these taxes by the State of North Carolina as well as reflecting the state of the national economy. The 3.6 percent increase in unrestricted inter-governmental revenue reflects the additional revenue received due to newly annexed citizens and properties.

The following schedule presents a summary of General Fund and Special Revenue Funds expenditures and other financial uses for the fiscal year ended June 30, 1992, and the percentage of increases and decreases in relation to prior year amounts.

<u>Revenue and Other Financing Sources</u>	<u>Amount (Thousands)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1991 (Thousands)</u>	<u>Percent of Increase (Decrease)</u>
General Government	\$ 1,092	7.7%	\$ (166)	(13.2)%
Public Safety	5,514	38.8	254	4.8
Public Works	3,778	26.6	(17)	(.4)
Planning and Community Development	1,786	12.6	(121)	(6.3)
Parks and Recreation	1,829	12.7	(49)	(2.6)
Debt Service:				
Principal	25	.2	(40)	(61.5)
Interest	6		(5)	(45.5)
Transfers Out	<u>195</u>	<u>1.4</u>	<u>120</u>	<u>160.0</u>
Total	\$ 14,225	100.0%	\$ (24)	

The overall reduction in expenditures reflects the concerted effort made by the City in FY 1992 to reduce all expenditures to minimize the impact of fund balance due to a slowing economy and to provide a cushion for the future. The substantial increase in "Transfers Out" reflects a one-time transfer of Community Development Block Grant program income which had been accumulating in the General Fund into a multi-year special revenue fund.

General Fund Balance. Fund balance in the General Fund at June 30, 1992 was \$ 3,309,156 and continues to remain at a level that complements the City's financial position, maintains credit worthiness, and provides a resource for unforeseen emergencies and revenue fluctuations due to recessions or slowdowns in the economy.

Enterprise Operations. The government's enterprise operations are comprised of three separate and distinct funds: electric, water and sewer and parking facilities authority. Several of the City's major initiatives directly relate to the Electric and Water and Sewer Funds. As mentioned earlier, improvements in progress should provide the City's customers with increased quality services.

Total fund equity of the Electric Fund at June 30, 1992 was \$15,048,185, a 4.3 percent increase over the total fund equity at June 30, 1991. Net income for FY 1992 was \$627,020. Operating revenue for this fiscal year increased 4.1 percent to \$33,919,460. This increase in operating revenue was offset by an increase in the cost of electricity purchased for resale, a portion of which was absorbed by the City. Additional increases in the cost of purchased electricity are anticipated over the next three or four years. The Electric Fund makes a substantial transfer to the General Fund each year. For FY 1992 this transfer was \$2,050,000 an increase of \$50,000 from the prior year.

Total fund equity of the Water and Sewer Fund at June 30, 1992 was \$15,686,601, a 5.2 percent increase over the total fund equity at June 30, 1991. Net income for FY 1992 was \$768,724, a 262.2 percent increase from the prior year's amount of \$212,211. This increase is the result of mandatory sewer connection fees in previously and newly annexed areas and an increase in several operating charges. Operating revenue increased 16.0 percent to \$3,540,097. Operating expenses decreased by 4.6 percent.

Total fund equity of the Parking Facilities Authority Fund at June 30, 1992 increased to \$293,082, a .82 percent increase over the total fund equity at June 30, 1991.

Internal Service Fund. The City maintains one internal service fund to account for the City's limited risk self-insurance worker's compensation program. The fund equity for the Internal Service Fund at June 30, 1992 was \$72,258.

Debt Administration. Outstanding general obligation bonds at June 30, 1992 totaled \$1,045,000. Of this total, \$970,000 relates to enterprise fund operations and is expected to be repaid from proprietary revenue.

The ratio of net bonded debt to assessed valuation and the amount of gross bonded debt per capita are useful indicators to City management, citizens, and investors of the City's debt position. At June 30, 1992, the ratio of net bonded debt to assessed valuation was .001 percent. The gross bonded debt per capita was \$41.00.

North Carolina General Statutes limit the amount of net debt that local governments in the State can have outstanding. This limit is 8 percent of the appraised value of property subject to taxation. At June 30, 1992, the legal debt margin of the City was \$ 54,295,266.

Cash Management. During the year, temporarily idle cash was invested in certain U.S. Government Agency securities, certain commercial paper and bankers' acceptances, as well as in the North Carolina Cash Management Trust, an SEC registered mutual fund. The average yield on investments was 5.6 percent.

The City utilizes the pooled concept in its cash and investments program. The goal in selecting investments is to secure the highest return possible taking into consideration the safety and liquidity of the investments and the structure the investments according to the City's overall financial condition, opportunities, and obligations.

All deposits of the City are either insured by federal depository insurance or collateralized as required by North Carolina General Statute.

Risk Management. The City utilizes commercial insurance carriers to provide coverage for the majority of its insurable risks. However, a limited risk self-insurance program is used for worker's compensation benefits. Resources are paid from other funds to the Internal Service Fund to pay benefit claims and administrative costs of the program. Individual or aggregate claims in excess of \$250,000 are covered by reinsurance policies with third parties.

As part of its overall risk management program, the City practices various risk control techniques. Included among these is an employee safety program emphasizing accident prevention to minimize losses.

OTHER INFORMATION

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kinston for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1991. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Kinston has received a Certificate of Achievement for the year ended June 30, 1991. I believe our current report continues to conform to the Certificate of Achievement program requirements, and the City will be submitting it to the GFOA.

Independent Audit. The City is required by the North Carolina General Statutes to have an annual independent audit of its financial transactions. In addition, the Federal Single Audit Act of 1984 and the State Single Audit Implementation Act require annual independent audits of the City's compliance with the applicable laws and regulations related to certain financial assistance received by the City. The independent auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The independent auditor's reports on the compliance matters are included in a separate report.

The preparation of this comprehensive annual financial report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would like to express my appreciation to former Finance Director, Audrey Brodzinski; Business Office Manager, Jim Baker; and City Accountant, Richard S. Someday, whose long hours and hard work made possible the successful completion of the annual audit. I would also like to express my special appreciation to Marilyn Dunk, Finance Department Secretary, who is solely responsible for its timely completion.

I also acknowledge the valuable assistance provided by the accounting firm of McGladrey & Pullen and appreciate their assistance in preparing this report.

In closing, I would like to express my appreciation to the Mayor and City Council for their leadership, interest, and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Stephen W. Raper
City Manager

CITY OF KINSTON, NORTH CAROLINA

LIST OF PRINCIPAL OFFICERS
JUNE 30, 1992

CITY COUNCIL

O. A. RITCH, JR.
Mayor

JAN BARWICK

JOHNNIE MOSLEY

EDDIE L. KORNEGAY
Mayor Pro Tem

CAREY B. WASHBURN

ELIZA WORTHINGTON

CITY ADMINISTRATION

STEPHEN W. RAPER
City Manager

JOHN WOLFORD
Police Chief

TONY KELLY
Fire Chief

RON WICKER
Director of Public Utilities

JAMES T. PRATT
Director of Public Works

JIMMY TYER
Director of Recreation

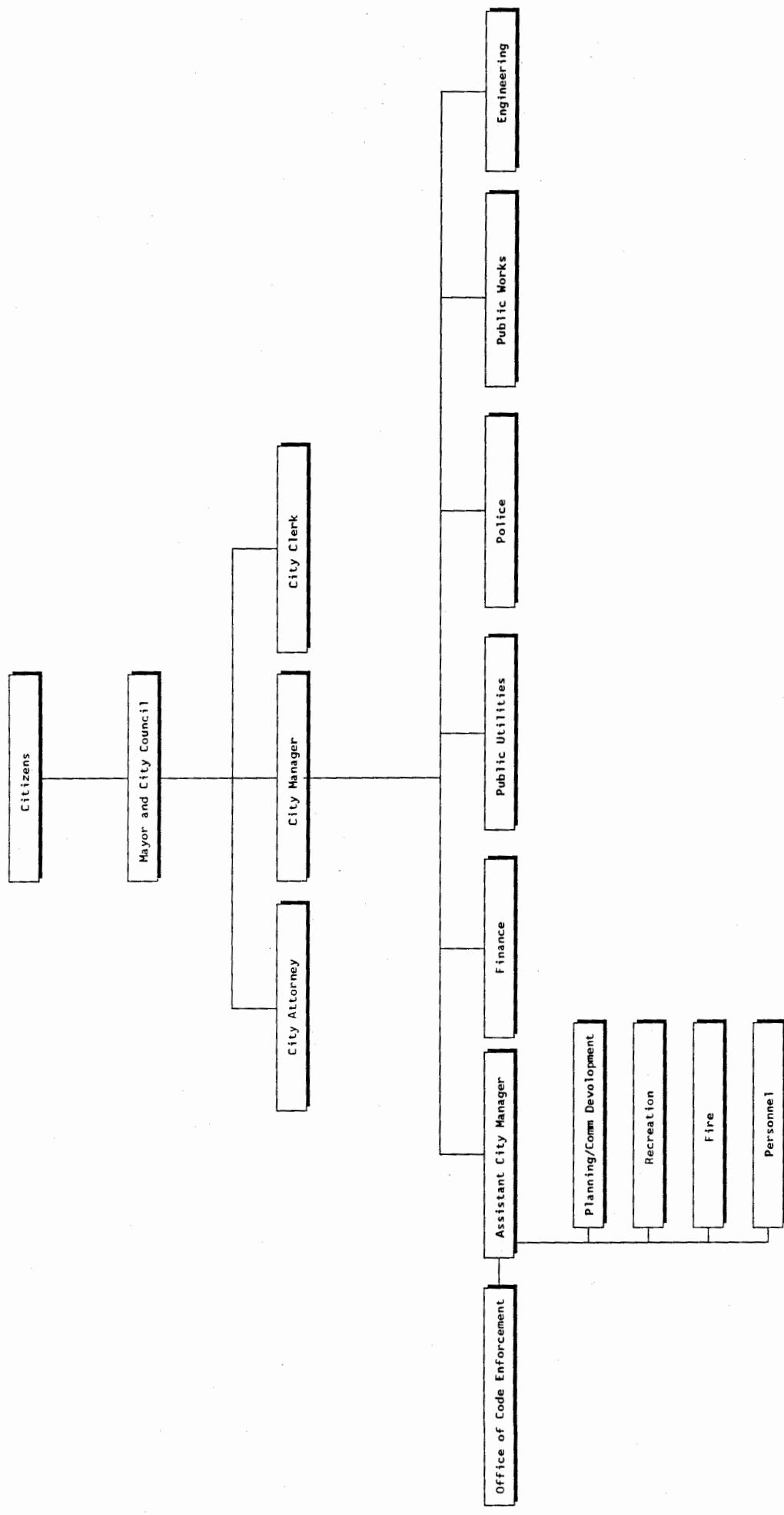
BOB CLARK
Director of Planning and
Community Development

KARL L. MUNSON
Director of Personnel

CLARENCE LOCKAMY
City Engineer

AUDREY M. BRODZINSKI
Director of Finance and Administration

CITY OF KINSTON, NORTH CAROLINA
ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kinston,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1991

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



John H. Harkins
President
Jeffrey L. Eiser
Executive Director





FINANCIAL SECTION

- **Independent Auditor's Report**
- **General Purpose Financial Statements**
- **Notes to the General Purpose Financial Statements**
- **Combining, Individual Fund and Account Group Statements and Schedules**
- **Other Financial Information**





McGLADREY & PULLEN

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of City of Kinston, North Carolina, as of and for the year ended June 30, 1992, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free from material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of City of Kinston, North Carolina, as of June 30, 1992 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of City of Kinston, North Carolina. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this Comprehensive Annual Financial Report, designated as "statistical section" in the table of contents, have not been audited by us and, accordingly, we express no opinion on such data.

McGladrey & Pullen

Greenville, North Carolina
October 2, 1992





GENERAL PURPOSE FINANCIAL STATEMENTS

The General Purpose Financial Statements present a condensed overview of the financial position and results of operations of the City as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.

CITY OF KINSTON, NORTH CAROLINA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1992

	Governmental Fund Types		Proprietary Fund Types	
	General	Special Revenue	Enterprise	Internal Service
ASSETS AND OTHER DEBIT				
Assets:				
Cash and investments (Note 3)	\$ 2,764,447	\$ 133,193	\$ 7,198,336	\$ 75,576
Receivables:				
Due from other fund (Note 4)	-	-	62,008	-
Due from government agencies	-	100,424	8,249	-
Accounts receivable	989,124	-	279,997	653
Taxes receivable (Note 5)	361,609	-	-	-
Customer receivables, net (Note 5)	217,171	-	3,573,767	-
Interest receivable	-	-	25,254	-
Inventories	140,167	-	893,386	-
Deferred charges - debt issuance fees	-	-	26,688	-
Restricted cash and investments	-	-	3,416,026	-
Fixed assets (Notes 6 and 8)	-	-	28,885,932	12,956
Other debit:				
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debit	\$ 4,472,518	\$ 233,617	\$ 44,369,643	\$ 89,185
LIABILITIES, EQUITY AND OTHER CREDIT				
Liabilities:				
Due to other fund (Note 4)	\$ -	\$ 62,008	\$ -	\$ -
Accounts payable and accrued liabilities	420,129	27,212	3,141,181	16,927
Deferred revenue (Note 5)	743,233	-	7,917	-
Customer deposits	-	-	448,370	-
Due to North Carolina Eastern Municipal Power Agency (Note 12)	-	-	173,811	-
Accrued compensated absences (Note 7)	-	-	95,285	-
Police separation allowance (Notes 7 and 11)	-	-	-	-
Long-term debt (Notes 7 and 9)	-	-	9,475,211	-
Total liabilities	1,163,362	89,220	13,341,775	16,927
Equity and other credit:				
Contributed capital	-	-	2,912,811	-
Investment in general fixed assets (Note 6)	-	-	-	-
Retained earnings	-	-	28,115,057	72,258
Fund balances:				
Reserved for inventories	140,167	-	-	-
Reserved by State statute	806,498	-	-	-
Reserved for encumbrances	382,846	-	-	-
Reserved for Powell Bill	67,430	-	-	-
Unreserved:				
Designated for subsequent year's expenditure	276,200	-	-	-
Undesignated	1,636,015	144,397	-	-
Total equity and other credit	3,309,156	144,397	31,027,868	72,258
Total liabilities, equity, and other credit	\$ 4,472,518	\$ 233,617	\$ 44,369,643	\$ 89,185

See Notes to General Purpose Financial Statements.

<u>Account Groups</u>		
<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Total (Memoran- dum Only)</u>
\$ -	\$ -	\$ 10,171,552
-	-	62,008
-	-	108,673
-	-	1,269,774
-	-	361,609
-	-	3,790,938
-	-	25,254
-	-	1,033,553
-	-	26,688
-	-	3,416,026
13,062,037	-	41,960,925
-	<u>933,115</u>	<u>933,115</u>
<u>\$ 13,062,037</u>	<u>\$ 933,115</u>	<u>\$ 63,160,115</u>
\$ -	\$ -	\$ 62,008
-	-	3,605,449
-	-	751,150
-	-	448,370
-	-	173,811
-	522,123	617,408
-	55,933	55,933
-	<u>355,059</u>	<u>9,830,270</u>
-	<u>933,115</u>	<u>15,544,399</u>
-	-	2,912,811
13,062,037	-	13,062,037
-	-	28,187,315
-	-	140,167
-	-	806,498
-	-	382,846
-	-	67,430
-	-	276,200
-	-	<u>1,780,412</u>
<u>13,062,037</u>	<u>-</u>	<u>47,615,716</u>
<u>\$ 13,062,037</u>	<u>\$ 933,115</u>	<u>\$ 63,160,115</u>



CITY OF KINSTON, NORTH CAROLINA

**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1992**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total (Memor- andum Only)</u>
Revenue:			
Ad valorem taxes	\$ 4,643,265	\$ -	\$ 4,643,265
Sales and services	2,883,661	-	2,883,661
Other taxes	1,723,474	-	1,723,474
Intergovernmental revenue:			
Unrestricted	1,503,899	-	1,503,899
Restricted	852,561	403,571	1,256,132
Other	<u>246,221</u>	<u>150,893</u>	<u>397,114</u>
Total revenue	<u>11,853,081</u>	<u>554,464</u>	<u>12,407,545</u>
Expenditures:			
Current:			
General government	1,091,584	-	1,091,584
Public safety	5,513,816	-	5,513,816
Public works	3,777,559	-	3,777,559
Planning and community development	1,228,241	602,917	1,831,158
Parks and recreations	1,829,086	-	1,829,086
Debt service:			
Principal	25,000	-	25,000
Interest	<u>6,160</u>	<u>-</u>	<u>6,160</u>
Total expenditures	<u>13,471,446</u>	<u>602,917</u>	<u>14,074,363</u>
Revenue under expenditures	<u>(1,618,365)</u>	<u>(48,453)</u>	<u>(1,666,818)</u>
Other financing sources (uses):			
Operating transfers in (Note 4)	2,050,000	191,800	2,241,800
Operating transfers out (Note 4)	(194,800)	-	(194,800)
Proceeds from capital lease	<u>96,281</u>	<u>-</u>	<u>96,281</u>
Total other financing sources	<u>1,951,481</u>	<u>191,800</u>	<u>2,143,281</u>
Revenue and other financing sources over expenditures	<u>333,116</u>	<u>143,347</u>	<u>476,463</u>
Fund balance, beginning	<u>2,976,040</u>	<u>1,050</u>	<u>2,977,090</u>
Fund balance, ending	<u>\$ 3,309,156</u>	<u>\$ 144,397</u>	<u>\$ 3,453,553</u>

See Notes to General Purpose Financial Statements.

CITY OF KINSTON, NORTH CAROLINA

**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND CERTAIN SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1992**

	General Fund		Variance, Favorable (Unfavorable)
	Budget	Actual	
Revenue:			
Ad valorem taxes	\$ 4,631,200	\$ 4,643,265	12,065
Sales and services	2,900,150	2,883,661	(16,489)
Other taxes	1,667,900	1,723,474	55,574
Intergovernmental revenue:			
Unrestricted	1,475,000	1,503,899	28,899
Restricted	848,600	852,561	3,961
Other	<u>236,000</u>	<u>246,221</u>	<u>10,221</u>
Total revenue	<u>11,758,850</u>	<u>11,853,081</u>	<u>94,231</u>
Expenditures:			
Current:			
General government	1,211,150	1,091,584	119,566
Public safety	5,702,200	5,513,816	188,384
Public works	3,959,000	3,777,559	181,441
Planning and community development	1,328,100	1,228,241	99,859
Parks and recreations	1,929,700	1,829,086	100,614
Debt service:			
Principal	25,000	25,000	-
Interest	<u>7,450</u>	<u>6,160</u>	<u>1,290</u>
Total expenditures	<u>14,162,600</u>	<u>13,471,446</u>	<u>691,154</u>
Revenue under expenditures	<u>(2,403,750)</u>	<u>(1,618,365)</u>	<u>785,385</u>
Other financing sources (uses):			
Operating transfers in (Note 4)	2,050,000	2,050,000	-
Operating transfers out (Note 4)	(194,800)	(194,800)	-
Proceeds from capital lease	96,200	96,281	81
Appropriated fund balance	<u>452,350</u>	<u>-</u>	<u>(452,350)</u>
Total other financing sources	<u>2,403,750</u>	<u>1,951,481</u>	<u>(452,269)</u>
Revenue and other financing sources over expenditures	<u>\$ -</u>	<u>333,116</u>	<u>\$ 333,116</u>
Fund balance, beginning		<u>2,976,040</u>	
Fund balance, ending		<u>\$ 3,309,156</u>	

See Notes to General Purpose Financial Statements.

Certain Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	Variance, Favorable (Unfavorable)
\$ -	\$ -	-
-	-	-
-	-	-
-	-	-
81,500	73,899	(7,601)
<u>144,900</u>	<u>150,893</u>	<u>5,993</u>
<u>226,400</u>	<u>224,792</u>	<u>(1,608)</u>
 -	 -	 -
 -	 -	 -
 -	 -	 -
305,200	249,995	55,205
-	-	-
-	-	-
-	-	-
<u>305,200</u>	<u>249,995</u>	<u>55,205</u>
<u>(78,800)</u>	<u>(25,203)</u>	<u>53,597</u>
 78,800	 78,800	 -
 -	 -	 -
 -	 -	 -
<u>78,800</u>	<u>78,800</u>	<u>-</u>
 \$ -	 53,597	 \$ <u>53,597</u>
		<u>1,050</u>
		<u>\$ 54,647</u>

CITY OF KINSTON, NORTH CAROLINA

**COMBINED STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1992**

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total (Memor- andum Only)</u>
Operating Revenue:			
Charges for services	\$ 36,938,648	\$ -	\$ 36,938,648
Contributions from various funds	- 209,300	209,300	209,300
Other	<u>520,909</u>	<u>-</u>	<u>520,909</u>
Total operating revenue:	<u>37,459,557</u>	<u>209,300</u>	<u>37,668,857</u>
Operating Expenses:			
Electrical operations	29,410,269	-	29,410,269
Administration	2,160,475	118,618	2,279,093
Depreciation	1,245,102	1,394	1,246,496
Amortization	2,426	-	2,426
Water and sewer operations	562,186	-	562,186
Wastewater plant operations	539,554	-	539,554
Water production	438,196	-	438,196
Claims reimbursements	-	91,250	91,250
Total operating expenses	<u>34,358,208</u>	<u>211,262</u>	<u>34,569,470</u>
Operating income (loss)	<u>3,101,349</u>	<u>(1,962)</u>	<u>3,099,387</u>
Nonoperating Revenue (Expenses):			
Interest earned on investments	364,590	-	364,590
1/2% local sales tax refund	239,094	-	239,094
Interest on long-term debt	(284,612)	-	(284,612)
Other	<u>24,693</u>	<u>152</u>	<u>24,845</u>
Total nonoperating revenue	<u>343,765</u>	<u>152</u>	<u>343,917</u>
Income (loss) before operating transfers	<u>3,445,114</u>	<u>(1,810)</u>	<u>3,443,304</u>
Operating Transfers:			
Operating transfers in (Note 4)	3,000	-	3,000
Operating transfers out (Note 4)	<u>(2,050,000)</u>	<u>-</u>	<u>(2,050,000)</u>
Total operating transfers	<u>(2,047,000)</u>	<u>-</u>	<u>(2,047,000)</u>
Net income (loss)	<u>1,398,114</u>	<u>(1,810)</u>	<u>1,396,304</u>
Add depreciation on fixed assets acquired by grants externally restricted for capital acquisition and construction	<u>74,687</u>	<u>-</u>	<u>74,687</u>
Increase (decrease) in retained earnings	<u>1,472,801</u>	<u>(1,810)</u>	<u>1,470,991</u>
Retained earnings, beginning	<u>26,642,256</u>	<u>74,068</u>	<u>26,716,324</u>
Retained earnings, ending	<u>\$ 28,115,057</u>	<u>\$ 72,258</u>	<u>\$ 28,187,315</u>

See Notes to General Purpose Financial Statements.

CITY OF KINSTON, NORTH CAROLINA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1992
(Page 1 of 2)

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total (Memoran- dum Only)</u>
Cash Flows from Operating Activities:			
Operating income (loss)	\$ 3,101,349	\$ (1,962)	\$ 3,099,387
Adjustments to reconcile operating income to net cash provided by operating activities:			
Other income	263,787	152	263,939
Depreciation	1,245,102	1,394	1,246,496
Amortization	2,426	-	2,426
Increase in allowance for uncollectible accounts	89,432	-	89,432
Change in assets and liabilities:			
Due from other funds	(70,160)	-	(70,160)
Deferred charges	(29,114)	-	(29,114)
Customer receivables	434,753	-	434,753
Accounts receivable	(78,754)	154	(78,600)
Interest receivable	3,058	-	3,058
Customer deposits	63,078	-	63,078
Inventories	280,071	-	280,071
Accounts payable	569,176	11,217	580,393
Deferred revenue	5,568	-	5,568
Accrued compensated absences	<u>(11,605)</u>	<u>-</u>	<u>(11,605)</u>
Net cash provided by operating activities	<u>5,868,167</u>	<u>10,955</u>	<u>5,879,122</u>
Cash Flows from Noncapital Financing Activities:			
Net repayments under revolving loan arrangement	(58,076)	-	(58,076)
Operating transfers to other funds	<u>(2,047,000)</u>	<u>-</u>	<u>(2,047,000)</u>
Net cash used for noncapital financing activities	<u>(2,105,076)</u>	<u>-</u>	<u>(2,105,076)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(4,475,005)	(1,664)	(4,476,669)
Principal paid on general obligation bonds and equipment contracts	(849,369)	-	(849,369)
Interest paid on general obligation bonds and equipment contracts	(284,612)	-	(284,612)
Bond issuance and borrowing	<u>5,806,621</u>	<u>-</u>	<u>5,806,621</u>
Net cash provided by (used for) capital and related financing activities	<u>197,635</u>	<u>(1,664)</u>	<u>195,971</u>

CITY OF KINSTON, NORTH CAROLINA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1992
(Page 2 of 2)

	<u>Enterprise</u> <u>Fund</u>	<u>Internal</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>(Memoran-</u> <u>dum Only)</u>
Cash Flows from Investing Activities:			
Interest and dividends on investments	<u>364,590</u>	-	<u>364,590</u>
Net increase in cash and cash equivalents	4,325,316	9,291	4,334,607
Cash and cash equivalents, beginning	<u>6,289,046</u>	<u>66,285</u>	<u>6,355,331</u>
Cash and cash equivalents, ending	<u>\$ 10,614,362</u>	<u>\$ 75,576</u>	<u>\$10,689,938</u>
Supplemental Schedule of Noncash Capital and Related Financing Activities:			
Capital lease obligation	<u>\$ 42,942</u>	\$ -	<u>\$ 42,942</u>

NOTES TO FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.



CITY OF KINSTON, NORTH CAROLINA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Kinston (the City) was incorporated in 1762 and operates under a Council-Manager form of government. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, water and sewer, electric, planning and zoning, recreation, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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.

Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Included within the reporting entity:

Kinston Leasing Corporation (KLC). The KLC is a nonprofit public benefit corporation organized and operated under the laws of the State of North Carolina. The KLC was specifically organized for the purpose of promoting the general welfare of the citizens of the City of Kinston by assisting the City in carrying out its municipal and governmental functions through the acquisition, construction and operation, sale or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public. Because of its specific purpose, all KLC transactions are included in the appropriate funds of the City. The KLC is governed by a board of three directors. One third of the directors are appointed by the City Council. The remaining directors are elected by the Board of Directors at their annual meeting.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Excluded from the reporting entity:

City of Kinston Housing Authority. In accordance with the North Carolina General Statutes, the Mayor appoints members to the governing board and can remove members for cause. The City exercises no other oversight responsibility. The Authority has complete legislative and administrative authority. The City periodically contracts with the Authority to perform specific services, but the Authority's primary revenue are derived from rents and federal government subsidies.

City of Kinston School District. This potential component unit has a separate elected board and provides services to residents, generally within the geographic boundaries of the City. This potential component unit is excluded from the reporting entity because the City does not have the ability to exercise influence over daily operations, approve budgets or provide funding.

Lenoir County-City of Kinston Airport Commission. This potential component unit has a separate governing board. Primary considerations for exclusion are that the City does not contribute a majority of the support and is not able to significantly influence operations. The airport is included as a component unit of Lenoir County.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures (expenses). Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements, into four generic fund types and two broad fund categories as follows:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Community Development New York/Reed Street Fund, the Community Development Administration Fund, the Community Development Rental Rehabilitation Fund and the Hotel Kinston Project Fund are all Special Revenue Funds of the City.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Proprietary Fund Types

Enterprise Funds - The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where it is the intent of the City that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenue, expenses and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has three Enterprise Funds: the Electric Fund, the Water and Sewer Fund and the Parking Facilities Authority Fund.

Internal Service Funds - The Internal Service Fund was established in conjunction with the City's decision to provide workers' compensation insurance coverage internally rather than through a private insurance carrier because of anticipated cost savings. This fund receives premium payments from the City and makes payments of claims to employees.

Basis of Accounting

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

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

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The City considers revenue as available if it is collected within 60 days after year-end. The revenue susceptible to accrual is franchise taxes, licenses, interest and charges for services.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1.

Summary of Significant Accounting Policies (Continued)

Property taxes receivable at June 30 are measurable, but are not considered as earned revenue because they are materially past due and, therefore, not available and, accordingly, are recorded as deferred revenue until collected. Fines, permits and parking meter revenue is not susceptible to accrual because generally it is not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred. Receivables for un-billed Electric and Water and Sewer Fund utility services are recorded at year end.

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

Budgets

Budgets are adopted on a legally mandated modified accrual basis of accounting which recognizes revenue expected to be received in cash and expenditures and accruals for goods and services received which is not consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, certain special revenue funds (the UMTA Elderly/Handicapped Transportation Fund and the Community Development Rental Rehabilitation Fund), and all proprietary funds. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for certain special revenue funds (CDBG multi-year funded projects).

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized. Encumbrances outstanding at year end are reported as reservations of fund balances in governmental fund types since they do not constitute expenditures or liabilities as the commitments will be honored during the subsequent year.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash in order to maximize investment opportunities. Cash pools have the general characteristic of demand deposit accounts in that the individual funds may deposit additional cash at any time and also effectively withdraw cash at any time without prior notice or penalty. Interest income earned on pooled resources is distributed to the individual funds utilizing a formula based on each fund's proportionate equity in pooled cash and investments. Cash includes amounts in demand deposits as well as investments. North Carolina General Statutes authorize the City to invest in obligations of the U.S Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; The North Carolina Cash Management Trust mutual fund; and time deposits in the form of NOW, SuperNOW and money market accounts as well as certificates of deposit.

Investments are stated at cost or amortized cost.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined balance sheet.

Inventories

Inventories in governmental funds are reported at cost. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amount is recorded as an asset, offset by a reservation of fund balance in an equal amount. Inventories of the Enterprise Funds are reported at the lower of cost or market, using the first-in/first-out (FIFO) method. The inventories consist of various items used in the maintenance of existing utility systems and expansion of new systems. Depending on the eventual use of these inventories, these items may be expensed in the future as maintenance of existing systems or capitalized as a part of the development of new systems.

Property Taxes Receivable

Property is assessed for tax purposes as of January 1. The value at that date determines the basis for the tax levy for the fiscal year beginning July 1. Property taxes are not formally levied until the budget adoption (July 1) and are not due until September 1. Taxes are past due on the following January 6. By the following June 30, taxes receivable are delinquent and are not considered a resource to finance current year operations and are recorded as deferred revenue until collected.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted Assets

Certain proceeds, as well as certain resources, set aside for the repayment of debt, are classified as restricted assets on the combined balance sheet because their use is limited by the applicable legal agreements.

Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of fixed assets in the proprietary fund types is computed using the straight-line method.

It is the City's policy not to provide for depreciation in the first year of service, but to take a full year's depreciation in the year of disposal.

In proprietary funds, the following estimated useful lives are used to compute depreciation:

	<u>Estimated Useful Life</u>
Buildings	40 years
Improvements	40 years
Equipment	3 - 15 years

Compensated Absences

The City's sick leave policy provides for an unrestricted accumulation of earned sick leave. Upon termination of employment, accumulated sick leave is forfeited. Upon retirement, a certain portion of accumulated sick leave may be used in the determination of length of service for retirement benefit purposes. No obligation of the employer results from such application and, therefore, no accrual has been made.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1.

Summary of Significant Accounting Policies (Continued)

The vacation policy of the City provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. Accrued compensated absences of the governmental funds are recorded in the General Long-Term Debt Account Group while the liabilities of the Enterprise Funds are recorded in those funds. The current portion of the accumulated vacation pay is not considered to be material and, therefore, no provision for this has been made in the accompanying financial statements.

Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds.

North Carolina General Statutes restrict appropriation of fund balances or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenue arising from cash receipts as these amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved for inventories - represents the total amount of inventories in the General Fund.

Reserved by State statute - in certain governmental funds, a portion of fund balance is thus designated as these amounts represent the portion of fund balances applicable to various assets not yet realized in cash, which are not available for appropriation as defined by North Carolina General Statute.

Reserved for encumbrances - represents the portion of fund balance of the General Fund available for appropriation to pay for commitments related to unperformed contracts.

Unreserved:

Designated for subsequent year's expenditures - represents the amount of fund balance of the General Fund appropriated to the budget for the year ending June 30, 1992.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Unreserved (Continued):

Undesignated - represents the amount of fund balance which is available for future appropriations.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses since they would be treated as such if they involved organizations external to the City. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all of its deposits in the pool (including restricted cash) to be cash equivalents.

Note 2. Stewardship, Compliance and Accountability

Budget

On or before March 15 of each year, all departments of the City submit requests for appropriation to the City's Budget Officer so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

After City Manager review, the City Manager's proposed budget is presented during May to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change appropriations.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the special revenue funds. Any revisions that alter total expenditures of any department must be approved by City Council. The City Council has the authority to amend the budget as they deem appropriate during the year to reflect the economic circumstances of the City. During the year several amendments to the original budget were necessary.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 2.

Stewardship, Compliance and Accountability (Continued)

Noncompliance with N.C. General Statutes

North Carolina General Statute § 143-131 establishes criteria for obtaining informal bids for purchases involving the expenditure of public money. Four purchase orders were identified that appear to have been issued in violation of the statute.

North Carolina General Statute § 159-28 requires purchase orders to be preaudited. Twenty-two purchase orders were identified that appear to have been issued in violation of the statute.

Note 3.

Cash, Deposits and Investments

Cash

Total cash and investments per the total memorandum column reconciles to the total cash and investments as follows:

Petty Cash	\$ 3,385
Cash on deposit	1,831,886
Investments	<u>8,336,281</u>
Cash and investments	\$ 10,171,552
Restricted cash	<u>3,416,026</u>
Total cash and investments	<u>\$ 13,587,578</u>

Deposits

At year end, the carrying amount of the City's deposits was \$5,247,912 and the bank balance was \$5,554,664. Under North Carolina General Statute, depositories must collateralize public deposits in excess of federal depository insurance coverage by using one of two options. Under Option 1, a separate escrow account is established by each depository in the name of each local unit, and the responsibility of monitoring collateralization rests with the local unit. Under Option 2, each depository establishes an escrow account in the name of the State Treasurer to secure all its public deposits. This option shifts the monitoring responsibility from the local unit to the State Treasurer. The City has deposits in Option 2 banks. Of the City's bank balances, \$200,000 was covered by federal depository insurance and \$5,354,664 was covered by collateral held by the State Treasurer under the Option 2 method on behalf of the City.

The City's investments are categorized as either (1) insured or registered, or securities held by the City or its agent in the City's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered with securities held by the counterparty or its trust department or agent but not in the City's name.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 3. Cash, Deposits and Investments (Continued)

Investments

	<u>Category 2</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Federal Home Loan Bank			
discount notes	\$ 2,947,470	\$ 2,947,470	\$ 3,000,000
Commercial Paper	1,508,891	1,508,891	1,523,000
Bankers Acceptances	<u>995,613</u>	<u>995,613</u>	<u>1,000,000</u>
	<u><u>\$ 5,451,974</u></u>	<u><u>\$ 5,451,974</u></u>	<u><u>\$ 5,523,000</u></u>
The North Carolina Cash Management Trust			
		<u>2,884,307</u>	<u>2,884,307</u>
Total investments		<u><u>\$ 8,336,281</u></u>	<u><u>\$ 8,407,307</u></u>

The North Carolina Cash Management Trust is exempt from risk categorization because the City does not own any identifiable securities but is a shareholder of a percentage of the fund.

Note 4. Interfund Transactions

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Electric	Community Development New York/Reed Street	\$ 62,008
Total		<u><u>\$ 62,008</u></u>

The following is a detailed schedule of interfund transfers for the year ended June 30, 1992:

<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	
General Fund	\$ -	\$ 2,050,000	\$ -	\$ 2,050,000
Community Development				
Administration Fund	78,800	-	-	78,800
Hotel Kinston Fund	113,000	-	-	113,000
Parking Facilities				
Authority Fund	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Total	<u><u>\$ 194,800</u></u>	<u><u>\$ 2,050,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,244,800</u></u>

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 5. Receivables

Ad valorem taxes are levied each July 1, the beginning of the fiscal year, on the assessed value listed as of the prior January 1 for all real and taxable personal property and are due on September 1; however, interest does not accrue until the following January 6. The lien date is June 1 of each year.

Ad valorem taxes receivable at June 30 are measurable but are not considered as earned revenue because they are materially past due and, therefore, not available and, accordingly, are recorded as deferred revenue until collected.

The amounts shown in the combined balance sheet for customer receivables are net of the following allowances for estimated uncollectible accounts:

Enterprise Funds:

Electric Fund	\$ 242,616
Water and Sewer Fund	<u>28,400</u>
	<u><u>\$ 271,016</u></u>

Note 6. Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Balance at July 1, 1991</u>	<u>Additions and Transfers</u>	<u>Disposals</u>	<u>Balance at June 30, 1992</u>
Land and buildings	\$ 6,212,397	\$ 89,985	\$ 61,927	\$ 6,240,455
Equipment and vehicles	<u>6,780,249</u>	<u>339,673</u>	<u>298,340</u>	<u>6,821,582</u>
	<u><u>\$ 12,992,646</u></u>	<u><u>\$ 429,658</u></u>	<u><u>\$ 360,267</u></u>	<u><u>\$ 13,062,037</u></u>

The following is a summary of proprietary fund-type fixed assets at June 30, 1992:

	<u>Enterprise Funds</u>				Internal Service Fund
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Parking Facilities Authority</u>	<u>Total</u>	
Land	\$ 207,261	\$ 68,972	\$ 291,425	\$ 567,658	\$ -
Buildings	3,599,971	3,534,922	8,406	7,143,299	-
Distribution system	10,787,496	19,150,047	-	29,937,543	-
Equipment	1,374,652	1,187,624	-	2,562,276	15,602
Construction in progress	<u>927,355</u>	<u>2,425,659</u>	<u>-</u>	<u>3,353,014</u>	<u>-</u>
	<u>16,896,735</u>	<u>26,367,224</u>	<u>299,831</u>	<u>43,563,790</u>	<u>15,602</u>
Less accumulated depreciation	<u>(7,038,818)</u>	<u>(7,633,366)</u>	<u>(5,674)</u>	<u>(14,677,858)</u>	<u>(2,646)</u>
Net fixed assets	<u><u>\$ 9,857,917</u></u>	<u><u>\$ 18,733,858</u></u>	<u><u>\$ 294,157</u></u>	<u><u>\$ 28,885,932</u></u>	<u><u>\$ 12,956</u></u>

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 7. Long-Term Debt

Changes in Long-term Liabilities

General Long-Term Debt Account Group:

During the year ended June 30, 1992, the following changes occurred in liabilities reported in the general-long term debt account group and the enterprise funds:

	<u>Balance at July 1, 1991</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 1992</u>
General obligation bonds	\$ 100,000	\$ -	\$ 25,000	\$ 75,000
Compensated absences	541,840	-	19,717	522,123
Police separation allowance	60,309	-	4,376	55,933
Notes payable	22,552	-	22,552	-
Capital leases	<u>554,310</u>	<u>96,281</u>	<u>370,532</u>	<u>280,059</u>
	<u>\$ 1,279,011</u>	<u>\$ 96,281</u>	<u>442,177</u>	<u>\$ 933,115</u>

Enterprise Funds:

	<u>Balance at July 1, 1991</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 1992</u>
General obligation bonds	\$ 1,320,000	\$ -	\$ 350,000	\$ 970,000
Revenue bonds	14,000	3,400,000	-	3,414,000
Compensated absences	106,890	-	11,605	95,285
Notes payable	355,167	2,294,121	14,483	2,634,805
Capital leases	<u>2,785,850</u>	<u>42,942</u>	<u>372,386</u>	<u>2,456,406</u>
	<u>\$ 4,581,907</u>	<u>\$ 5,737,063</u>	<u>748,474</u>	<u>\$ 9,570,496</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenue. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds outstanding at June 30, 1992, are as follows:

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

General Long-term Debt:

\$295,000 - 1979 Street Improvement serial bonds due in annual principal installments of \$25,000 through June 1, 1995; interest at 5.7% to 5.75% \$ 75,000

Total General Long-term Debt \$ 75,000

Enterprise Funds:

Water and Sewer Fund:

\$1,500,000 - 1968 Sanitary Sewer serial bonds due in principal installments of \$60,000 through June 1, 1994; interest at 4.2% \$ 120,000

\$2,300,000 - 1974 Water and Sewer Improvement serial bonds due in principal installments of \$150,000 through April 1, 1996; interest at 5.3% and 4.0% \$ 600,000

Total \$ 720,000

Electric Fund:

\$1,975,000 - 1971 Electric Light and Power Utility serial bonds due in principal installments of \$125,000 through June 1, 1994; interest at 5.2% \$ 250,000

Total Enterprise Funds Bonds \$ 970,000

Total General Obligation Bonds \$ 1,045,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30.	General Long-Term Debt Account Group		Enterprise Funds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1993	\$ 25,000	\$ 4,288	\$ 335,000	\$ 45,940	\$ 360,000	\$ 50,228
1994	25,000	2,863	335,000	28,970	360,000	31,833
1995	25,000	1,438	150,000	12,000	175,000	13,438
1996	-	-	150,000	6,000	150,000	6,000
Total	<u>\$ 75,000</u>	<u>\$ 8,589</u>	<u>\$ 970,000</u>	<u>\$ 92,910</u>	<u>\$ 1,045,000</u>	<u>\$ 101,499</u>

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 7. Long-term Debt (Continued)

Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 1992 are as follows:

Enterprise Funds:

Parking Facilities Authority Fund:

\$88,000 - 1964 Parking Facilities serial bonds due in principal installments of \$14,000 through December 1, 1996; interest at 3.0% \$ 14,000

Water and Sewer Fund:

\$748,000 - 1992 Combined Revenue serial bonds due in quarterly installments beginning October 1, 1992, through April 1, 2004; interest at 6.35% \$ 748,000

Electric Fund:

\$2,652,000 - 1992 Combined Revenue serial bonds due in quarterly installments beginning October 1, 1992, through April 1, 2004; interest at 6.35% \$ 2,652,000

Total Revenue Bonds \$ 3,414,000

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 150,000	\$ 200,925	\$ 350,925
1994	210,000	201,533	411,533
1995	225,000	187,801	412,801
1996	254,000	173,037	427,037
1997	255,000	157,559	412,559
Thereafter	<u>2,320,000</u>	<u>570,629</u>	<u>2,890,629</u>
Total	<u>\$ 3,414,000</u>	<u>\$ 1,491,484</u>	<u>\$ 4,905,484</u>

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 7. Long-term Debt (Continued)

Notes Payable:

Notes payable include obligations of the City for various water and sewer fund improvements. These obligations are for varying annual installments with interest ranging from 3.7 percent to 10 percent.

Annual debt service requirements to maturity for notes payable are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 195,599	\$ 133,017	\$ 328,616
1994	197,192	125,582	322,774
1995	198,944	117,143	316,087
1996	200,872	108,567	309,439
1997	202,992	99,798	302,790
Thereafter	<u>1,639,206</u>	<u>471,561</u>	<u>2,110,767</u>
Total	<u>\$ 2,634,805</u>	<u>\$ 1,055,668</u>	<u>\$ 3,690,473</u>

North Carolina General Statutes limit the total bonded indebtedness of the City to an amount not greater than eight percent (8%) of the appraised value of property subject to taxation by the City. At June 30, 1992, the legal debt limit for the City was \$59,741,536 providing a legal debt margin of \$54,295,266.

At June 30, 1992, the City has no authorized bonds remaining to be issued.

Note 8. Capital Leases

The City has entered into a number of lease agreements for financing various land, building and equipment purchases. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

In the Enterprise Funds, the charge to income resulting from amortization of assets recorded as capital leases is included in depreciation expense in the accompanying combined financial statements.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 1992:

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 8. Capital Leases (Continued)

<u>Fiscal Year Ending June 30.</u>	<u>Minimum Lease Payments</u>		
	<u>General Long-Term Debt</u>	<u>Enterprise Funds</u>	
1993	\$ 187,277	\$ 399,457	
1994	55,317	344,731	
1995	21,902	335,366	
1996	21,902	305,985	
1997	20,077	293,213	
Thereafter	-	1,880,114	
 Total minimum lease payments	 \$ 306,475	 \$ 3,558,866	
 Less amount representing interest	 <u>(26,416)</u>	 <u>(1,102,460)</u>	
 Present value of future minimum lease payments	 <u>\$ 280,059</u>	 <u>\$ 2,456,406</u>	

Note 9. Contributed Capital

During the year, contributed capital had the following changes:

<u>Source</u>	<u>Water and Sewer Fund</u>
Contributed capital, July 1, 1991	\$ 2,987,498
 Less:	
Add back of depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction	<u>(74,687)</u>
 Contributed capital, June 30, 1992	 <u>\$ 2,912,811</u>

Note 10. Segment Information

The City maintains three enterprise funds which provide electric, water and sewer and parking services. Financial segment information as of and for the year ended June 30, 1992, is presented below.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 10. Segment Information (Continued)

	Electric Fund	Water and Sewer Fund	Parking Facilities Authority Fund	Total
Operating revenue	\$ 33,919,460	\$ 3,540,097	\$ -	\$ 37,459,557
Nonoperating revenue	246,236	97,949	(420)	343,765
Depreciation	817,296	427,596	210	1,245,102
Amortization	1,892	534	-	2,426
Operating income (loss)	2,430,784	670,775	(210)	3,101,349
Operating transfers in (out) (2,050,000)		-	3,000	(2,047,000)
Net income	627,020	768,724	2,370	1,398,114
Additions to contributed capital	-	(74,687)	-	(74,687)
Fixed assets:				
Additions	1,660,935	2,857,012	-	4,517,947
Disposals	50,400	12,166	-	62,566
Working capital	6,929,738	1,066,268	12,925	8,008,931
Total assets	22,582,667	21,479,894	307,082	44,369,643
Bonds and other long-term liabilities payable from operating revenue	4,326,958	5,403,348	14,000	9,744,306
Total fund equity	<u>\$ 15,048,185</u>	<u>\$ 15,686,601</u>	<u>\$ 293,082</u>	<u>\$ 31,027,868</u>

Note 11. Employee Retirement Systems

The City participates in four retirement systems established by North Carolina General Statutes:

North Carolina Local Governmental Employee's Retirement System

All permanent full-time City of Kinston employees participate in the state-wide North Carolina Local Governmental Employee's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan. The System is administered by the State. The City's payroll for employees covered by the System for the year ended June 30, 1992 was \$9,599,984; the City's total payroll was \$10,002,831.

The System provides retirement and disability benefits. After five (5) years of creditable service, employees qualify for a vested deferred benefit.

Employees not engaged in law enforcement may retire with unreduced retirement benefits under the following conditions:

- 1) complete 30 years of creditable service, or
- 2) reach age 65 with 5 years of creditable service, or
- 3) reach age 60 with 25 years of creditable service.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 11.

Employee Retirement Systems (Continued)

Law enforcement officers may retire with unreduced retirement benefits after completing 30 years of creditable service or after reaching age 55 and completing 5 years of creditable service. Employees retiring under any of these conditions are entitled to annual retirement benefits equal to 1.64 percent of their average final compensation times their years of creditable service. Average final compensation is the average of an employee's four highest paid years in a row.

Employees may retire with reduced benefits under the following conditions:

- 1) employees not engaged in law enforcement who reach age 50 and complete 20 years of creditable service or reach age 60 and complete 5 years of creditable service, or
- 2) law enforcement officers who reach age 50 and complete 15 years of creditable service, or
- 3) firemen who reach age 55 and complete 5 years of creditable service

Covered employees are required by State statute to contribute 6 percent of their salary to the System. The City is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1992, was \$1,046,550, which consisted of \$471,268 from the City and \$575,282 from employees; the City's required contributions for employees not engaged in law enforcement and for law enforcement officers represents 5.08 percent and 4.24 percent of covered payroll, respectively.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole at December 31, 1991, the date of the System's latest available actuarial valuation, was \$3,326,299,000. The System's net assets available for benefits on that date were \$3,576,973,000, leaving net assets in excess of the pension benefit obligation of \$250,674,000. The City's 1992 contribution represented .42 percent of total contributions required of all participating employers.

Ten year historical trend information showing the System's revenue by source and expense by type will be presented in the State of North Carolina's June 30, 1992 Comprehensive Annual Financial Report (CAFR). The State's CAFR also will present prospective trend information showing the System's progress in accumulating sufficient assets to pay benefits when due.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 11. Employee Retirement Systems (Continued)

Law Enforcement Officers' Special Separation Allowance

The City is the administrator of a single employer, defined benefit, public employee retirement system (System) established by the City to provide special separation benefits to law enforcement officers. The City's payroll for employees covered by the System for the year ended June 30, 1992, was \$1,899,384. The City's total payroll was \$10,002,831. The City funds benefit payments when due and records these payments as General Fund expenditures.

All full-time City law enforcement officers are covered by the System. At June 30, 1992, the System's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	8
Current employees:	
Vested	0
Nonvested	<u>76</u>
Total	<u>84</u>

The System provides separation benefits to all full-time City law enforcement officers who meet the following:

- 1) have (i) completed 30 or more years of creditable service or, (ii) have attained 55 years of age and completed 5 or more years of creditable service; and
- 2) have not attained 62 years of age; and
- 3) have completed at least 5 years of continuous service as a law enforcement officer immediately preceding a service retirement.

"Creditable service" means that service for which credit is allowed under the retirement system of which the officer is a member, provided, that at least 50 percent of the service is as a law enforcement officer.

The qualified law enforcement officers are entitled to an annual retirement benefit of .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the covered employee for each year of creditable service. The retirement benefits are paid monthly in equal installments. Payments to retired officers cease at their death or on the last day of the month in which the officer attains 62 years of age or upon the first day of reemployment by any State department, agency or institution.

The City is required by State statute to provide these special separation benefits and has chosen not to fund the amount necessary to cover the benefits earned using the actuarial basis described in the following section; rather, the City is funding benefit payments when due and the difference between the actuarially determined required contribution and the amount actually funded is included as a liability in the General Long-Term Debt Account Group.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 11. Employment Retirement Systems (Continued)

The amount shown below as the "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effect of projected salary increases and step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1991. Significant actuarial assumptions used in the valuation include (a) an annual rate of return on the investment of present and future assets of 7.5 percent compounded annually, (b) projected annual salary increases of 5.0 percent compounded annually, attributable to inflation, and (c) additional projected annual salary increases of 6.7 percent to 10.5 percent attributable to merit or seniority.

At December 31, 1991, the unfunded pension benefit obligation was \$344,640 as follows:

Pension benefit obligation:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 210,356
Current employees:	
Employer - financed - vested	0
Employer - financed - nonvested	<u>134,284</u>
Total pension benefit obligation	\$ 344,640
Net assets available for benefits	<u>0</u>
Unfunded pension benefit obligation	<u>\$ 344,640</u>

The contribution rate for normal cost is determined using the credited projected unit credit cost actuarial funding method. The System uses the level percent of payroll method to amortize the unfunded liability over a closed 30-year period.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

The actuarially determined required contribution to the System for the year ended June 30, 1992 was \$44,744; the amount funded by the City was \$49,120 (2.59 percent of covered payroll). The cumulative difference as of June 30, 1992 between actuarially determined contributions and the amount funded by the City is included as a liability in the General Long-Term Debt Account Group. The City contributed 100 percent of the contributions to the System.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 11.

Employee Retirement Systems (Continued)

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information is being developed in the City's Comprehensive Annual Financial Report and is presented for as many years as the standardized measure of pension benefit obligation is available (1989-1992). For the five years ended June 30, 1992, there were no assets available to fund the pension benefit obligation. Unfunded pension benefit obligation represented 19.87 percent of the annual payroll for employees covered by the System for 1992. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the five years ended 1988, 1989, 1990, 1991 and 1992, the City's contributions to the System, all made to fund benefits when due, were 1.07, 1.30, 1.80, 2.08 and 2.59 percent respectively, of annual covered payroll.

Supplemental Retirement Income Plan for Law Enforcement Officers

All law enforcement officers employed by the City participate in the Supplemental Retirement Income Plan, a defined contribution 401(K) pension plan. Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. State statute requires that the City contribute each month an amount equal to 5 percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan.

The City's contributions were calculated using a covered payroll amount of \$1,899,384. Total contributions for the year ended June 30, 1992, were \$194,483 which consisted of \$80,534 from the City and \$113,949 from the law enforcement officers. The City's required contributions and the officers' voluntary contributions represented 4.24 percent and 6.0 percent of the covered payroll amount, respectively.

Supplemental Retirement Income Plan

The City offers its employees optional participation in the Supplemental Retirement Income Plan of North Carolina, a tax deferred investment program created in accordance with Internal Revenue Code Section 401 (K). The plan, available to all permanent employees not engaged in law enforcement, permits them to defer a portion of their salary until future years. The employees' contributions and investment earnings are 100 percent vested immediately and are not tied to years of service. However, the funds are not available to employees until termination, retirement, death or unforeseeable emergency. There is a loan provision allowing participants to borrow from their account.

The Department of the State Treasurer and the Board of Trustees contracts with a third party to administer the plan and to manage the investments of the participants. The choice of the investment options is made by the participants.

The City does not make any contributions to this Plan.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Note 12. Risk Management

The City's Internal Service Fund was established to account for a limited risk, self-insurance program to provide workers' compensation benefits to City employees. Premiums are paid in to the Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. The interfund premiums are based upon the claims experience of the insured funds. An excess coverage insurance policy provides for individual claims in excess of \$250,000 and an aggregate in excess of \$250,000. A total of \$91,250 in claims was incurred for benefits during fiscal year 1992.

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

Note 13. Commitments

The City participates in the North Carolina Eastern Municipal Power Agency (Agency). Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set rates at a level such that sufficient electrical revenue is generated to meet the obligations to the Agency.

The Agency furnishes power to the City by purchasing an undivided interest in some of Carolina Power & Light Company's (CP&L) generating capacity and by contracting with CP&L to furnish all of the Agency's requirements.

Under the terms of the agreement with the Agency, the City is obligated to pay a proportionate share of the Agency's obligation to CP&L for the purchase of generating capacity whether or not the generator produces power. This is commonly referred to as a "take or pay" contract in the electric industry.

In the opinion of City management, the City will be able to purchase power from the Agency, during the term of the contract, at a price less than it would have been able to purchase power from CP&L.

As a result of a decision by the Federal Energy Regulatory Commission (FERC), the City has been ordered to reimburse the North Carolina Eastern Municipal Power Agency for previously incurred disposal costs of nuclear fuel. The City is repaying the Agency over ten years. The interest rate, adjusted annually, is based on the Agency's actual investment earnings rates. At June 30, 1992, the total amount due to the Agency was \$173,811, all of which is shown as a long-term liability since the amount to be paid in the ensuing year is considered to be immaterial.



GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.



**CITY OF KINSTON, NORTH CAROLINA
GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 1 of 6)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Ad valorem taxes:			
Taxes	\$ 4,598,700	\$ 4,608,289	\$ 9,589
Penalties and interest	<u>32,500</u>	<u>34,976</u>	<u>2,476</u>
Total ad valorem taxes	<u>4,631,200</u>	<u>4,643,265</u>	<u>12,065</u>
Sales and services:			
Garbage collections	1,718,550	1,715,008	(3,542)
Rents, concessions, and fees	260,550	255,125	(5,425)
Inspection fees	130,800	133,667	2,867
Cemetery fees	98,100	98,826	726
Cable franchise	52,800	62,432	9,632
Lenoir County participation:			
Recreation	252,150	252,150	0
Building inspection	130,500	120,429	(10,071)
Miscellaneous	<u>256,700</u>	<u>246,024</u>	<u>(10,676)</u>
Total sales and services	<u>2,900,150</u>	<u>2,883,661</u>	<u>(16,489)</u>
Other taxes and licenses:			
Local government sales tax	1,375,600	1,441,880	66,280
Intangible taxes	230,000	219,636	(10,364)
Licenses and permits	<u>62,300</u>	<u>61,958</u>	<u>(342)</u>
Total other taxes and licenses	<u>1,667,900</u>	<u>1,723,474</u>	<u>55,574</u>
Unrestricted intergovernmental revenue:			
Franchise tax	933,000	933,453	453
Payments in lieu of taxes	406,900	424,855	17,955
Beer and wine	98,300	98,395	95
ABC revenue	<u>36,800</u>	<u>47,196</u>	<u>10,396</u>
Total unrestricted intergovernmental revenue	<u>1,475,000</u>	<u>1,503,899</u>	<u>28,899</u>
Restricted intergovernmental revenue:			
Powell Bill allocations	648,600	648,594	(6)
NC Health and Sanitation	10,000	10,851	851
Main Street Financial Incentive Fund -			
Paramount Theater	20,000	20,000	0
NC Governor's Highway Safety Program -			
DWI Task Force	120,000	122,111	2,111
Domestic Violence Program -			
S.A.F.E. of Lenoir County	30,000	27,255	(2,745)
Police Community Action Team	10,000	12,156	2,156
Forfeited Drug proceeds	<u>10,000</u>	<u>11,594</u>	<u>1,594</u>
Total restricted intergovernmental revenue	<u>848,600</u>	<u>852,561</u>	<u>3,961</u>

**CITY OF KINSTON, NORTH CAROLINA
GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 2 of 6)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other revenue:			
Investment income	\$ 100,000	\$ 131,229	31,229
Sales of surplus materials and assets	22,700	29,650	6,950
Miscellaneous	<u>113,300</u>	<u>85,342</u>	<u>(27,958)</u>
Total other revenue	<u>236,000</u>	<u>246,221</u>	<u>10,221</u>
Total revenue	<u>11,758,850</u>	<u>11,853,081</u>	<u>94,231</u>
Expenditures:			
General Government:			
Governing body:			
Personal services	-	250,201	-
Operating	<u>-</u>	<u>490,787</u>	<u>-</u>
Total governing body	<u>752,250</u>	<u>740,988</u>	<u>11,262</u>
Executive:			
Personal services	-	170,085	-
Operating	<u>-</u>	<u>34,263</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>5,042</u>	<u>-</u>
Total executive	<u>214,100</u>	<u>209,390</u>	<u>4,710</u>
Finance:			
Business office:			
Personal services	-	482,278	-
Operating	<u>-</u>	<u>152,461</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>2,689</u>	<u>-</u>
Field service:	<u>-</u>	<u>637,428</u>	<u>-</u>
Personal services	-	165,047	-
Operating	<u>-</u>	<u>20,662</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>10,123</u>	<u>-</u>
Data processing:	<u>-</u>	<u>195,832</u>	<u>-</u>
Personal services	-	61,412	-
Operating	<u>-</u>	<u>115,435</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>6,918</u>	<u>-</u>
Purchasing:	<u>-</u>	<u>183,765</u>	<u>-</u>
Personal services	-	159,044	-
Operating	<u>-</u>	<u>15,486</u>	<u>-</u>
Total finance	<u>1,233,100</u>	<u>1,191,555</u>	<u>41,545</u>

**CITY OF KINSTON, NORTH CAROLINA
GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 3 of 6)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Personnel:			
Personal services	\$ -	\$ 168,678	\$ -
Operating	- -	67,245	- -
Capital outlay	- -	3,610	- -
Total personnel	<u>275,700</u>	<u>239,533</u>	<u>36,167</u>
Public facilities:			
Municipal hall:			
Operating	- -	169,063	- -
Capital outlay	- -	54,555	- -
Total public facilities	<u>249,500</u>	<u>223,618</u>	<u>25,882</u>
Indirect costs reimbursement	<u>(1,513,500)</u>	<u>(1,513,500)</u>	<u>- -</u>
Total general government	<u>1,211,150</u>	<u>1,091,584</u>	<u>119,566</u>
Public safety:			
Police:			
Personal services	- -	2,787,614	- -
Operating	- -	429,852	- -
Capital outlay	- -	142,281	- -
Total police	<u>3,513,200</u>	<u>3,359,747</u>	<u>153,453</u>
Fire:			
Personal services	- -	1,757,008	- -
Operating	- -	386,257	- -
Capital outlay	- -	10,804	- -
Total fire	<u>2,189,000</u>	<u>2,154,069</u>	<u>34,931</u>
Total public safety	<u>5,702,200</u>	<u>5,513,816</u>	<u>188,384</u>
Public works:			
Administration:			
Personal services	- -	115,556	- -
Operating	- -	33,955	- -
Capital outlay	- -	17,789	- -
Total administration	<u>- -</u>	<u>167,300</u>	<u>- -</u>
Fleet maintenance:			
Personal services	- -	360,017	- -
Operating	- -	57,884	- -
Capital outlay	- -	500	- -
Total fleet maintenance	<u>- -</u>	<u>418,401</u>	<u>- -</u>

**CITY OF KINSTON, NORTH CAROLINA
GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 4 of 6)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Streets:			
Personal services	\$ -	\$ 499,808	\$ -
Operating	- -	657,916	- -
Capital outlay	- -	4,964	- -
Total streets	<u>-</u>	<u>1,162,688</u>	<u>-</u>
Environmental services:			
Personal services	- -	1,042,248	- -
Operating	- -	712,735	- -
Capital outlay	- -	97,291	- -
Total environmental services	<u>-</u>	<u>1,852,274</u>	<u>-</u>
Buildings and grounds:			
Personal services	- -	94,964	- -
Operating	- -	80,432	- -
Capital outlay	- -	1,500	- -
Total building and grounds	<u>-</u>	<u>176,896</u>	<u>-</u>
Total public works	<u>3,959,000</u>	<u>3,777,559</u>	<u>181,441</u>
Parks and Recreation:			
Administration:			
Personal services	- -	102,302	- -
Operating	- -	28,210	- -
Capital outlay	- -	2,150	- -
Total administration	<u>-</u>	<u>132,662</u>	<u>-</u>
Programs:			
Personal services	- -	535,065	- -
Operating	- -	105,181	- -
Total programs	<u>-</u>	<u>640,246</u>	<u>-</u>
Parks:			
Personal services	- -	380,847	- -
Operating	- -	231,198	- -
Capital outlay	- -	46,761	- -
Total parks	<u>-</u>	<u>658,806</u>	<u>-</u>
County:			
Personal services	- -	145,802	- -
Operating	- -	87,391	- -
Total county	<u>-</u>	<u>233,193</u>	<u>-</u>

**CITY OF KINSTON, NORTH CAROLINA
GENERAL FUND**

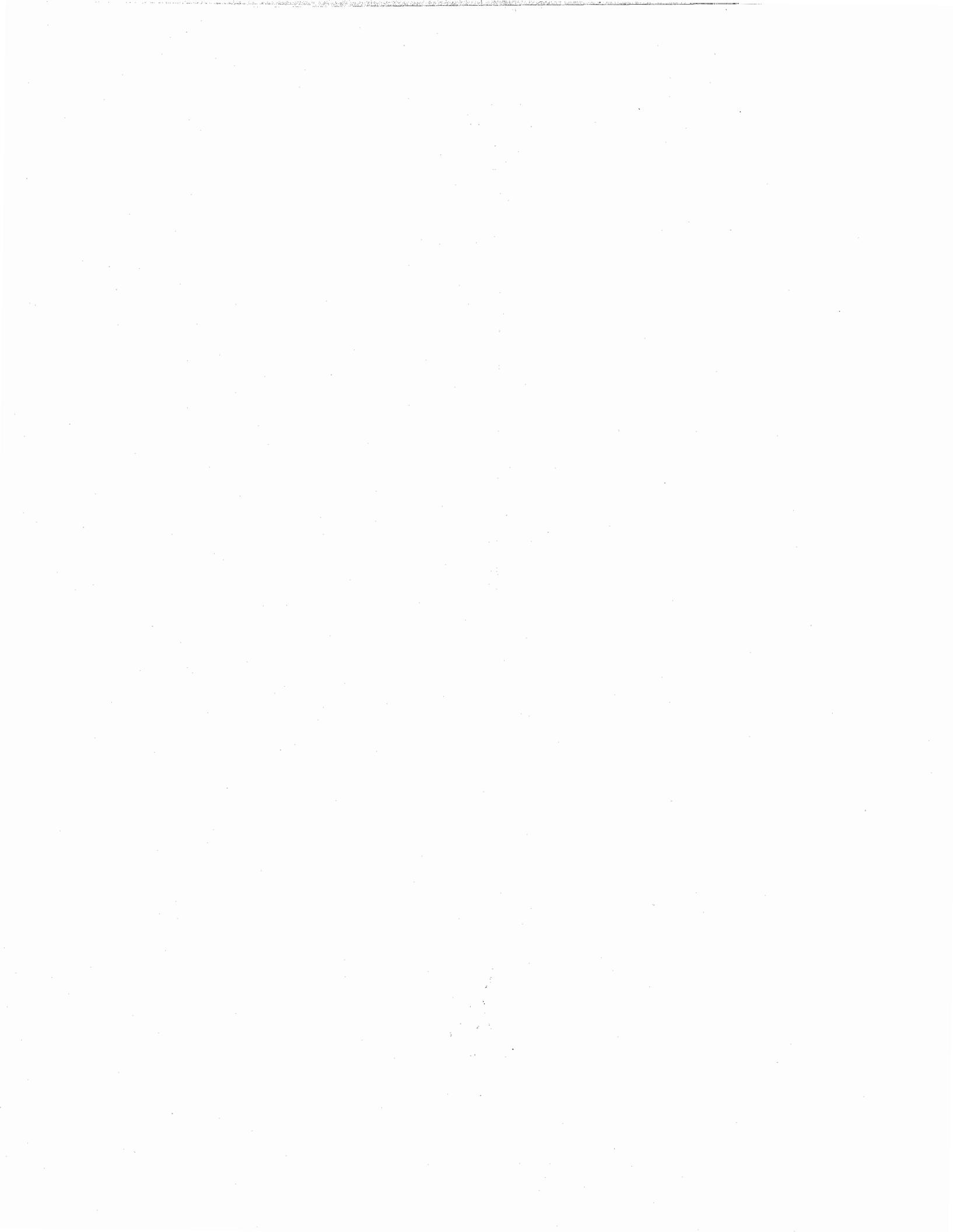
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 5 of 6)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Sponsored activities:			
Personal services	\$ -	\$ 10,397	\$ -
Operating	- -	69,265	- -
Capital outlay	- -	1,418	- -
Total sponsored activities	- -	81,080	- -
Municipal stadium:			
Personal services	- -	26,048	- -
Operating	- -	53,741	- -
Capital outlay	- -	3,310	- -
Total municipal stadium	- -	83,099	- -
Total parks and recreation	1,929,700	1,829,086	100,614
Planning and Inspections:			
Planning:			
Personal services	- -	178,981	- -
Operating	- -	23,638	- -
Capital outlay	- -	3,244	- -
Total planning	- -	205,863	- -
Inspections:			
Personal services	- -	186,049	- -
Operating	- -	45,052	- -
Capital outlay	- -	3,040	- -
Total inspections	- -	234,141	- -
Total planning and inspections	479,800	440,004	39,796
Economic development:			
Operating	355,000	354,816	184
Engineering:			
Personal services	- -	354,656	- -
Operating	- -	78,765	- -
Total engineering	493,300	433,421	59,879
Debt service:			
Principal	25,000	25,000	- -
Interest	7,450	6,160	1,290
Total debt service	32,450	31,160	1,290
Total expenditures	14,162,600	13,471,446	691,154

**CITY OF KINSTON, NORTH CAROLINA
GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 6 of 6)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue over (under) expenditures	<u><u>\$ (2,403,750)</u></u>	<u><u>\$ (1,618,365)</u></u>	<u><u>\$ 785,385</u></u>
Other financing sources (uses):			
Operating transfers in	2,050,000	2,050,000	-
Operating transfers out	(194,800)	(194,800)	-
Proceeds from capital lease	96,200	96,281	81
Appropriated fund balance	<u><u>452,350</u></u>	<u><u>-</u></u>	<u><u>(452,350)</u></u>
Total other financing sources	<u><u>2,403,750</u></u>	<u><u>1,951,481</u></u>	<u><u>(452,269)</u></u>
Revenue and other financing sources over expenditures	<u><u>-</u></u>	<u><u>333,116</u></u>	<u><u>333,116</u></u>
Fund balance, beginning		<u><u>2,976,040</u></u>	
Fund balance, ending		<u><u>\$ 3,309,156</u></u>	





SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Development Hotel Kinston Fund - This fund is used to account for the federal grant monies received from the Housing and Urban Development Department for Community Block Grants under the Small Cities program and for rehabilitation and relocation of properties.

Community Development New York / Reed Street Fund - This fund is used to account for the federal grant monies received from the Housing and Urban Development Department for Community Development Block Grants under the Small Cities program.

Community Development Administration Fund - This fund is used to account for miscellaneous federal and State grant monies received from various funding agencies.

Community Development Rental Rehabilitation Fund - This fund is used to account for the federal grant monies received from the Housing and Urban Development Department for Community Block Development Block Grants for residential rehabilitation.



CITY OF KINSTON, NORTH CAROLINA
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 1992

	<u>Community Development Hotel Kinston</u>	<u>Community Development New York / Reed Street</u>	<u>Community Development Administration</u>	<u>Community Development Rental Rehabilitation</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 89,926	\$ -	\$ 42,304	\$ 963	\$ 133,193
Due from governmental agencies	<u>-</u>	<u>72,738</u>	<u>27,686</u>	<u>-</u>	<u>100,424</u>
Total assets	\$ 89,926	\$ 72,738	\$ 69,990	\$ 963	\$ 233,617
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Due to other fund	\$ -	\$ 62,008	\$ -	\$ -	\$ 62,008
Accounts payable and accrued liabilities	<u>176</u>	<u>10,730</u>	<u>16,306</u>	<u>-</u>	<u>27,212</u>
Total liabilities	<u>176</u>	<u>72,738</u>	<u>16,306</u>	<u>-</u>	<u>89,220</u>
FUND EQUITY:					
Unreserved - undesignated	<u>89,750</u>	<u>-</u>	<u>53,684</u>	<u>963</u>	<u>144,397</u>
Total liabilities and fund equity	<u>\$ 89,926</u>	<u>\$ 72,738</u>	<u>\$ 69,990</u>	<u>\$ 963</u>	<u>\$ 233,617</u>

**CITY OF KINSTON, NORTH CAROLINA
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Community Development Hotel Kinston</u>	<u>Community Development New York / Reed Street</u>	<u>Community Development Administration</u>	<u>Community Development Rental Rehabilitation</u>	<u>Total</u>
Revenue:					
Restricted intergovernmental revenue	\$ -	\$ 329,672	\$ 28,399	\$ 45,500	\$ 403,571
Other - rent and program income	_____ -	_____ -	150,893	_____ -	150,893
Total revenue	_____ -	329,672	179,292	45,500	554,464
Expenditures:					
Administration	-	46,077	121,437	-	167,514
Rehabilitation of private properties	23,250	283,595	-	45,500	352,345
Capital outlay	-	-	5,917	-	5,917
Contract services	_____ -	_____ -	77,141	_____ -	77,141
Total expenditures	23,250	329,672	204,495	45,500	602,917
Total revenue over (under) expenditures	(23,250)	-	(25,203)	-	(48,453)
Other Financing Sources:					
Operating transfers in	113,000	_____ -	78,800	_____ -	191,800
Total revenue and other sources over expenditures	89,750	-	53,597	-	143,347
Fund balances, beginning	_____ -	_____ -	87	963	1,050
Fund balances, ending	\$ 89,750	\$ _____ -	\$ 53,684	\$ 963	\$ 144,397

**CITY OF KINSTON, NORTH CAROLINA
GRANT PROJECT FUND - HOTEL KINSTON**

**SCHEDULE OF REVENUE AND EXPENDITURES,
BUDGET AND ACTUAL
FROM GRANT INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Actual</u>		
	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenue:			
Restricted intergovernmental revenue -			
Federal Community Development Grant Project	\$ -	\$ -	\$ -
Other - rent and program income	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Administration	-	-	20,340
Rehabilitation of private properties	<u>23,250</u>	<u>23,250</u>	<u>92,660</u>
Total expenditures	<u>23,250</u>	<u>23,250</u>	<u>113,000</u>
Total revenue over (under) expenditures	(23,250)	(23,250)	(113,000)
Other Financing Sources:			
Operating transfers in	<u>113,000</u>	<u>113,000</u>	<u>113,000</u>
Total revenue and other sources over expenditures	<u>\$ 89,750</u>	<u>\$ 89,750</u>	<u>\$ -</u>

CITY OF KINSTON, NORTH CAROLINA
GRANT PROJECT FUND - COMMUNITY DEVELOPMENT REED / NEW YORK STREET

**SCHEDULE OF REVENUE AND EXPENDITURES,
 BUDGET AND ACTUAL
 FROM GRANT INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Actual</u>		
	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenue:			
Restricted intergovernmental revenue -			
Federal Community Development Grant			
Project	\$ 329,672	\$ 329,672	\$ 600,000
Other - rent and program income	-	-	6,000
Total revenue	<u>329,672</u>	<u>329,672</u>	<u>606,000</u>
Expenditures:			
Administration	46,077	46,077	106,000
Disposition	-	-	1,000
Clearance	-	-	1,000
Rehabilitation of private properties	<u>283,595</u>	<u>283,595</u>	<u>558,000</u>
Total expenditures	<u>329,672</u>	<u>329,672</u>	<u>666,000</u>
Total revenue over (under) expenditures			(60,000)
Other Financing Sources:			
Operating transfers in	-	-	60,000
Total revenue and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KINSTON, NORTH CAROLINA
GRANT PROJECT FUND - COMMUNITY DEVELOPMENT ADMINISTRATION

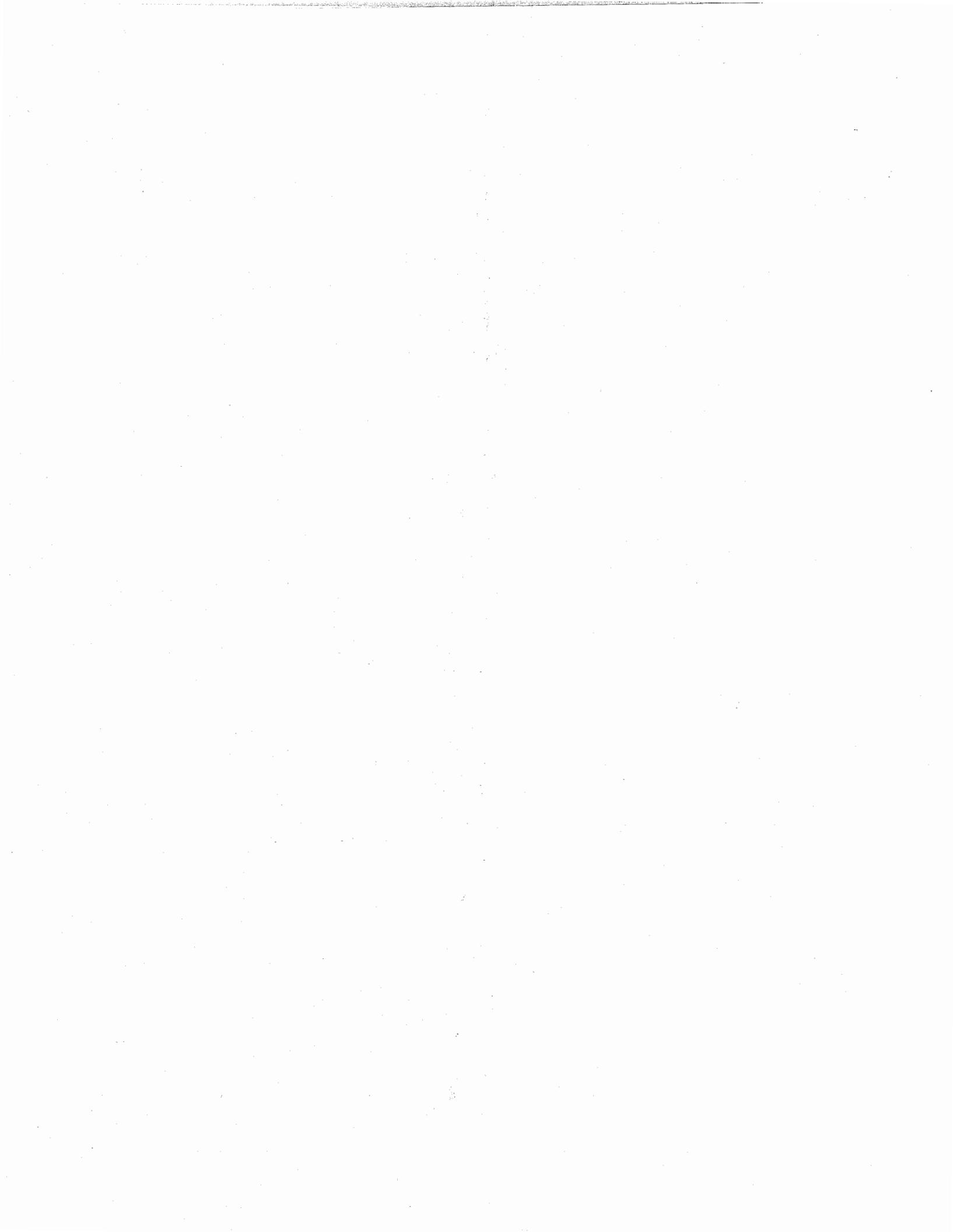
**SCHEDULE OF REVENUE AND EXPENDITURES,
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenue:			
Restricted intergovernmental revenue	\$ 19,600	\$ 28,399	\$ 8,799
Other - rent and program income	140,400	141,896	1,496
Miscellaneous	<u>4,500</u>	<u>8,997</u>	<u>4,497</u>
Total revenue	<u>164,500</u>	<u>179,292</u>	<u>14,792</u>
Expenditures:			
Administration	-	121,437	-
Contract services	-	77,141	-
Capital outlay	<u>-</u>	<u>5,917</u>	<u>-</u>
Total expenditures	<u>243,300</u>	<u>204,495</u>	<u>38,805</u>
Total revenue over (under) expenditures	(78,800)	(25,203)	53,597
Other Financing Sources:			
Operating transfers in	<u>78,800</u>	<u>78,800</u>	<u>-</u>
Total revenue and other sources over expenditures	<u>\$ -</u>	<u>\$ 53,597</u>	<u>\$ 53,597</u>

CITY OF KINSTON, NORTH CAROLINA
GRANT PROJECT FUND - COMMUNITY DEVELOPMENT RENTAL REHABILITATION

**SCHEDULE OF REVENUE AND EXPENDITURES,
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenue:			
Restricted intergovernmental revenue -			
Federal Community Development Grant Project	\$ 45,500	\$ 61,900	\$ 16,400
Expenditures:			
Rehabilitation of private properties	45,500	61,900	(16,400)
Revenue over expenditures	\$ -	\$ -	\$ -





ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Electric Fund - This fund is used to account for the activities associated with the distribution and transmission of electricity by the City to its users.

Water and Sewer Fund - This fund is used to account for the activities associated with the production, distribution and transmission of potable water and the activities associated with operating and maintaining the City's sewer and surface drainage systems.

Parking Facilities Authority Fund - This fund is used to account for the activities of the Parking Facilities Authority Fund.



**CITY OF KINSTON, NORTH CAROLINA
ENTERPRISE FUNDS**

**COMBINING BALANCE SHEET
JUNE 30, 1992**

	Electric Fund	Water and Sewer Fund	Parking Facilities Authority Fund	Totals 1992
ASSETS				
Cash and investments	\$ 6,018,355	\$ 1,167,056	\$ 12,925	\$ 7,198,336
Due from other fund	62,008	-	-	62,008
Due from government agencies	8,249	-	-	8,249
Accounts receivable	91,876	188,121	-	279,997
Customer receivables, net	3,144,295	429,472	-	3,573,767
Interest receivable	22,237	3,017	-	25,254
Inventories	692,413	200,973	-	893,386
Deferred charges	20,817	5,871	-	26,688
Restricted cash and investments	2,664,500	751,526	-	3,416,026
Fixed assets:				
Land	207,261	68,972	291,425	567,658
Buildings	3,599,971	3,534,922	8,406	7,143,299
Distribution	10,787,496	19,150,047	-	29,937,543
Equipment	1,374,652	1,187,624	-	2,562,276
Accumulated depreciation	(7,038,818)	(7,633,366)	(5,674)	(14,677,858)
Construction in progress	<u>927,355</u>	<u>2,425,659</u>	<u>-</u>	<u>3,353,014</u>
Total fixed assets, net	<u>9,857,917</u>	<u>18,733,858</u>	<u>294,157</u>	<u>28,885,932</u>
Total assets	<u>\$22,582,667</u>	<u>\$21,479,894</u>	<u>\$ 307,082</u>	<u>\$44,369,643</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,759,153	\$ 382,028	\$ -	\$ 3,141,181
Deferred revenue	-	7,917	-	7,917
Customer deposits	448,370	-	-	448,370
Due to North Carolina Eastern Municipal Power Agency	173,811	-	-	173,811
Accrued compensated absences	62,687	32,598	-	95,285
Long-term debt	<u>4,090,461</u>	<u>5,370,750</u>	<u>14,000</u>	<u>9,475,211</u>
Total liabilities	<u>7,534,482</u>	<u>5,793,293</u>	<u>14,000</u>	<u>13,341,775</u>
Fund equity:				
Contributed capital	-	2,912,811	-	2,912,811
Retained earnings	<u>15,048,185</u>	<u>12,773,790</u>	<u>293,082</u>	<u>28,115,057</u>
Total fund equity	<u>15,048,185</u>	<u>15,686,601</u>	<u>293,082</u>	<u>31,027,868</u>
Total liabilities and fund equity	<u>\$22,582,667</u>	<u>\$21,479,894</u>	<u>\$ 307,082</u>	<u>\$44,369,643</u>

**CITY OF KINSTON, NORTH CAROLINA
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	Electric Fund	Water and Sewer Fund	Parking Facilities Authority Fund	Totals 1992
Operating Revenue:				
Charges for services	\$ 33,607,110	\$ 3,331,538	\$ -	\$ 36,938,648
Other	<u>312,350</u>	<u>208,559</u>	<u>-</u>	<u>520,909</u>
Total operating revenue	<u>33,919,460</u>	<u>3,540,097</u>	<u>-</u>	<u>37,459,557</u>
Operating Expenses:				
Electrical operations	29,410,269	-	-	29,410,269
Administration	1,259,219	901,256	-	2,160,475
Depreciation	817,296	427,596	210	1,245,102
Amortization	1,892	534	-	2,426
Water and sewer operations	-	562,186	-	562,186
Wastewater plant operations	-	539,554	-	539,554
Water production	-	438,196	-	438,196
Total operating expenses	<u>31,488,676</u>	<u>2,869,322</u>	<u>210</u>	<u>34,358,208</u>
Operating income (loss)	<u>2,430,784</u>	<u>670,775</u>	<u>(210)</u>	<u>3,101,349</u>
Nonoperating Revenue (Expenses):				
Interest earned on investments	318,115	46,475	-	364,590
½ % local sales tax refund	-	239,094	-	239,094
Interest on long-term debt	(96,572)	(187,620)	(420)	(284,612)
Other	<u>24,693</u>	<u>-</u>	<u>-</u>	<u>24,693</u>
Total nonoperating revenue (expenses)	<u>246,236</u>	<u>97,949</u>	<u>(420)</u>	<u>343,765</u>
Income (Loss) before operating transfers	<u>2,677,020</u>	<u>768,724</u>	<u>(630)</u>	<u>3,445,114</u>
Operating Transfers:				
Operating transfers in	-	-	3,000	3,000
Operating transfers out	<u>(2,050,000)</u>	<u>-</u>	<u>-</u>	<u>(2,050,000)</u>
Total operating transfers	<u>(2,050,000)</u>	<u>-</u>	<u>3,000</u>	<u>(2,047,000)</u>
Net income	<u>627,020</u>	<u>768,724</u>	<u>2,370</u>	<u>1,398,114</u>
Add depreciation on fixed assets acquired by grants externally restricted for capital acquisition and construction	<u>-</u>	<u>74,687</u>	<u>-</u>	<u>74,687</u>
Increase in retained earnings	<u>627,020</u>	<u>843,411</u>	<u>2,370</u>	<u>1,472,801</u>
Retained Earnings, beginning	<u>14,421,165</u>	<u>11,930,379</u>	<u>290,712</u>	<u>26,642,256</u>
Retained Earnings, ending	<u>\$15,048,185</u>	<u>\$12,773,790</u>	<u>\$ 293,082</u>	<u>\$28,115,057</u>

**CITY OF KINSTON, NORTH CAROLINA
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**
(Page 1 of 2)

	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Parking Facilities Authority Fund</u>	<u>Totals 1992</u>
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 2,430,784	\$ 670,775	\$ (210)	\$ 3,101,349
Adjustments to reconcile operating income (loss)				
to net cash provided by operating activities:				
Other income	24,693	239,094	-	263,787
Depreciation	817,296	427,596	210	1,245,102
Amortization	1,892	534	-	2,426
Change in assets and liabilities:				
Allowance for uncollectible accounts	76,970	12,462	-	89,432
Due from other funds	(70,160)	-	-	(70,160)
Deferred charges	(22,709)	(6,405)	-	(29,114)
Customer receivables	529,989	(95,236)	-	434,753
Accounts receivable	(18,977)	(59,777)	-	(78,754)
Interest receivable	2,694	364	-	3,058
Customer deposits	63,078	-	-	63,078
Inventories	251,619	28,452	-	280,071
Accounts payable	295,519	273,657	-	569,176
Deferred revenue	-	5,568	-	5,568
Accrued compensated absences	<u>(6,565)</u>	<u>(5,040)</u>	<u>-</u>	<u>(11,605)</u>
Net cash provided by operating activities	<u>4,376,123</u>	<u>1,492,044</u>	<u>-</u>	<u>5,868,167</u>
Cash Flows from Noncapital Financing Activities:				
Net repayments under revolving loan arrangement	(58,076)	-	-	(58,076)
Operating transfers in (out) to other funds	<u>(2,050,000)</u>	<u>-</u>	<u>3,000</u>	<u>(2,047,000)</u>
Net cash provided by (used for) noncapital financing activities	<u>(2,108,076)</u>	<u>-</u>	<u>3,000</u>	<u>(2,105,076)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,660,935)	(2,814,070)	-	(4,475,005)
Principal paid on general obligation bond maturities and equipment contracts	(366,979)	(482,390)	-	(849,369)
Interest paid on general obligation bonds and equipment contracts	(96,572)	(187,620)	(420)	(284,612)
Proceeds from revenue bonds	2,652,000	748,000	-	3,400,000
Proceeds from borrowing	<u>112,500</u>	<u>2,294,121</u>	<u>-</u>	<u>2,406,621</u>
Net cash provided by (used for) capital and related financing activities	<u>640,014</u>	<u>(441,959)</u>	<u>(420)</u>	<u>197,635</u>

**CITY OF KINSTON, NORTH CAROLINA
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**
(Page 2 of 2)

	Electric Fund	Water and Sewer Fund	Parking Facilities Authority Fund	Totals 1992
Cash Flows from Investing Activities:				
Interest and dividends on investments	<u>318,115</u>	<u>46,475</u>	<u>-</u>	<u>364,590</u>
Net increase in cash and cash equivalents	3,226,176	1,096,560	2,580	4,325,316
Cash and cash equivalents, beginning	<u>5,456,679</u>	<u>822,022</u>	<u>10,345</u>	<u>6,289,046</u>
Cash and cash equivalents, ending	<u><u>\$ 8,682,855</u></u>	<u><u>\$ 1,918,582</u></u>	<u><u>\$ 12,925</u></u>	<u><u>\$10,614,362</u></u>

**Supplemental Schedule of Noncash Capital
Financing Activities:**

Capital lease obligation	<u>\$ 42,942</u>
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**CITY OF KINSTON, NORTH CAROLINA
ELECTRIC FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL,
NON-GAAP, MODIFIED ACCRUAL BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 1 of 2)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenue:			
Charges for services, electricity sales	\$ 33,970,000	\$ 33,824,287	\$ (145,713)
Other	<u>307,400</u>	<u>312,350</u>	<u>4,950</u>
Total operating revenue	<u>34,277,400</u>	<u>34,136,637</u>	<u>(140,763)</u>
Nonoperating Revenue:			
Interest earned on investments	200,000	318,115	118,115
Other	<u>93,600</u>	<u>24,693</u>	<u>(68,907)</u>
Total nonoperating revenue	<u>293,600</u>	<u>342,808</u>	<u>49,208</u>
Total revenue	<u>34,571,000</u>	<u>34,479,445</u>	<u>(91,555)</u>
Expenditures:			
Administration:			
Personal services	-	168,450	-
Operating	-	266,204	-
Indirect costs	<u>-</u>	<u>718,500</u>	<u>-</u>
	<u>1,136,800</u>	<u>1,153,154</u>	<u>(16,354)</u>
Electrical operations:			
Personal services	-	970,324	-
Operating	-	28,900,784	-
Capital outlay	<u>-</u>	<u>1,660,935</u>	<u>-</u>
	<u>31,499,700</u>	<u>31,532,043</u>	<u>(32,343)</u>
Total expenditures	<u>32,636,500</u>	<u>32,685,197</u>	<u>(48,697)</u>
Revenue over expenditures	<u>1,934,500</u>	<u>1,794,248</u>	<u>(140,252)</u>
Other Financing Sources (Uses):			
Proceeds from revenue bonds	-	2,652,000	2,652,000
Proceeds from borrowing	-	112,500	112,500
Operating transfers out	<u>(2,050,000)</u>	<u>(2,050,000)</u>	<u>-</u>
Fund balance appropriated	<u>115,500</u>	<u>-</u>	<u>(115,500)</u>
Total other financing sources (uses)	<u>(1,934,500)</u>	<u>714,500</u>	<u>2,649,000</u>

**CITY OF KINSTON, NORTH CAROLINA
ELECTRIC FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL,
NON-GAAP, MODIFIED ACCRUAL BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue and other sources over expenditures and other uses	<u>\$</u> -	<u>\$</u> 2,508,748	<u>\$</u> 2,508,748
Reconciliation of modified accrual basis to full accrual basis:			
Revenue and other sources over expenditures and other uses		\$ 2,508,748	
Budgetary appropriations		2,050,000	
Capital outlay		1,660,935	
Increase in debt		(2,764,500)	
Payment of debt principal		366,979	
Depreciation		(817,296)	
Amortization of debt fees		(1,892)	
Decrease in accrued unbilled electricity sales		(217,177)	
Bad debt expense		(77,458)	
Decrease in interest accrual		<u>(31,319)</u>	
Income before operating transfers, full accrual basis		<u>\$ 2,677,020</u>	

**CITY OF KINSTON, NORTH CAROLINA
WATER AND SEWER FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL,
NON-GAAP MODIFIED ACCRUAL BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992
(Page 1 of 2)**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenue:			
Charges for services:			
Water sales	\$ 1,607,400	\$ 1,678,413	\$ 71,013
Sewer charges	1,231,000	1,637,340	406,340
Other	<u>610,500</u>	<u>208,559</u>	<u>(401,941)</u>
Total operating revenue	<u>3,448,900</u>	<u>3,524,312</u>	<u>75,412</u>
Nonoperating Revenue:			
Interest earned on investments	25,000	46,475	21,475
½% local sales tax refund	230,600	239,094	8,494
Other	<u>42,900</u>	<u>-</u>	<u>(42,900)</u>
Total nonoperating revenue	<u>298,500</u>	<u>285,569</u>	<u>(12,931)</u>
Total revenue	<u>3,747,400</u>	<u>3,809,881</u>	<u>62,481</u>
Expenditures:			
Water and Sewer Administration:			
Personal services	-	65,052	-
Operating	-	41,204	-
Capital outlay	-	601	-
Indirect costs	<u>-</u>	<u>795,000</u>	<u>-</u>
	<u>896,500</u>	<u>901,857</u>	<u>(5,357)</u>
Water Productions:			
Personal services	-	99,541	-
Operating	-	374,172	-
Capital outlay	<u>-</u>	<u>3,945</u>	<u>-</u>
	<u>559,700</u>	<u>477,658</u>	<u>82,042</u>
Water and sewer operations:			
Personal services	-	364,878	-
Operating	-	796,902	-
Capital outlay	<u>-</u>	<u>2,846,306</u>	<u>-</u>
	<u>1,675,500</u>	<u>4,008,086</u>	<u>(2,332,586)</u>

CITY OF KINSTON, NORTH CAROLINA
WATER AND SEWER FUND

**SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
 BUDGET AND ACTUAL,
 NON-GAAP MODIFIED ACCRUAL BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1992**
 (Page 2 of 2)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Wastewater plant operations:			
Personal services	-	212,793	-
Operating	-	326,761	-
Capital outlay	-	6,160	-
	<u>615,700</u>	<u>545,714</u>	<u>69,986</u>
Total expenditures	<u>3,747,400</u>	<u>5,933,315</u>	<u>(2,185,915)</u>
Revenue over (under) expenditures	<u>-</u>	<u>(2,123,434)</u>	<u>(2,123,434)</u>
Other Financing Sources:			
Proceeds from revenue bonds	-	748,000	748,000
Proceeds from borrowing	-	2,294,121	2,294,121
	<u>-</u>	<u>3,042,121</u>	<u>3,042,121</u>
Revenue and other sources over expenditures	<u>\$ -</u>	<u>\$ 918,687</u>	<u>\$ 918,687</u>
Reconciliation of modified accrual basis to full accrual basis:			
Revenue and other sources over expenditures	<u>\$ 918,687</u>		
Capital outlay	2,814,070		
Capital lease	42,942		
Increase in debt	(3,042,121)		
Payment of debt principal	482,390		
Depreciation	(427,596)		
Amortization of debt fees	(534)		
Decrease in accrued unbilled water sales	(2,026)		
Increase in accrued unbilled sewer sales	17,811		
Bad debt expense	(13,966)		
Decrease in interest accrual	(20,933)		
Income before operating transfers, full accrual basis	<u>\$ 768,724</u>		

**CITY OF KINSTON, NORTH CAROLINA
PARKING FACILITIES AUTHORITY FUND**

**SCHEDULE OF REVENUE, EXPENDITURES, AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL,
NON-GAAP, MODIFIED ACCRUAL BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Expenditures - Administration	<u>\$ 4,600</u>	<u>\$ 420</u>	<u>\$ 4,180</u>
Other Financing Sources:			
Operating transfer in	4,150	3,000	(1,150)
Appropriated fund balance	<u>450</u>	<u>-</u>	<u>(450)</u>
Total other financing sources	<u>4,600</u>	<u>3,000</u>	<u>(1,600)</u>
Revenue and other sources over expenditures	<u>\$ -</u>	<u>\$ 2,580</u>	<u>\$ 2,580</u>

**Reconciliation of modified accrual basis
to full accrual basis:**

Revenue and other sources over expenditures	\$ 2,580
Budgetary appropriations	(3,000)
Depreciation	<u>(210)</u>
Loss before operating transfers, full accrual basis	<u>\$ (630)</u>







INTERNAL SERVICE FUND

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.

***Internal Service Fund* - This fund is used to finance and account for the City's workers' compensation insurance program.**



**CITY OF KINSTON, NORTH CAROLINA
INTERNAL SERVICE FUND**

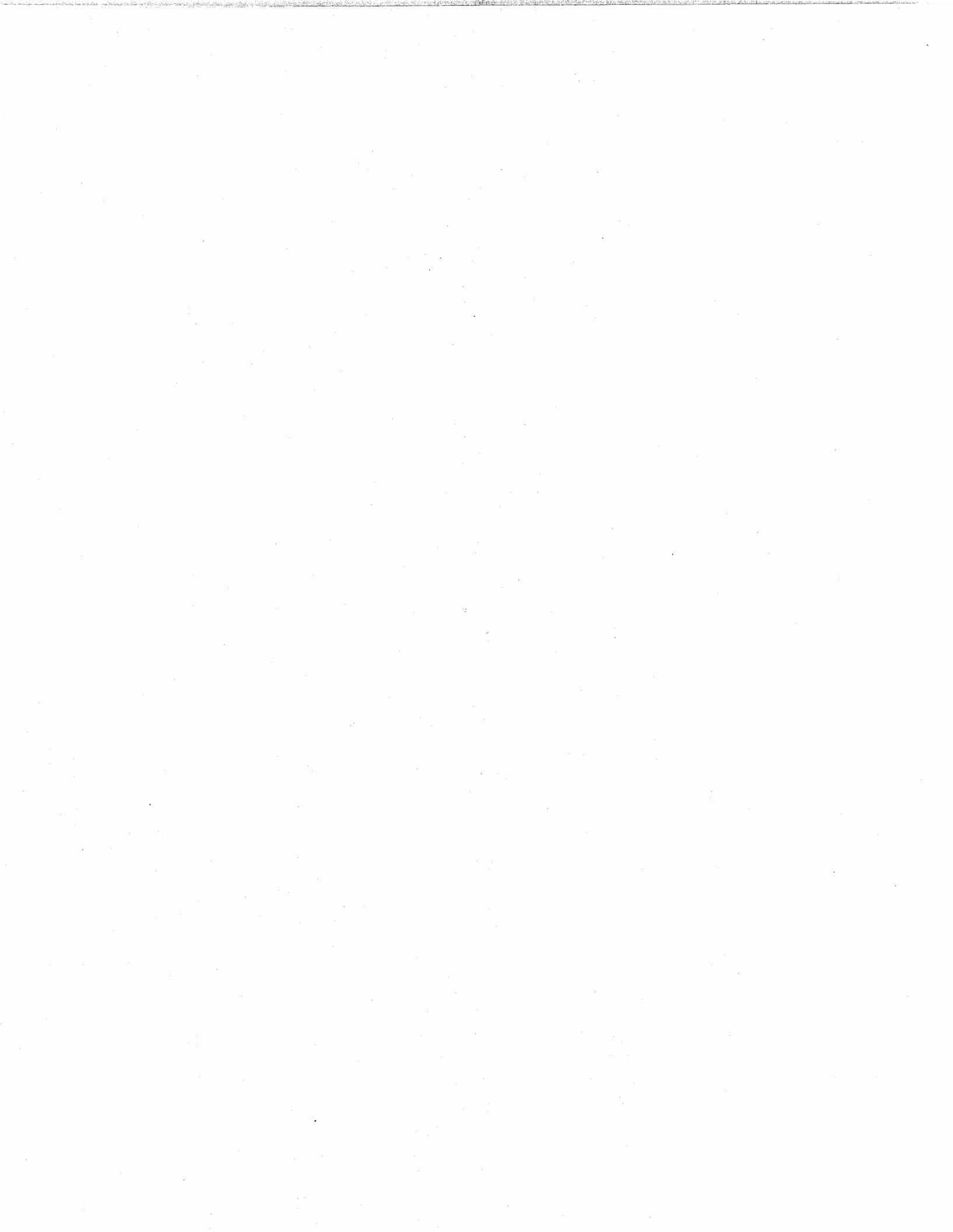
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

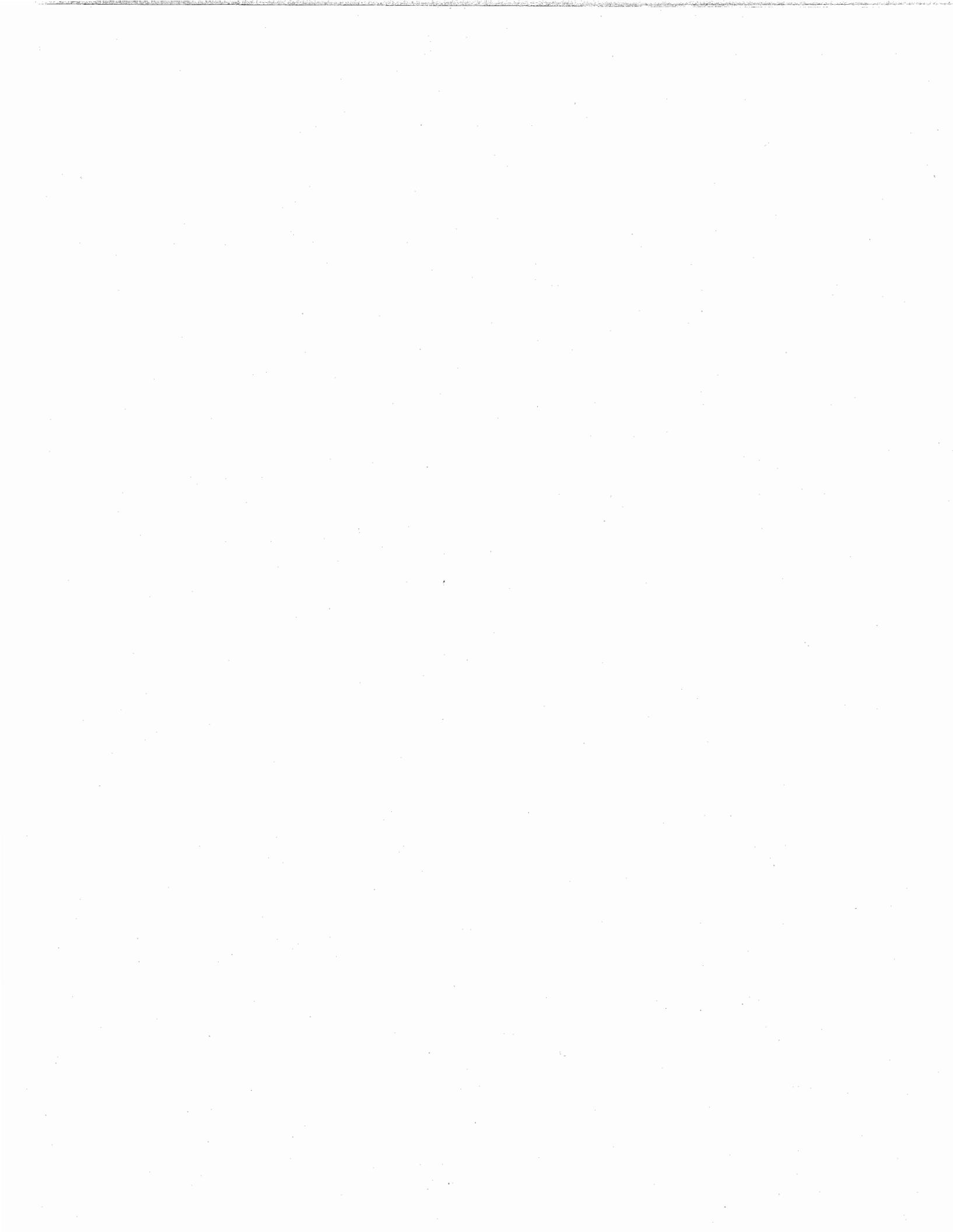
	<u>Actual</u>
Operating Revenue:	
Contribution from various funds	<u>\$ 209,300</u>
Operating Expenses:	
Administration	118,618
Depreciation	1,394
Claims reimbursement	<u>91,250</u>
Total operating expenses	<u>211,262</u>
Operating loss	(1,962)
Nonoperating Revenue, Other	<u>152</u>
Net loss	(1,810)
Retained earnings, beginning	<u>74,068</u>
Retained earnings, ending	<u>\$ 72,258</u>

**CITY OF KINSTON, NORTH CAROLINA
INTERNAL SERVICE FUND**

**SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL,
NON-GAAP, MODIFIED ACCRUAL BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenue:			
Contributions from various funds	<u>\$ 209,300</u>	<u>\$ 209,300</u>	<u>\$ -</u>
Nonoperating Revenue:			
Other	<u>2,000</u>	<u>152</u>	<u>(1,848)</u>
Total revenue	<u>211,300</u>	<u>209,452</u>	<u>(1,848)</u>
Expenditures:			
Administration:			
Personal service	<u>-</u>	<u>42,509</u>	<u>-</u>
Operating	<u>-</u>	<u>76,109</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>1,664</u>	<u>-</u>
	<u>120,000</u>	<u>120,282</u>	<u>(282)</u>
Claim reimbursements, operating	<u>128,500</u>	<u>91,250</u>	<u>37,250</u>
Total expenditures	<u>248,500</u>	<u>211,532</u>	<u>36,968</u>
Other Financing Sources:			
Appropriated fund balance	<u>37,200</u>	<u>-</u>	<u>(37,200)</u>
Revenue and other sources under expenditures	<u>\$ -</u>	<u>\$ (2,080)</u>	<u>\$ (2,080)</u>
Reconciliation of modified accrual basis to full accrual basis:			
Revenue and other sources under expenditures	<u>\$ (2,080)</u>		
Capital outlay	<u>1,664</u>		
Depreciation	<u>(1,394)</u>		
Net loss, full accrual basis	<u>\$ (1,810)</u>		





GENERAL FIXED ASSETS ACCOUNT GROUP

The **General Fixed Assets Account Group** is used to account for the cost of fixed assets of the City that are used in the performance of general government functions and that are not accounted for in the Enterprise or Internal Service Funds of the City.



CITY OF KINSTON, NORTH CAROLINA

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1992

General Fixed Assets:

Land	\$ 2,686,115
Buildings	3,554,340
Equipment and vehicles	<u>6,821,582</u>

Total general fixed assets \$ 13,062,037

Investment in General Fixed Assets By Source:

General fund	\$ 12,712,431
Special revenue funds	<u>349,606</u>

Total investment in general fixed assets \$ 13,062,037

CITY OF KINSTON, NORTH CAROLINA

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 1992

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment and Vehicles</u>	<u>Total</u>
General Government:				
Council	\$ -	\$ -	\$ 5,939	\$ 5,939
Manager	173,000	762,266	91,451	1,026,717
Clerk	-	-	4,915	4,915
Personnel	-	-	48,198	48,198
Finance and administration	-	-	584,745	584,745
Other, unclassified	<u>2,133,566</u>	<u>900,073</u>	<u>116,092</u>	<u>3,149,731</u>
Total general government	<u>2,306,566</u>	<u>1,662,339</u>	<u>851,340</u>	<u>4,820,245</u>
Public Safety:				
Police	-	-	881,348	881,348
Fire	28,825	341,720	1,334,878	1,705,423
Inspection	-	-	93,477	93,477
Total public safety	<u>28,825</u>	<u>341,720</u>	<u>2,309,703</u>	<u>2,680,248</u>
Highways and Streets:				
Engineering	-	-	187,549	187,549
Maintenance	-	-	784,595	784,595
Total highways and streets	-	-	<u>972,144</u>	<u>972,144</u>
Environmental Services				
	-	-	<u>2,209,203</u>	<u>2,209,203</u>
Parks and Recreation				
	<u>350,724</u>	<u>1,550,281</u>	<u>479,192</u>	<u>2,380,197</u>
Total general fixed assets	<u>\$ 2,686,115</u>	<u>\$ 3,554,340</u>	<u>\$ 6,821,582</u>	<u>\$ 13,062,037</u>

CITY OF KINSTON, NORTH CAROLINA

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

<u>Functions and Activity</u>	<u>General Fixed Assets July 1, 1991</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets June 30, 1992</u>
General Government:				
Council	\$ 5,939	\$ -	\$ -	\$ 5,939
Manager	1,021,675	5,042	-	1,026,717
Clerk	4,915	-	-	4,915
Personnel	45,117	3,610	529	48,198
Finance and administration	717,289	19,730	152,274	584,745
Other, unclassified	<u>3,156,060</u>	<u>69,116</u>	<u>75,445</u>	<u>3,149,731</u>
Total general government	<u>4,950,995</u>	<u>97,498</u>	<u>228,248</u>	<u>4,820,245</u>
Public Safety:				
Police	780,950	142,281	41,883	881,348
Fire	1,697,819	10,804	3,200	1,705,423
Inspection	<u>90,437</u>	<u>3,040</u>	<u>-</u>	<u>93,477</u>
Total public safety	<u>2,569,206</u>	<u>156,125</u>	<u>45,083</u>	<u>2,680,248</u>
Highways and Streets:				
Engineering	169,760	17,789	-	187,549
Maintenance	<u>799,713</u>	<u>5,465</u>	<u>20,583</u>	<u>784,595</u>
Total highways and streets	<u>969,473</u>	<u>23,254</u>	<u>20,583</u>	<u>972,144</u>
Sanitation	<u>2,154,785</u>	<u>97,291</u>	<u>42,873</u>	<u>2,209,203</u>
Parks and Recreation	<u>2,348,187</u>	<u>55,490</u>	<u>23,480</u>	<u>2,380,197</u>
Total general fixed assets	<u>\$ 12,992,646</u>	<u>\$ 429,658</u>	<u>\$ 360,267</u>	<u>\$ 13,062,037</u>

CAROLINA

PRINCETON LIBRARY

Buildings

752.2



3 72

341726

3 550 281

3 554 340





GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group is used to account for the City's unmatured long-term indebtedness that is not accounted for as a specific fund liability of the Enterprise or Internal Service Funds of the City.

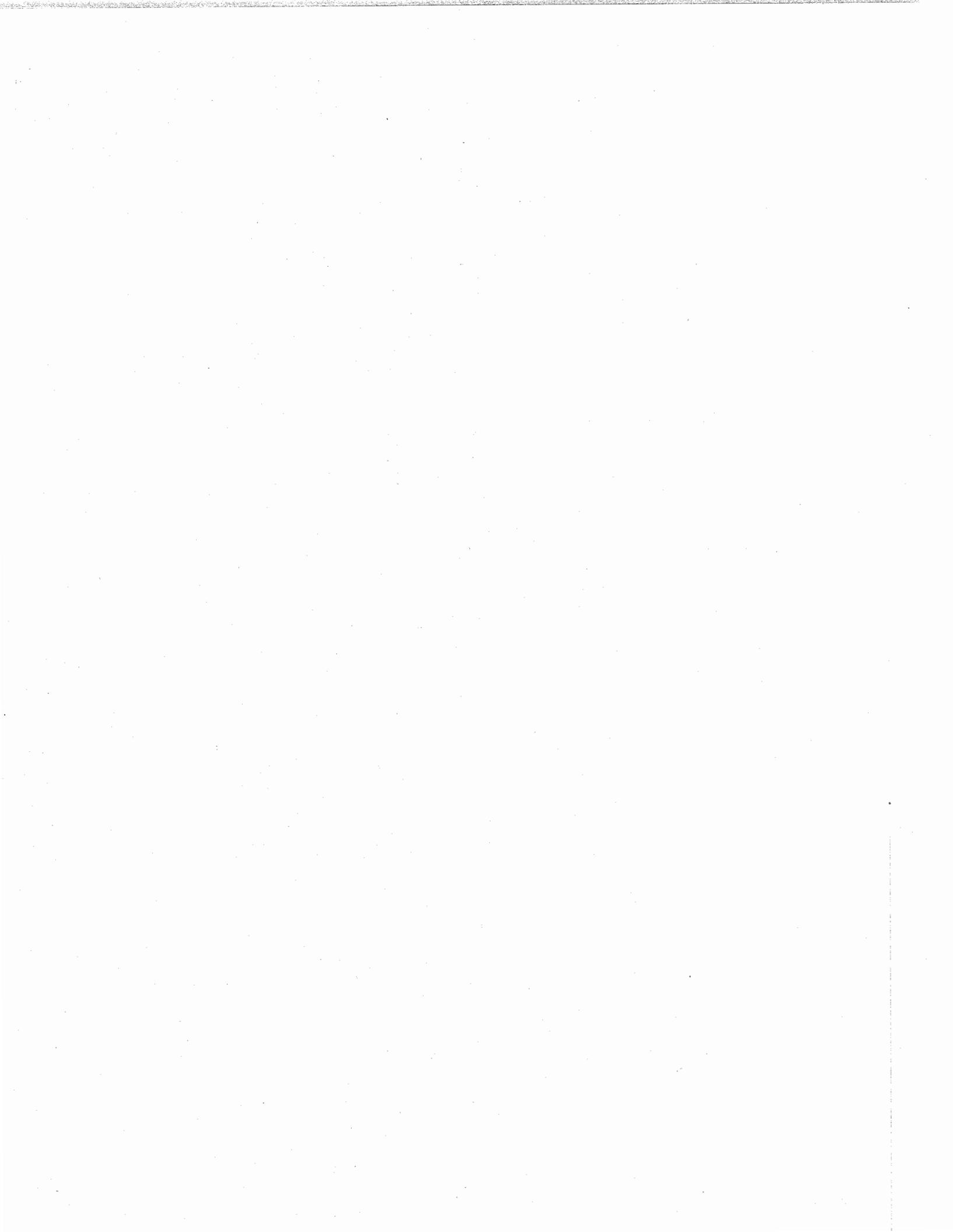


CITY OF KINSTON, NORTH CAROLINA

**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	General Fixed Assets July 1, 1991	Additions	Deductions	General Fixed Assets June 30, 1992
By Type of Debt:				
Bonds payable	\$ 100,000	\$ -	\$ 25,000	\$ 75,000
Accrued compensated absences	541,840	- -	19,717	522,123
Police separation allowance	60,309	- -	4,376	55,933
Notes payable	22,552	- -	22,552	-
Capitalized lease obligations	<u>554,310</u>	<u>96,281</u>	<u>370,532</u>	<u>280,059</u>
	<u><u>\$ 1,279,011</u></u>	<u><u>\$ 96,281</u></u>	<u><u>\$ 442,177</u></u>	<u><u>\$ 933,115</u></u>
By Purpose:				
General government, equipment	\$ 82,673	\$ - -	\$ 71,633	\$ 11,040
Public safety, equipment	138,024	- -	122,377	15,647
Public works:				
Street improvement	100,000	- -	25,000	75,000
Equipment	330,460	96,281	175,295	251,446
Development, land and buildings	22,552	- -	22,552	-
Recreation, equipment	3,153	- -	1,227	1,926
Accrued compensated absences, all departments	541,840	- -	19,717	522,123
Police separation allowance	<u>60,309</u>	<u>- -</u>	<u>4,376</u>	<u>55,933</u>
	<u><u>\$ 1,279,011</u></u>	<u><u>\$ 96,281</u></u>	<u><u>\$ 442,177</u></u>	<u><u>\$ 933,115</u></u>





OTHER FINANCIAL INFORMATION

Other Financial Information includes additional detailed analysis of particular aspects of the City's financial position or results of operations.



CITY OF KINSTON, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 1992

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 1991</u>	<u>Current Year Gross Levy</u>	<u>Collections Credits and Adjustments</u>	<u>Uncollected Balance June 30, 1992</u>
1991 - 1992	\$ -	\$ 4,610,004	\$ 4,464,606	\$ 145,398
1990 - 1991	139,348	-	59,003	80,345
1989 - 1990	53,974	-	17,469	36,505
1988 - 1989	27,998	-	7,967	20,031
1987 - 1988	18,311	-	3,040	15,271
1986 - 1987	14,060	-	1,724	12,336
1985 - 1986	9,484	-	515	8,969
1984 - 1985	8,115	-	449	7,666
1983 - 1984	4,941	-	406	4,535
1982 - 1983	3,756	-	217	3,539
1980 and prior	3,330	-	3,330	-
	<u>\$ 283,317</u>	<u>\$ 4,610,004</u>	<u>\$ 4,558,726</u>	<u>\$ 334,595</u>

RECONCILIATION WITH REVENUE:

Ad valorem taxes - General Fund	\$ 4,608,289
Less auto tax	<u>(80,275)</u>
	\$ 4,528,014
Add credits and adjustments	<u>30,712</u>
	<u><u>\$ 4,558,726</u></u>

CITY OF KINSTON, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

	<u>Total Property Valuation</u>	<u>Tax Rate Per \$100 Valuation</u>	<u>Amount of Tax Levy</u>
Tax Levy:			
City-wide	<u>\$ 746,769,196</u>	0.61	<u>\$ 4,560,982</u>
Municipal service district	<u>18,156,296</u>	0.27	<u>49,022</u>
Total for year	<u>\$ 764,925,492</u>		<u>4,610,004</u>
Less uncollected tax at June 30, 1992			<u>145,398</u>
Current year taxes collected			<u>\$ 4,464,606</u>
Percent current year collected			<u>96.8%</u>

CITY OF KINSTON, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION

ANALYSIS OF FUNDING PROGRESS

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation*</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll</u>
1989	\$ -	\$ 451,644	0%	\$ 451,644	\$ 1,384,350	32.6%
1990	-	284,087	-	284,087	1,331,757	21.3%
1991	-	312,210	-	312,210	1,541,377	20.3%
1992	-	344,640	-	344,640	1,734,249	19.9%

CITY OF KINSTON, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION

REVENUE BY SOURCE AND EXPENDITURES BY TYPE

<u>Fiscal Year</u>	<u>Revenue by Source</u>				<u>Total</u>
	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>		
1987	\$ -	\$ 5,047	\$ -		\$ 5,047
1988	-	15,350	-		15,350
1989	-	18,430	-		18,430
1990	-	29,887	-		29,887
1991	-	36,943	-		36,943
1992	-	49,120	-		49,120

<u>Fiscal Year</u>	<u>Expenditures by Type</u>				<u>Total</u>
	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>		
1987	\$ 5,047	\$ -	\$ -		\$ 5,047
1988	15,350	-	-		15,350
1989	18,430	-	-		18,430
1990	29,887	-	-		29,887
1991	36,943	-	-		36,943
1992	49,120	-	-		49,120





STATISTICAL SECTION

(Unaudited)

Schedule presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the County.



CITY OF KINSTON, NORTH CAROLINA

GENERAL GOVERNMENTAL (1)

EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

<u>June 30</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Development</u>	<u>Recreation</u>	<u>Non-Departmental</u>	<u>Debt Service</u>	<u>Other</u>	<u>Total</u>
1983	\$ 2,440,571	\$ 3,086,828	\$ 2,328,767	\$ 382,113	\$ 976,750	\$ -	\$ 749,968	\$ 323,224	\$ 10,288,221
1984	1,655,868	3,517,593	2,524,838	530,685	1,146,254	-	727,275	348,619	10,451,132
1985	1,955,239	3,913,344	2,453,429	820,413	1,193,545	-	712,206	298,427	11,346,603
1986	1,372,971	3,353,239	3,212,121	653,226	1,204,458 (1)	1,076,045 (2)	177,687	-	11,049,747
1987	2,233,689	4,054,023	2,885,717	1,894,996	1,492,481	-	80,688	-	12,641,594
1988	1,334,659	4,205,705	3,384,442	2,365,490	1,550,937	-	102,413	-	12,943,646
1989	861,849	4,397,357	4,105,855	1,776,043	1,518,135	-	97,263	-	12,756,502
1990	1,131,145	4,936,323	3,367,420	2,103,760	1,716,122	-	117,112	-	13,371,882
1991	1,257,882	5,260,246	3,794,562	1,907,452	1,878,150	-	76,052	-	14,174,344
1992	1,091,584	5,513,816	3,777,559	1,228,241	1,829,086	-	31,160	-	13,471,446

Source: City of Kinston Finance Department

Notes: (1) Includes general and special revenue funds
 (2) Expenses allocated on departmental basis after 1986

CITY OF KINSTON, NORTH CAROLINA

GENERAL GOVERNMENT (1)

REVENUE BY SOURCE

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Ad Valorem Taxes (2)		Sales and Services		Other Taxes		Governmental Unrestricted		Governmental Restricted		Inter- Governmental		Other Revenue		<u>Total</u>	
1983	\$ 2,232,734	\$ 2,208,774	\$ 1,190,828	\$ 666,745	\$ 883,752	\$ 196,033	\$ 7,378,866									
1984	2,570,858	2,185,682	1,444,319	683,057	568,828	722,636	8,175,380									
1985	2,709,906	2,201,727	1,638,776	718,655	1,368,502	322,105	8,959,671									
1986	2,885,164	1,959,731	1,238,300	1,426,355	1,289,870	402,448	9,201,868									
1987	3,075,741	2,074,103	1,456,358	1,072,534	959,514	444,116	9,082,366									
1988	3,351,972	2,184,221	1,590,920	1,041,643	1,181,926	318,073	9,668,755									
1989	3,245,859	2,336,722	1,728,611	1,418,485	1,135,387	606,584	10,471,648									
1990	3,995,839	2,356,366	1,892,395	1,546,851	1,338,889	511,992	11,642,332									
1991	4,127,658	2,719,137	1,742,530	1,451,578	1,287,122	472,756	11,800,781									
1992	4,643,265	2,883,661	1,723,474	1,503,899	852,561	246,221	11,853,081									

Source: City of Kinston Finance Department

Notes:

- (1) Includes general and special revenue funds
- (2) Includes municipal service district

CITY OF KINSTON, NORTH CAROLINA

GENERAL GOVERNMENTAL

TAX REVENUE BY SOURCE (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30</u>	Other Taxes					<u>Licenses and Permits</u>	<u>Total</u>
	<u>Ad Valorem (2)</u>	<u>Sales</u>	<u>Intangible</u>	<u>Franchise</u>			
1983	\$ 2,232,734	\$ 516,512	\$ 102,476	\$ 514,757	\$ -	\$ 3,366,479	
1984	2,570,858	616,192	127,391	619,563	81,173	4,015,177	
1985	2,709,906	697,125	164,441	693,247	83,962	4,348,681	
1986	2,885,164	963,009	188,390	690,833	86,225	4,813,621	
1987	3,075,741	1,200,465	210,599	714,510	45,294	5,246,609	
1988	3,351,972	1,324,196	216,762	741,408	49,962	5,684,300	
1989	3,245,859	1,430,723	250,501	802,592	47,387	5,777,062	
1990	3,995,839	1,559,192	282,655	921,486	50,548	6,809,720	
1991	4,127,658	2,719,137	229,016	957,150	54,956	8,087,917	
1992	4,643,265	2,883,661	219,636	933,453	61,958	8,741,973	

Source: City of Kinston Finance Department

Notes: (1) Includes general fund revenue and municipal service district
(2) Includes penalties and interest

CITY OF KINSTON, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30</u>	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
1983	\$ 2,217,008	\$ 2,153,036	97.1%	\$ 60,083	\$ 2,213,119	99.8%
1984	2,543,290	2,491,801	98.0%	46,457	2,538,258	99.8%
1985	2,703,751	2,632,382	97.4%	62,888	2,695,270	99.7%
1986	2,872,421 (1)	2,809,867	97.8%	52,336	2,862,203	99.6%
1987	3,071,452 (1)	3,003,206	97.8%	52,912	3,056,118	99.5%
1988	3,379,868 (1)	3,307,489	97.9%	51,203	3,358,692	99.4%
1989	3,260,872 (1)	3,178,954	97.5%	43,647	3,222,601	98.8%
1990	4,003,070 (1)	3,917,432	97.9%	79,766	3,997,198	99.9%
1991	4,205,266 (1)	4,065,919	96.7%	53,901	4,119,820	98.0%
1992	4,610,004 (1)	4,464,606	96.8%	94,120	4,558,726	98.9%

Source:

City of Kinston Finance Department

Note:

(1) Includes municipal service district

CITY OF KINSTON, NORTH CAROLINA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Percentage of Assessed Value Growth</u>
1983	\$ 471,703,823	(1)	12.0%
1984	479,865,958	(1)	1.7%
1985	510,141,619	(1)	6.3%
1986	532,652,436 (2)	(1)	4.4%
1987	539,896,267 (2)	(1)	1.4%
1988	592,392,161 (2)	(1)	9.7%
1989	542,622,725 (2)	(1)	-8.4%
1990	666,678,591 (2)	(1)	22.9%
1991	699,827,335 (2)	(1)	5.0%
1992	764,925,492 (2)	(1)	9.3%

Source: *City of Kinston Finance Department
Lenoir County Tax Collector*

Notes: (1) *Estimated values are 100% of the sound cost value replacement*
 (2) *Includes municipal service district*

CITY OF KINSTON, NORTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS

Year Ended June 30		Municipal Service District Millage		Total City Millage		Total County Millage		Total School District Millage
	City Millage							
1983	\$ 0.47	\$ (1)	\$ 0.47	\$ 0.52	\$ 6.50			
1984	0.53	(1)	0.53	0.54	6.50			
1985	0.55	0.30	0.55	0.58	6.50			
1986	0.58	0.30	0.58	0.62	6.50			
1987	0.58	0.30	0.58	0.62	6.50			
1988	0.61	0.29	0.61	0.62	6.50			
1989	0.61	0.27	0.61	0.72	6.50			
1990	0.61	0.27	0.61	0.72	6.50			
1991	0.61	0.27	0.61	0.77	5.25			
1992	0.61	0.27	0.61	0.77	0.00			

Source: *City of Kinston Finance Department
Lenoir County Tax Collector*

Note: (1) 1985 was initial year of municipal service district levy

CITY OF KINSTON, NORTH CAROLINA
PROPERTY TAX RATES AND LEVIES -
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30</u>	Tax Rates			Tax Levies		
	City	County	Total	City	County	Total
1983	\$ 0.53	\$ 0.52	\$ 1.05	\$ 2,217,008	\$ 6,903,214	\$ 9,120,222
1984	0.53	0.54	1.07	2,543,290	7,032,289	9,575,579
1985	0.55	0.58	1.13	2,703,751	7,572,258	10,276,009
1986	0.58	0.62	1.20	2,872,421	8,394,045	11,266,466
1987	0.58	0.62	1.20	3,071,452	8,963,568	12,035,020
1988	0.61	0.62	1.23	3,379,868	9,201,457	12,581,325
1989	0.61	0.72	1.33	3,260,872	8,467,230	11,728,102
1990	0.61	0.72	1.33	4,003,070	11,465,664	15,468,734
1991	0.61	0.77	1.38	4,205,266	13,167,382	36,876,758
1992	0.61	0.77	1.38	4,610,004	14,894,106	19,504,110

Source: *Lenoir County Tax Office*

CITY OF KINSTON, NORTH CAROLINA

PRINCIPAL TAXPAYERS

JUNE 30, 1992

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Austin Carolina	Tobacco Processor	\$ 21,001,192	2.8%
Vernon Investment Associates	Retail	14,270,163	1.9%
Carolina Telephone	Utility	12,899,903	1.7%
Glen Raven Mills	Manufacturer	11,614,657	1.6%
Hampton Industries	Manufacturer	8,199,680	1.1%
Buehler Products	Manufacturer	5,407,741	0.7%
Smithfield Packing	Manufacturer	4,626,959	0.6%
Barnet Southern	Manufacturer	4,552,086	0.6%
Perry's, Inc.	Retail	3,630,832	0.5%
North Carolina Natural Gas	Utility	<u>3,612,215</u>	<u>0.5%</u>
Total Assessed Valuation of Top 10 Taxpayers		89,815,428	12.0%
Balance of Assessed Valuation		<u>656,953,768</u>	<u>88.0%</u>
Total Assessed Valuation		<u>\$ 746,769,196</u>	<u>100.0%</u>

Source: Lenoir County Tax Office

CITY OF KINSTON, NORTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1992

Total assessed value	<u>\$ 746,769,196</u>
Debt limitation - 8% of total assessed value	<u>\$ 59,741,536</u>
Debt applicable to limitation:	
Total bonded debt	\$ 4,459,000
Obligation under notes payable	2,634,805
Obligation under capital leases	<u>2,736,465</u>
Gross debt	<u>\$ 9,830,270</u>
Less - statutory deductions:	
General obligation bonds issued and outstanding for water purposes	\$ 720,000
General obligation bonds issued and outstanding for electric purposes	250,000
Revenue bonds issued and outstanding for electric purposes	2,652,000
Revenue bonds issued and outstanding for water purposes	748,000
Revenue bonds issued and outstanding for parking purposes	<u>14,000</u>
Total statutory deductions	<u>\$ 4,384,000</u>
Total debt applicable to limitation	<u>\$ 5,446,270</u>
Legal debt margin	<u>\$ 54,295,266</u>

CITY OF KINSTON, NORTH CAROLINA

**RATIO OF ANNUAL GENERAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total (1)</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service to General Expenditures (%)</u>
1983	\$ 780,000	\$ 274,416	\$ 1,054,416	\$ 10,288,221	10.25
1984	480,000	250,622	730,622	10,451,132	6.99
1985	485,000	228,960	713,960	11,346,603	6.29
1986	485,000	205,645	690,645	11,049,747	6.25
1987	475,000	183,188	658,188	12,641,594	5.21
1988	465,000	160,453	625,453	12,943,656	4.83
1989	450,000	137,278	587,278	12,756,502	4.60
1990	450,000	114,203	564,203	13,371,882	4.22
1991	415,000	90,328	505,328	14,174,344	3.56
1992	375,000	62,086	437,086	14,028,862	3.12

Notes:

- (1) Includes debt service for general obligation bonds for Enterprise Fund and General Long-term Debt Account group.
- (2) Includes General and Special Revenue Funds.

CITY OF KINSTON, NORTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 1992

<u>Name of Governmental Unit</u>	<u>General Obligation Bonds Outstanding (1)</u>	<u>Percentage Applicable to City of Kinston (2)</u>	<u>City of Kinston's Share of Debt (3)</u>
Direct debt - City of Kinston	\$ 1,045,000	100.00%	\$ 1,045,000
Lenoir County debt	<u>14,485,000</u>	<u>41.13%</u>	<u>5,957,681</u>
Total overlapping debt	<u>\$ 15,530,000</u>		<u>\$ 7,002,681</u>

Notes:

- (1) Includes general obligation bonds for Enterprise Fund and General Long-term Debt Account Group.
- (2) Determined by ratio of assessed valuation of property subject to taxation in Lenoir County (\$1,862,086,668) City of Kinston (\$746,769,196).
- (3) Amount in debt outstanding column multiplied by percentage applicable.

CITY OF KINSTON, NORTH CAROLINA
PROPERTY VALUE AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Property Value (1)	Bank Deposits
1983	\$ 471,703,823	\$ 348,845,000
1984	479,865,958	389,237,000
1985	510,141,619	489,057,000
1986	532,652,436 (3)	393,509,000
1987	539,896,267 (3)	402,995,000
1988	592,392,161 (3)	421,264,000
1989	542,622,725 (3)	452,533,000
1990	666,678,591 (3)	510,124,000
1991	699,827,335 (3)	520,608,000
1992	764,925,492 (3)	526,538,000

Source: *Lenoir County Tax Office*
Bank deposits provided by First Citizens Bank and Trust
marketing department

Note: *Includes municipal service district*

CITY OF KINSTON, NORTH CAROLINA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population (1)	Taxable Property Assessed Value	8% Debt Limit	Gross Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Property Assessed Value		Per Capital Bonded Debt Gross	Per Capital Bonded Debt Net
						Gross Bonded Debt	Net Bonded Debt		
1983	25,234	\$ 471,703,823	\$ 37,736,306	\$ 5,125,000	\$ 995,000	0.21	\$ 222	\$ 44	
1984	25,234	479,865,958	38,389,277	4,645,000	865,000	0.18	184	34	
1985	26,268	510,141,619	40,811,330	4,160,000	730,000	0.14	158	28	
1986	26,019	532,652,436 (2)	42,612,195	3,693,000	595,000	0.11	142	23	
1987	25,718	539,896,267 (2)	43,191,701	3,214,000	475,000	0.09	125	18	
1988	27,400	592,392,161 (2)	47,391,373	2,749,000	365,000	0.06	100	13	
1989	27,400	542,622,725 (2)	43,409,818	2,299,000	265,000	0.05	84	10	
1990	27,400	666,678,591 (2)	53,334,287	1,849,000	165,000	0.02	67	6	
1991	25,295	699,827,335 (2)	55,986,187	1,434,000	100,000	0.01	57	4	
1992	25,295	764,925,492 (2)	61,194,039	1,045,000	75,000	0.001	41	3	

Source:

Provided by North Carolina Department of Commerce

Note:

Includes municipal service district

CITY OF KINSTON, NORTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	(City) Population (1)	(County) Per Capita Income (2)		(County) Unemployment Rate (3)	(City and County) School Enrollment (4)	(County) Retail Sale (5)	Bank Deposits (6)
		(\$)	(\$)				
1983	25,234	\$ 8,783		7.3	11,464	\$ 389,581,000	\$ 348,845,000
1984	25,234	9,737		9.2	11,464	441,340,000	389,237,000
1985	25,234	10,081		9.2	11,464	472,234,389	489,057,000
1986	26,019	10,813		9.2	11,813	488,073,498	393,509,000
1987	25,718	11,529		6.6	11,273	522,000,231	402,995,000
1988	27,400	(7)		5.2	11,243	513,507,557	421,264,000
1989	27,400	13,264		4.2	11,097	513,204,047	452,533,000
1990	27,400	(7)		3.8	11,076	498,572,117	510,124,000
1991	25,295	(7)		7.7	11,023	504,222,805	520,608,000
1992	25,295	(7)		6.7	10,654	519,024,495	526,538,000

Source:

- (1) Population data provided by US Census Bureau
- (2) NC Department of Administration
NC Department of Commerce
- (3) NC Employment Security Commission
- (4) Lenoir County Public School system
- (5) Lenoir County Economic Development Commission
- (6) Provided by First Citizens Bank and Trust marketing department

Note:

- (7) Information not presently available

CITY OF KINSTON, NORTH CAROLINA

MISCELLANEOUS STATISTICS

JUNE 30, 1992

Population	25,295
Date of incorporation	1762
Form of government	Council/Manager
Area	16.61
Miles of paved streets	103.91
Number of street lights	1,915
Employees	478
Fire protection:	
Number of stations	4
Number of firemen and officers	71
Police Protection:	
Number of stations	3
Number of policemen and officers	76
Electric department:	
Number of consumers	12,733
Average daily usage	1,1427 MWH
Miles of distribution lines	320
Water department:	
Number of consumers	10,942
Average daily consumption	4.6 MGD
Miles of water mains	165.9
Sewers:	
Average daily flow	4.96 MGD
Miles of sewer lines	275.7
Parks and recreation:	
Number of parks	9
Park acreage	111
Golf courses	1
Swimming pools	3
Tennis courts	20
Museum	1
Other recreational facilities:	
Grainger Stadium	4,100 seat baseball stadium

