

**City of Kinston**  

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**North Carolina**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
JUNE 30, 1991**





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of  
Kinston, North Carolina  
Fiscal Year Ended June 30, 1991



Prepared by  
City of Kinston Finance Department



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## City of Kinston

P. O. Drawer 339

North Carolina

28502

O. A. RITCH, JR.  
MAYOR

STEPHEN W. RAPER  
CITY MANAGER

VERNON H. ROCHELLE  
CITY ATTORNEY

PEGGY D. BOONE  
CITY CLERK

November 18, 1991

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, 1991, 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 multiyear 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 and water and sewer 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**

The City, 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. Over the past ten years, Kinston and Lenoir County experienced significant changes in historic character and demographics. In FY 1987 community support and resources were mobilized to react to many of these changes. Improvements in education, the arts, community affairs, downtown revitalization, and most importantly, economic development activities resulted from these efforts. While the reaction to these changes has been, by and large, positive, concerns were voiced in the public and private sectors about the future of the total community. What are our strengths and weaknesses? What do we need to do to improve, grow and develop as a city, county and region? How do we best utilize our public and private resources? The outcome of these questions and concerns was the adoption in January 1991 of a joint resolution by the Kinston City Council and the Lenoir County Board of Commissioners formalizing a county-wide strategic planning process. The purpose of the Strategic Plan is to critically assess the community's position and those factors which affect it and to identify opportunities, problems, strengths and weaknesses. Through consensus decision-making, a plan of action will be developed to address community goals. The end result will be the management of change and the improvement of the community's future position and quality of life.

## **MAJOR INITIATIVES**

### For the Year.

The FY 91 budget process required tough decisions to be made with respect to the City's ability to provide quality services based on current revenues. However, through the implementation of new and innovative productivity improvements and efficiency measures, several new operating programs and significant capital improvement projects were initiated.

Based on the recommendations of an independent consulting firm to contract out cemetery, Public Service Complex and City Hall grounds maintenance, the cemetery division of the Public Works Department reorganized under a buildings and grounds division.

The reorganization and the contracting out of grounds maintenance functions allowed the General Fund to delete two full-time positions and eight seasonal positions from its operating expense requirements.

A housing code enforcement program was initiated to promote, enhance and protect the public health and safety through the administration and enforcement of state and local building codes. This program's objectives are to eliminate unsafe occupied and abandoned structures. The Recreation Department's parks patrol program will provide safer leisure time for citizens through the presence of uniformed City staff patrolling the City's 111 park acres. A new position of Environmental Compliance Officer was created within the Fire Department to monitor City infrastructure for the presence of hazardous materials.

During the year, the City began the design of several capital improvement projects to improve the electric system and to comply with federal and State mandated wastewater treatment regulations. The design for a new electric substation to relieve other substations of overloaded conditions and to better serve the Industrial Park complex was completed in FY 91. Also completed in FY 91 were the design and financing arrangements for a Phosphorous Removal/Sludge Management System. This is a federal and State mandated project requiring the acquisition of a chemical feed system with a sludge holding tank to control phosphorous discharge at wastewater treatment plants.

The Recreation Department began a systematic renovation of six recreation centers to ensure safety and continued high participation by citizens. Also on the Recreation Department's agenda is a systematic schedule for general facility improvements to the Grainger Stadium Complex, including increased acreage and an expanded parking lot. The City is the home of the Kinston Indians, a prestigious Class "A" minor league farm club of the Cleveland Indians.

#### In the Future.

During the FY 92 budget process priorities were developed to identify those areas of emphasis that each department will address during the upcoming fiscal year. These work objectives include 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 is the cornerstone of the City's street preventive maintenance program as it is a first line of defense against pavement deterioration. The City will also continue with its routine resurfacing of Kinston's 100 miles of paved streets. Each year the Institute for Transportation Research Education (ITRE) conducts a study 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 include an increased tax base, an increase in revenues, and a larger population. The broader tax base prepares 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 bring increased responsibilities. All annexed areas will receive police patrolling and services, an increase in fire rating with lower fire insurance costs, water and sewer within two (2) years, 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.

The Housing Code Enforcement program, newly implemented in FY 91, will receive even greater emphasis in FY 92. Sixty per cent (60%) of structures inspected are not in accordance with State and local codes. Eight-five (85) structures are scheduled to be inspected in FY 92. If not repaired, structures found to be dilapidated will be demolished. A relocation program will be developed, if needed, as many of the dilapidated houses are tenant-occupied.

The Public Works Department will conduct a recycling feasibility study as a result of a State mandated reduction of 25% of the solid waste stream to the landfill.

The capital improvement program for FY 92 includes the construction of electric, water and wastewater systems designed in FY 91. The City will begin the construction of a new 20 MVA electric substation and transmission tap and begin the conversion of 13.4 miles of transmission system from 4 KV to 12 KV distribution. The water system will be extended to the newly annexed areas and four (4) existing water lines will be lengthened. Construction will also begin on phosphorous removal facilities at the City's two (2) wastewater treatment plants.

Department Focus. Each year the City selects a department to highlight for its efforts and accomplishments. In 1991, the City's Police Community Action Team (P-CAT) has been selected for review.

The Police Community Action Team concept was developed as a positive response to ongoing issues of crime and fear in particular segments of the City. Cities throughout the country have experienced rapid increases in violent crime and levels of fear in neighborhoods where drug dealing and related activity have become commonplace. In response to this, many cities have looked to their law enforcement agencies to deal with this problem. A common theme among the successful programs included a commitment to form significant partnerships with various groups, governmental agencies and neighborhoods to become responsible and responsive to crime related issues occurring in their own streets.

The Police Department initiated a statistical study to identify those areas of the City with the greatest number of drug related incidents, i.e., drug arrests, shooting incidents, aggravated assaults, robberies and burglaries. Once the area in need of sustained and concentrated law enforcement presence was identified, a self-contained law enforcement unit was established.

The P-CAT team works closely with the Public Housing Authority to eliminate the "outside" criminal element in public housing communities by increasing law enforcement visibility within those communities. A comprehensive network of residents' associations are used to disseminate information to the community in order to reduce the fear associated with drug-related activity. P-CAT works to establish trust and harmony among the police, neighborhood residents and public housing residents by providing an open forum to discuss public safety problems and strategies to address those problems.

P-CAT incorporates a mix of enforcement and programming to accomplish its mission in the community. Office hours are maintained in the facility provided by the Public Housing Authority. A sworn law enforcement officer is on duty during office hours to handle walk-in complaints and requests for service. The Program Coordinator, Crime Prevention Officer and the D.A.R.E. Officer rotate coverage of the office around their other duties. The Safe Streets Unit is the enforcement arm of the program and consists of a five man team of officers designed as a tactical unit to attack street level crimes.

A key element of P-CAT is the ability of its members to serve in interchangeable roles throughout the program. Each member is involved in wide ranging activities including drug raids,

community speaking engagements, community clean-up programs, felony investigations, and routine patrol. The basic philosophy embraces the community policing model which mandates that police officers be problem solvers and operate in whatever mode is necessary to address the issue.

#### FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and 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 control for local governments. Activities of the general fund, certain special revenue funds (the UMTA Elderly/Handicapped Transportation Fund and the Community Development Rental Rehabilitation Fund), 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 revenues and other financing sources for general governmental functions (General Fund and Special Revenue Funds) for the fiscal year ended June 30, 1991 and the amount and percentage of increases and decreases in relation to prior year revenues.

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| <u>Revenues and Other<br/>Financing Sources</u> | <u>Amount<br/>(Thousands)</u> | <u>Percent<br/>of Total</u> | <u>Increase<br/>(Decrease)<br/>from 1990<br/>(Thousands)</u> | <u>Percent of<br/>Increase<br/>(Decrease)</u> |
|---|-------------------------------|-----------------------------|--|---|
| Ad valorem taxes                                | \$ 4,202                      | 30.2%                       | \$ 206   | 5.1%  |
| Sales and services                              | 2,719                         | 19.6                        | 363  | 15.4  |
| Other taxes                                     | 1,742                         | 12.5                        | (150)  | ( 7.9)  |
| Intergovernmental:                              |                               |                             |  |   |
| Unrestricted                                    | 1,452                         | 10.5                        | ( 95)  | ( 6.1)  |
| Restricted                                      | 1,287                         | 9.3                         | 486  | 60.6  |
| Other   | 398                           | 2.9                         | ( 87)  | (17.9)  |
| Transfers in                                    | 2,079                         | 15.0                        | ( 3)   | ( 0.14)                                       |
| Total   | <u>\$ 13,879</u>              | <u>100.0%</u>               | <u>\$ 720</u>  |   |

The most significant source of revenue continued to be derived from "Ad Valorem Taxes" although the City has maintained the same tax rate (\$.61/\$100) over the last four years. The 5.1% increase resulted from a series of discoveries that increased the tax base. Property tax collections continue to reflect the effective tax collection program utilized by the City. Collections for the year ended June 30, 1991 were 96.7% of the current levy, the tenth consecutive year the collection rate has exceeded 96%.

The 15.4% increase in "Sales and Services" merely reflects a change in account classification and is offset by the 24.1% decrease in "Other" revenues.

The category of "Other Taxes" includes local government sales taxes, intangible taxes and licenses and permits. The 7.9% decrease reflects the withholding of 6% of all local governments' share of these taxes by the State of North Carolina as well as reflecting the state of the national economy. The State also withheld 6% of local governments' share of gasoline taxes which accounts for the decrease in "Unrestricted Intergovernmental". Both of these revenue categories are collected by the State and then allocated to local governments.

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, 1991, and the percentage of increases and decreases in relation to prior year amounts.

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| <u>Expenditures</u>                   | <u>Amount</u><br><u>(Thousands)</u> | <u>Percent</u><br><u>of Total</u> | <u>Increase</u><br><u>(Decrease)</u><br><u>from 1990</u><br><u>(Thousands)</u> | <u>Percent of</u><br><u>Increase</u><br><u>(Decrease)</u> |
|---------------------------------------|-------------------------------------|-----------------------------------|--|---|
| General Government                    | \$ 1,258                            | 8.8%                              | \$ 127   | 11.2%   |
| Public Safety                         | 5,260                               | 36.9                              | 324  | 6.5   |
| Public Works                          | 3,795                               | 26.6                              | 428  | 12.7  |
| Planning and<br>Community Development | 1,907                               | 13.4                              | 13   | 12.7  |
| Parks and Recreation                  | 1,878                               | 13.1                              | 162  | 9.4   |
| Debt Service:                         |                                     |                                   |  |   |
| Principal                             | 65                                  | 0.5                               | ( 35)  | (35.0)  |
| Interest                              | 11                                  | 0.1                               | ( 6)   | (35.3)  |
| Transfers Out                         | 75                                  | 0.6                               | 11   | 17.1  |
| Total                                 | <u>\$ 14,249</u>                    | <u>100.00%</u>                    | <u>\$1,024</u>   |   |

In FY 91 several major new initiatives were implemented in the General Fund and are reflected in the \$1,024,000 increase in expenditures as is a 4% cost-of-living adjustment and full staffing for all departments. The Police Department, in particular, was fully staffed for the majority of the year as was not the case the previous year. The Fire Department's salaries increased as the result of a wage study and also reflect full staffing levels.

General Fund Balance. Fund balance in the General Fund at June 30, 1991 was \$ 2,976,040 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 Fund. 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, 1991 was \$14,421,165, a 15.5% increase over the total fund equity at June 30, 1990. Net income for FY 91 was \$1,942,958. Operating revenues for this fiscal year increased 8.3% to \$32,574,920. This increase in operating revenues 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 which is being systematically reduced as part of the City's long range plans to increase the self-sufficiency of the General Fund. For FY 91 this transfer was \$2,000,000 a decrease of \$40,000 from the prior year.

Total fund equity of the Water and Sewer Fund at June 30, 1991 was \$14,917,877, a 1.7% increase over the total fund equity at June 30, 1990. Net income for FY 91 was \$212,211, a 8.1% decrease from the prior year's amount of \$230,846. This decrease is the net result of an increase in operating expenditures, a decrease in the interest earned on investments and a 6% withholding of local sales tax reimbursement from the state. Operating revenues increased 15.6% to \$3,051,403. Operating expenses increased by 3.2% due mainly to a 4% cost-of-living adjustment in FY 91.

Total fund equity of the Parking Facilities Authority Fund at June 30, 1991 increased to \$290,712, a .82% increase over the total fund equity at June 30, 1990.

Internal Service Fund. The City maintains one internal service fund to account for the City's limited risk self-insurance workers' compensation program. The fund equity for the Internal Service Fund at June 30, 1991 was \$74,068.

Debt Administration. Outstanding general obligation bonds at June 30, 1991 totaled \$1,434,000. Of this total, \$1,334,000 relates to enterprise fund operations and is expected to be repaid from proprietary revenues.

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, 1991, the ratio of net bonded debt to assessed valuation was .01%. The gross bonded debt per capita was \$52.00.

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, 1991, the legal debt margin of the City was \$50,669,937.

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%

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 workers' 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, 1990. 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, 1990. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are 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.

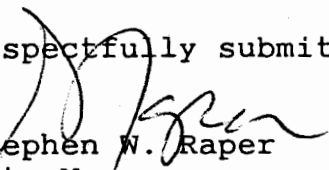
The preparation of this comprehensive annual financial report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

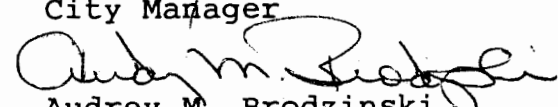
We would like to express our appreciation to Business Office Manager, Jim Baker, and to the City's Accountant, Richard R. Somerday, whose long hours made possible the successful completion of the annual audit. We would also like to express our special appreciation to Marilyn Dunk, Finance Department Secretary, who designed the format of this report and who is solely responsible for its timely completion.

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

In closing, we express our 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

  
Audrey M. Brodzinski  
Director of Finance  
& Administration



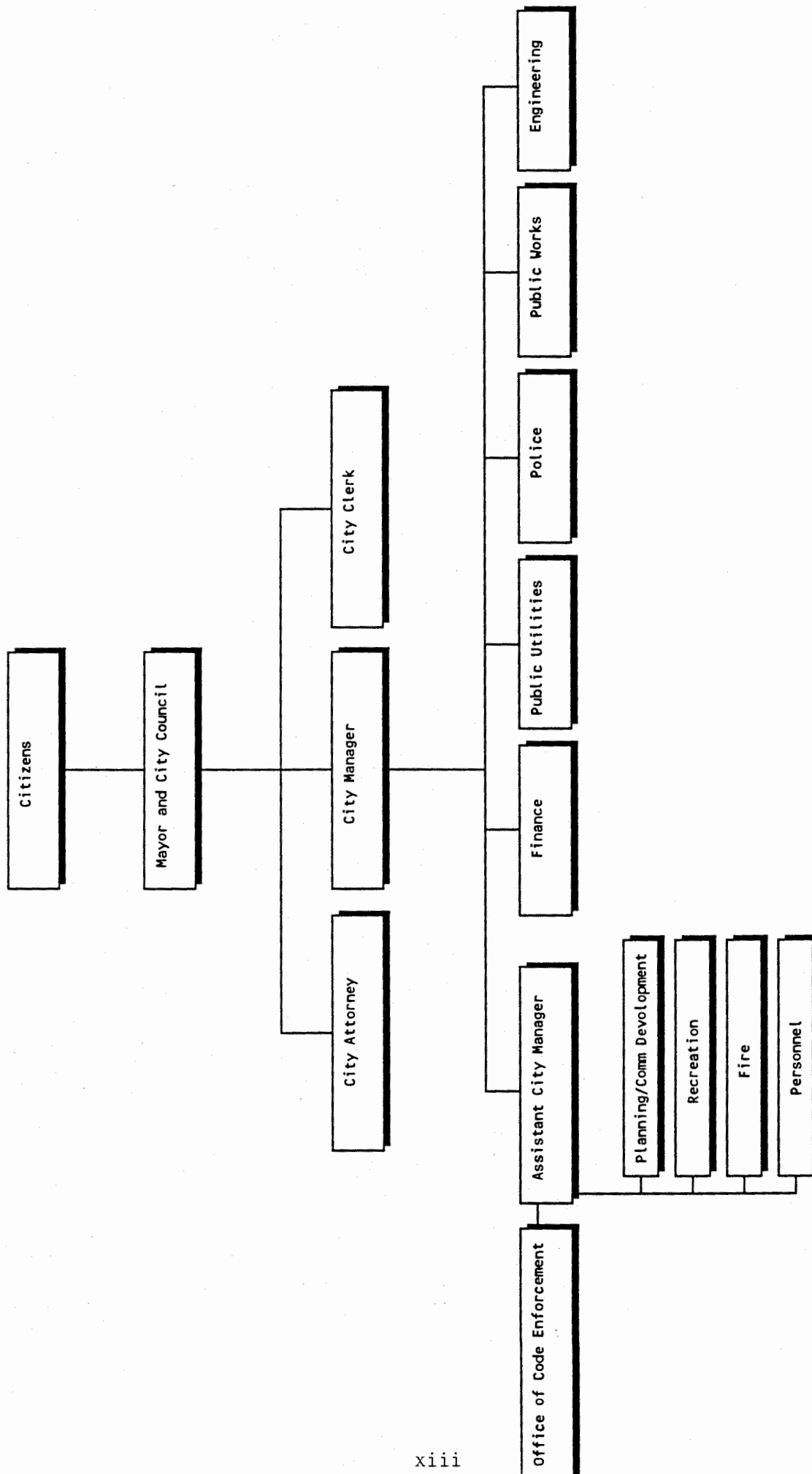
CITY OF KINSTON, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 1991

| <u>TITLE</u>                                      | <u>NAME</u>          |
|---|----------------------|
| <u>CITY COUNCIL</u>                               |                      |
| Mayor   | O. A. Ritch, Jr.     |
| Mayor Pro Tem                                     | Mansfield H. Creech  |
| Council Member                                    | Eddie L. Kornegay    |
| Council Member                                    | Johnnie Mosley       |
| Council Member                                    | Aaron Brooks         |
| Council Member                                    | Jan Barwick          |
| <u>CITY ADMINISTRATION</u>                        |                      |
| City Manager                                      | Stephen W. Raper     |
| Police Chief                                      | John Wolford         |
| Fire Chief  | Tony Kelly           |
| Director of Public Utilities                      | Ron Wicker           |
| Director of Public Works                          | James T. Pratt       |
| Director of Planning and<br>Community Development | Bob Clark            |
| Director of Recreation                            | Jimmy Tyer           |
| Director of Personnel                             | Karl L. Munson       |
| City Engineer                                     | Clarence Lockamy     |
| Director of Finance and<br>Administration         | Audrey M. Brodzinski |

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, 1990

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 (CAFR's) achieve the highest standards in government accounting and financial reporting.



*Richard B. Dineen*  
President

*Jeffrey L. Esser*  
Executive Director



# 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 the City of Kinston, North Carolina, as of and for the year ended June 30, 1991, 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 of material misstatement. An audit includes 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 the City of Kinston, North Carolina, as of June 30, 1991, and the results of its operations and the cash flows of its proprietary fund type 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 4, 1991

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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, 1991

(Page 56) (Continued) (Page 55) (Page 90)

| ASSETS AND OTHER DEBITS  | General      | Special Revenue | Enterprise    | Internal Service | General Fixed Assets | General Long - Term Debt | Total (Memorandum Only) |
|--|--------------|-----------------|---------------|------------------|----------------------|--------------------------|-------------------------|
| CURRENT ASSETS:  |              |                 |               |                  |                      |                          |                         |
| Cash and Investments (Note 3)                                    | 2,758,901    |                 |               |                  |                      |                          |                         |
| Due from other fund (Note 4)                                     | \$ 2,415,241 | \$ 46,462       | \$ 6,171,649  | \$ 66,285        | \$                   | \$                       | \$ 8,699,637            |
| Due from government agencies                                     |              |                 | 97            |                  |                      |                          | 97                      |
| Accounts receivable  | 932,212      | (184)           | 201,241       | 807              |                      |                          | 184                     |
| Taxes receivable (Note 5)  | 283,317      | 989,124         |               |                  |                      |                          | 1,134,260               |
| Customer receivables, net (Note 5)                               | 212,852      | 361,609         | 4,097,953     |                  |                      |                          | 283,317                 |
| Interest receivable  |              | 212,121         | 28,313        |                  |                      |                          | 4,310,805               |
| Inventories  | 135,485      | 140,167         | 1,173,456     |                  |                      |                          | 28,313                  |
|  |              |                 |               |                  |                      |                          | 1,308,941               |
| TOTAL CURRENT ASSETS   | 3,979,107    | 46,646          | 11,672,709    | 67,092           |                      |                          | 15,765,554              |
| RESTRICTED CASH AND INVESTMENTS (Note 3)                         |              |                 | 117,397       |                  |                      |                          | 117,397                 |
| FIXED ASSETS (Notes 6 and 8)                                     |              |                 | 25,613,088    | 12,687           | 12,992,646           |                          | 38,618,421              |
| AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG - TERM DEBT |              |                 |               |                  |                      | 1,279,011                | 1,279,011               |
| TOTAL ASSETS AND OTHER DEBITS                                    | \$ 3,979,107 | \$ 46,646       | \$ 37,403,194 | \$ 79,779        | \$ 12,992,646        | \$ 1,279,011             | \$ 55,780,383           |
|  | 4,466,912    |                 |               |                  |                      |                          |                         |

## CITY OF KINSTON, NORTH CAROLINA

## COMBINED STATEMENT OF REVENUES, EXPENDITURES

## AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET -

## GENERAL AND CERTAIN SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Page 57 - Unlabeled Rent Related)

|  | GENERAL FUND (Page 46-53) |                    |                                    | CERTAIN SPECIAL REVENUE FUNDS |                 |                                    |
|--|---------------------------|--------------------|------------------------------------|-------------------------------|-----------------|------------------------------------|
|  | Actual                    | Budget             | Variance - Favorable (Unfavorable) | Actual                        | Budget          | Variance - Favorable (Unfavorable) |
| <b>REVENUES:</b>   |                           |                    |                                    |                               |                 |                                    |
| Ad valorem taxes   | \$ 4,201,916              | \$ 4,217,750       | \$ (15,834)                        | \$                            | \$              | \$                                 |
| Sales and services   | 2,719,137                 | 2,696,500          | 22,637                             |                               |                 |                                    |
| Other taxes  | 1,742,530                 | 1,766,350          | (23,820)                           |                               |                 |                                    |
| Intergovernmental revenues:  |                           |                    |                                    |                               |                 |                                    |
| Unrestricted   | 1,451,578                 | 1,509,300          | (57,722)                           |                               |                 |                                    |
| Restricted   | 812,998                   | 825,450            | (12,452)                           | 160,993                       | 124,900         | 36,093                             |
| Other  | 321,502                   | 289,850            | 31,652                             | 46,516                        | 44,500          | 2,016                              |
| <b>TOTAL REVENUES</b>  | <b>11,249,661</b>         | <b>11,305,200</b>  | <b>(55,539)</b>                    | <b>207,509</b>                | <b>169,400</b>  | <b>38,109</b>                      |
| <b>EXPENDITURES:</b>   |                           |                    |                                    |                               |                 |                                    |
| Current:   |                           |                    |                                    |                               |                 |                                    |
| General government   | 1,257,882                 | 1,376,300          | 118,418                            |                               |                 |                                    |
| Public safety  | 5,260,246                 | 5,368,750          | 108,504                            |                               |                 |                                    |
| Public works   | 3,794,562                 | 4,039,100          | 244,538                            |                               |                 |                                    |
| Planning and community development   | 1,250,373                 | 1,347,600          | 97,227                             | 271,964                       | 232,000         | 39,964                             |
| Parks and recreation   | 1,878,150                 | 1,912,800          | 34,650                             |                               |                 |                                    |
| Debt service:  |                           |                    |                                    |                               |                 |                                    |
| Principal  | 65,000                    | 65,000             |                                    |                               |                 |                                    |
| Interest   | 11,052                    | 11,100             | 48                                 |                               |                 |                                    |
| <b>TOTAL EXPENDITURES</b>  | <b>13,517,265</b>         | <b>14,120,650</b>  | <b>603,385</b>                     | <b>271,964</b>                | <b>232,000</b>  | <b>39,964</b>                      |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                                  | <b>(2,267,604)</b>        | <b>(2,815,450)</b> | <b>547,846</b>                     | <b>(64,455)</b>               | <b>(62,600)</b> | <b>(1,855)</b>                     |
| <b>OTHER FINANCING SOURCES (USES):</b>                                     |                           |                    |                                    |                               |                 |                                    |
| Operating transfers in   | 2,000,000                 | 2,000,000          |                                    | 53,600                        | 53,600          |                                    |
| Operating transfers out  | (75,350)                  | (75,350)           |                                    |                               |                 |                                    |
| Appropriated fund balance  |                           | 890,800            | (890,800)                          |                               | 9,000           | (9,000)                            |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                                | <b>1,924,650</b>          | <b>2,815,450</b>   | <b>(890,800)</b>                   | <b>53,600</b>                 | <b>62,600</b>   | <b>(9,000)</b>                     |
| <b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b> | <b>(342,954)</b>          | <b>\$</b>          | <b>\$ (342,954)</b>                | <b>(10,855)</b>               | <b>\$</b>       | <b>\$ (10,855)</b>                 |
| <b>FUND BALANCES - July 1, 1990</b>  | <b>3,318,994</b>          |                    |                                    | <b>11,905</b>                 |                 |                                    |
| <b>FUND BALANCES - June 30, 1991</b>                                       | <b>\$ 2,976,040</b>       |                    |                                    | <b>\$ 1,050</b>               |                 |                                    |

done

CITY OF KINSTON, NORTH CAROLINA  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

*Page 66*

*Page 79*

|  | Enterprise    | Internal<br>Service | Total<br>(Memorandum Only) |
|--|---------------|---------------------|----------------------------|
| OPERATING REVENUES:                    |               |                     |                            |
| Charges for services                   | \$ 35,256,615 | \$                  | \$ 35,256,615              |
| Contributions from various funds       |               | 199,400             | 199,400                    |
| Other                                  | 369,708       |                     | 369,708                    |
| TOTAL OPERATING REVENUES               | 35,626,323    | 199,400             | 35,825,723                 |
| OPERATING EXPENSES:                    |               |                     |                            |
| Electrical operations                  | 27,574,908    |                     | 27,574,908                 |
| Administration                         | 1,991,375     | 91,505              | 2,082,880                  |
| Depreciation                           | 1,024,364     | 3,148               | 1,027,512                  |
| Water and Sewer operations             | 471,119       |                     | 471,119                    |
| Wastewater plant operations            | 517,680       |                     | 517,680                    |
| Water production                       | 442,649       |                     | 442,649                    |
| Claims reimbursements                  |               | 82,769              | 82,769                     |
| TOTAL OPERATING EXPENSES               | 32,022,095    | 177,422             | 32,199,517                 |
| OPERATING INCOME                       | 3,604,228     | 21,978              | 3,626,206                  |
| NONOPERATING REVENUES (EXPENSES):      |               |                     |                            |
| Interest earned on investments         | 550,542       |                     | 550,542                    |
| 1/2% local sales tax refund            | 303,112       |                     | 303,112                    |
| Interest on long-term debt             | (325,655)     |                     | (325,655)                  |
| Other                                  | 28,562        | 3,513               | 32,075                     |
| TOTAL NONOPERATING REVENUES (EXPENSES) | 556,561       | 3,513               | 560,074                    |
| INCOME BEFORE OPERATING TRANSFERS      | 4,160,789     | 25,491              | 4,186,280                  |
| OPERATING TRANSFERS:                   |               |                     |                            |
| Operating transfers in (Note 4)        | 3,000         |                     | 3,000                      |
| Operating transfers out (Note 4)       | (2,006,250)   |                     | (2,006,250)                |
| TOTAL OPERATING TRANSFERS              | (2,003,250)   |                     | (2,003,250)                |
| NET INCOME                             | 2,157,539     | 25,491              | 2,183,030                  |
| RETAINED EARNINGS - July 1, 1990       | 24,484,717    | 48,577              | 24,533,294                 |
| RETAINED EARNINGS - June 30, 1991      | \$ 26,642,256 | \$ 74,068           | \$ 26,716,324              |

The accompanying notes are an integral part of the general purpose financial statements

CITY OF KINSTON, NORTH CAROLINA  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | <div>(Continued)</div> <div>Page 67</div> |           | <div>Page 79</div> <div>Internal Service</div> | Total<br>(Memorandum Only) |
|---|---|-----------|--|----------------------------|
|   | Enterprise                                |           |  |                            |
| CASH FLOWS FROM OPERATING ACTIVITIES:   |   |           |  |                            |
| Operating income  | \$ 3,604,228                              | \$ 21,978 | \$ 3,626,206                                   |                            |
| Adjustments to reconcile operating income to net cash provided by operating activities: |   |           |  |                            |
| Other income  | 331,674                                   | 3,513     | 335,187  |                            |
| Depreciation  | 1,024,364                                 | 3,148     | 1,027,512                                      |                            |
| Decrease in allowance for uncollectible accounts  | (516,365)                                 |           | (516,365)                                      |                            |
| Change in assets and liabilities:   |   |           |  |                            |
| Decrease in due from other funds  | 15,199                                    |           | 15,199   |                            |
| Increase in customer receivables  | (123,743)                                 |           | (123,743)                                      |                            |
| Decrease (increase) in accounts receivable  | 32,397                                    | (807)     | 31,590   |                            |
| Decrease in interest receivable   | 2,284                                     |           | 2,284  |                            |
| Increase in customer deposits   | 17,958                                    |           | 17,958   |                            |
| Increase in inventories   | (227,278)                                 |           | (227,278)                                      |                            |
| Increase in accounts payable  | 41,799                                    | 3,336     | 45,135   |                            |
| Decrease in deferred revenues   | (36,038)                                  |           | (36,038)                                       |                            |
| Increase in accrued compensated absences  | 10,782                                    |           | 10,782   |                            |
| Net cash provided by operating activities   | 4,177,261                                 | 31,168    | 4,208,429                                      |                            |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:  |   |           |  |                            |
| Net repayments under revolving loan arrangement   | (51,231)                                  |           | (51,231)                                       |                            |
| Operating transfers to other funds  | (2,003,250)                               |           | (2,003,250)                                    |                            |
| Net cash used for noncapital financing activities                                       | (2,054,481)                               |           | (2,054,481)                                    |                            |



CITY OF KINSTON, NORTH CAROLINA  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1991

*Page 81*

|  | <u>Enterprise</u>   | <u>Internal<br/>Service</u> | <u>Total<br/>(Memorandum Only)</u> |
|--|---------------------|-----------------------------|------------------------------------|
| CASH FLOWS FROM CAPITAL AND<br>RELATED FINANCING ACTIVITIES:             |                     |                             |                                    |
| Acquisition and construction<br>of capital assets                        | \$ (1,926,223)      | \$ (4,790)                  | \$ (1,931,013)                     |
| Principal paid on general<br>obligation bonds and<br>equipment contracts | (919,282)           |                             | (919,282)                          |
| Interest paid on general<br>obligation bonds and<br>equipment contracts  | (325,655)           |                             | (325,655)                          |
| Capital contributed  | <u>36,038</u>       |                             | <u>36,038</u>                      |
| Net cash used for capital and<br>related financing activities            | <u>(3,135,122)</u>  | <u>(4,790)</u>              | <u>(3,139,912)</u>                 |
| CASH FLOWS FROM INVESTING<br>ACTIVITIES:                                 |                     |                             |                                    |
| Interest and dividends on<br>investments                                 | <u>550,542</u>      |                             | <u>550,542</u>                     |
| Net cash provided by investing<br>activities                             | <u>550,542</u>      |                             | <u>550,542</u>                     |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS                  | (461,800)           | 26,378                      | (435,422)                          |
| CASH AND CASH EQUIVALENTS,<br>July 1, 1990                               | <u>6,750,846</u>    | <u>39,907</u>               | <u>6,790,753</u>                   |
| CASH AND CASH EQUIVALENTS,<br>June 30, 1991                              | <u>\$ 6,289,046</u> | <u>\$ 66,285</u>            | <u>\$ 6,355,331</u>                |

Supplemental Schedule of Noncash Capital Financing Activities -

A capital lease obligation of \$104,115 was incurred by the Electric Fund when the City entered into a lease for new equipment.

The accompanying notes are an integral part of the general purpose financial statements

# **NOTES TO THE FINANCIAL STATEMENTS**

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CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

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.

A. 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

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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.

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 revenues 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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.

B. 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, revenues, 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 Harvey Street Fund, the Community Development Thompson Street Fund, the Community Development Tiffany Street Fund, the UMTA Elderly/Handicapped Transportation Fund and the Community Development Rental Rehabilitation Fund are all Special Revenue Funds of the City.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (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 revenues, 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.

C. Basis of Accounting

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



CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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., revenues) 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, revenues are 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 revenues as available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are franchise taxes, licenses, interest and charges for services.

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 revenues are not susceptible to accrual because generally they are not measurable until received in cash.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Receivables for unbilled 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.

D. Budgets

Budgets are adopted on a legally mandated modified accrual basis of accounting which recognizes revenues 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).

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets (Continued)

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.

E. 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 balance sheet.

G. Inventories

*General Fund?*  
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.

H. 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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.

J. 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 depreciation on construction in process, whether funded through capital grants or charges for services, until the project is completed and capitalized. It is also 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fixed Assets (Continued)

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

|              |            |
|--------------|------------|
| Buildings    | 40 years   |
| Improvements | 40 years   |
| Equipment    | 3-15 years |

K. 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.

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.

L. 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

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



CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, 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.

O. 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.

P. 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE - BUDGETS

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.

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                 | \$ 3,585           |
| Cash on deposit            | 475,940            |
| Investments                | <u>8,220,112</u>   |
| Cash and investments       | 8,699,637          |
| Restricted cash            | <u>117,397</u>     |
| Total cash and investments | <u>\$8,817,034</u> |

*Audit  
Sch.*

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

3. CASH, DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits. At year end, the carrying amount of the City's deposits was \$475,940 and the bank balance was \$1,283,854. 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 \$1,083,854 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.

**Investments.**

|   | <u>Category 3</u>  | <u>Carrying<br/>Amount</u> | <u>Market<br/>Value</u> |
|---|--------------------|----------------------------|-------------------------|
| Federal Home Loan Bank<br>discount notes        | \$ 995,933         | \$ 995,933                 | \$1,005,000             |
| Commercial Paper                                | 4,000,000          | 4,000,000                  | 4,000,000               |
| Bankers Acceptances                             | 971,161            | 971,161                    | 1,000,000               |
|   | <u>\$5,967,094</u> | <u>\$5,967,094</u>         | <u>\$6,005,000</u>      |
| <br>The North Carolina Cash<br>Management Trust |                    | <br>2,253,018              | <br>2,253,018           |
| Total Investments                               |                    | <u>\$8,220,112</u>         | <u>\$8,258,018</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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

4. INTERFUND TRANSACTIONS

Due From/To Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u>                      | <u>Amount</u> |
|------------------------|--|---------------|
| Electric               | Community Development<br>Thompson Street | \$ 97         |
| Total                  |  | <u>\$ 97</u>  |

The following is a detailed schedule of interfund transfers for the year ended June 30, 1991:

| <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                                       | \$                             | \$2,000,000          | \$                          | \$2,000,000        |
| Community Development<br>Harvey Street<br>Fund     | 18,750                         |                      | 6,250                       | 25,000             |
| UMTA Elderly/Handicapped<br>Transportation<br>Fund | 53,600                         |                      |                             | 53,600             |
| Parking Facilities<br>Authority Fund               | 3,000                          |                      |                             | 3,000              |
| Total  | <u>\$75,350</u>                | <u>\$2,000,000</u>   | <u>\$ 6,250</u>             | <u>\$2,081,600</u> |

*Audit  
Sch*

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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

5. RECEIVABLES (CONTINUED)

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        | \$165,646        |
| Water and Sewer Fund | <u>15,938</u>    |
|                      | <u>\$181,584</u> |

6. FIXED ASSETS

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

|                        | <u>Balance at<br/>July 1, 1990</u> | <u>Additions<br/>and<br/>Transfers</u> | <u>Disposals</u> | <u>Balance at<br/>June 30, 1991</u> |
|------------------------|------------------------------------|--|------------------|-------------------------------------|
| Land and buildings     | \$ 6,115,061                       | \$149,936                              | \$ 52,600        | \$ 6,212,397                        |
| Equipment and vehicles | <u>6,718,463</u>                   | <u>495,107</u>                         | <u>433,321</u>   | <u>6,780,249</u>                    |
|                        | <u>\$12,833,524</u>                | <u>\$645,043</u>                       | <u>\$485,921</u> | <u>\$12,992,646</u>                 |

*Audit  
Sch.*

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

6. FIXED ASSETS (CONTINUED)

The following is a summary of proprietary fund-type fixed assets at June 30, 1991:

|                                      | <u>Enterprise Funds</u> |                            |   |                     | <u>Internal<br/>Service<br/>Fund</u> |
|--------------------------------------|-------------------------|----------------------------|---|---------------------|--------------------------------------|
|                                      | <u>Electric</u>         | <u>Water and<br/>Sewer</u> | <u>Parking<br/>Facilities<br/>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           |                                      |
| Distribu-<br>tion<br>system          | 8,886,647               | 18,697,006                 |   | 27,583,653          |                                      |
| Equipment                            | 1,360,714               | 1,127,592                  |   | 2,488,306           | 13,939                               |
| Construction<br>in progress          | 1,231,607               | 93,886                     |   | 1,325,493           |                                      |
|                                      | 15,286,200              | 23,522,378                 | 299,831                                     | 39,108,409          | 13,939                               |
| Less:<br>accumulated<br>depreciation | (6,271,922)             | (7,217,935)                | (5,464)                                     | (13,495,321)        | (1,252)                              |
| Net Fixed<br>Assets                  | <u>\$9,014,278</u>      | <u>\$16,304,443</u>        | <u>\$ 294,367</u>                           | <u>\$25,613,088</u> | <u>\$ 12,687</u>                     |

*Audit  
Sch*

7. LONG-TERM DEBT

Changes in Long-term Liabilities:

During the year ended June 30, 1991, the following changes occurred in liabilities reported in the general-long term debt account group and the enterprise funds:

General Long-Term Debt Account Group

|                                | <u>Balance<br/>July 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance<br/>June 30</u> |
|--------------------------------|---------------------------|------------------|-------------------|----------------------------|
| General<br>obligation<br>bonds | \$ 165,000                | \$               | \$ 65,000         | \$ 100,000                 |
| Compensated<br>absences        | 470,782                   | 71,058           |                   | 541,840                    |
| Police separation<br>allowance | 56,807                    | 3,502            |                   | 60,309                     |
| Notes payable                  | 45,104                    |                  | 22,552            | 22,552                     |
| Capital leases                 | 968,986                   |                  | 414,676           | 554,310                    |
|                                | <u>\$ 1,706,679</u>       | <u>\$ 74,560</u> | <u>\$ 502,228</u> | <u>\$1,279,011</u>         |

*L.G.  
Acct. Group*

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities (Continued):

Enterprise Funds

|                             | <u>Balance<br/>July 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance<br/>June 30</u> |
|-----------------------------|---------------------------|------------------|-------------------|----------------------------|
| General obligation<br>bonds | \$1,684,000               | \$               | \$ 350,000        | \$1,334,000                |
| Compensated<br>absences     | 96,108                    | 10,782           |                   | 106,890                    |
| Notes payable               | 368,334                   |                  | 13,167            | 355,167                    |
| Capital leases              | 6,237,850                 | 104,115          | 556,115           | 2,785,850                  |
|                             | <u>\$5,386,292</u>        | <u>\$114,897</u> | <u>\$ 919,282</u> | <u>\$4,581,907</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 revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds outstanding at June 30, 1991, are as follows:

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% \$ 100,000

Total General Long-term Debt \$ 100,000



CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Enterprise Funds (General obligation bonds):

Water and Sewer Fund:

\$700,000 - 1968 Water Utility serial bonds due in principal installments of \$50,000 through June 1, 1992; interest at 4.2% \$ 50,000

\$1,500,000 - 1968 Sanitary Sewer serial bonds due in principal installments of \$75,000 through June 1, 1992 and in principal installments of \$60,000 through June 1, 1994; interest at 4.2% 195,000

\$2,300,000 - 1974 Water and Sewer Improvement serial bonds due in principal installments of \$100,000 through April 1, 1992 and in principal installments of \$150,000 through April 1, 1996; interest at 5.3% and 4.0% 700,000

Total \$ 945,000

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% \$ 375,000

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

Total Enterprise Funds Bonds \$ 1,334,000

Total General Obligation Bonds \$ 1,434,000

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities (Continued):

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

*Audit Sch.*

| Fiscal<br>Year Ending<br>June 30, | General Long-Term<br>Debt Account Group |                  | Enterprise Funds   |                  | Total              |                  |
|-----------------------------------|---|------------------|--------------------|------------------|--------------------|------------------|
|                                   | Principal                               | Interest         | Principal          | Interest         | Principal          | Interest         |
| 1992                              | \$ 25,000                               | \$ 5,688         | \$350,000          | \$ 62,990        | \$375,000          | \$ 68,678        |
| 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                              |   |                  | 164,000            | 6,000            | 164,000            | 6,000            |
| Total                             | <u>\$100,000</u>                        | <u>\$ 14,277</u> | <u>\$1,334,000</u> | <u>\$155,900</u> | <u>\$1,434,000</u> | <u>\$170,177</u> |

Notes Payable:

Notes payable include obligations of the City for various land and building purchases. These obligations are for varying annual installments with interest ranging from 8.75% to 11%.

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

*Audit Sch.*

| Fiscal<br>Year Ending<br>June 30, | General Long-Term<br>Debt Account Group |                 | Enterprise Funds |                  | Total            |                  |
|-----------------------------------|---|-----------------|------------------|------------------|------------------|------------------|
|                                   | Principal                               | Interest        | Principal        | Interest         | Principal        | Interest         |
| 1992                              | \$ 22,552                               | \$ 1,974        | \$ 14,483        | \$ 35,517        | \$ 37,035        | \$ 37,491        |
| 1993                              |   |                 | 15,932           | 34,068           | 15,932           | 34,068           |
| 1994                              |   |                 | 17,525           | 32,475           | 17,525           | 32,475           |
| 1995                              |   |                 | 19,277           | 30,723           | 19,277           | 30,723           |
| 1996                              |   |                 | 21,205           | 28,795           | 21,205           | 28,795           |
| Thereafter                        |   |                 | 266,745          | 133,253          | 266,745          | 133,253          |
| Total                             | <u>\$ 22,552</u>                        | <u>\$ 1,974</u> | <u>\$355,167</u> | <u>\$294,831</u> | <u>\$377,719</u> | <u>\$296,805</u> |

The City has never issued revenue bonds.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities (Continued):

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, 1991, the legal debt limit for the City was \$54,487,816 providing a legal debt margin of \$50,669,937.

At June 30, 1991, the City has no authorized bonds remaining to be issued.

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. Included is a lease purchase for a building and land of \$1,500,000, which is collateralized by a deed of trust on the building and land.

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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

8. CAPITAL LEASES (CONTINUED)

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, 1991:

*Audit  
Sch.*

| Fiscal<br>Year Ending<br>June 30,                 | Minimum Lease Payments       |                             |
|---|------------------------------|-----------------------------|
|   | General<br>Long-term<br>Debt | Enterprise<br>Funds         |
| 1992  | \$ 406,287                   | \$ 558,411                  |
| 1993  | 165,375                      | 389,345                     |
| 1994  | 33,415                       | 334,619                     |
| 1995  |                              | 325,254                     |
| 1996  |                              | 295,873                     |
| Thereafter  |                              | <u>\$2,169,957</u>          |
| Total minimum lease payments                      | \$ 605,077                   | \$4,073,459                 |
| Less: amount representing interest                | <u>(50,767)</u>              | <u>(1,287,609)</u>          |
| Present value of future<br>minimum lease payments | <u>\$ 554,310</u><br>=====   | <u>\$2,785,850</u><br>===== |

9. CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts:

| <u>Source</u>                         | <u>Water and Sewer<br/>Fund</u> |
|---------------------------------------|---------------------------------|
| Contributed capital,<br>July 1, 1990  | \$2,951,460                     |
| Contribution from Capital<br>Grant    | <u>36,038</u>                   |
| Contributed capital,<br>June 30, 1991 | <u>\$2,987,498</u>              |

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

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, 1991, is presented below. *Page 66*

|   | <u>Electric<br/>Fund</u> | <u>Water<br/>and<br/>Sewer<br/>Fund</u> | <u>Parking<br/>Facilities<br/>Authority<br/>Fund</u> | <u>Total</u>        |
|---|--------------------------|---|--|---------------------|
| Operating revenues  | \$32,574,920             | \$ 3,051,403                            | \$   | \$35,626,323        |
| Nonoperating revenues   | 381,691                  | 175,290                                 | (420)  | 556,561             |
| Depreciation expense  | 391,879                  | 632,275                                 | 210  | 1,024,364           |
| Operating income<br>(loss)  | 3,561,267                | 43,171                                  | (210)  | 3,604,228           |
| Operating transfers<br>in (out)   | (2,000,000)              | (6,250)                                 | 3,000  | (2,003,250)         |
| Net income  | 1,942,958                | 212,211                                 | 2,370  | 2,157,539           |
| Additions to contri-<br>buted capital                                       |                          | 36,038                                  |  | 36,038              |
| Fixed Assets:   |                          |   |  |                     |
| Additions   | 1,480,437                | 549,901                                 |  | 2,030,238           |
| Disposals   | 21,147                   | 62,974                                  |  | 84,121              |
| Working capital   | 7,416,999                | 939,272                                 | 10,345   | 8,366,616           |
| Total assets  | 19,264,170               | 17,834,312                              | 304,712  | 37,403,194          |
| Bonds and other long-term<br>liabilities-payable from<br>operating revenues | 1,994,079                | 2,805,715                               | 14,000   | 4,813,794           |
| Total fund equity   | <u>\$14,421,165</u>      | <u>\$14,917,877</u>                     | <u>\$290,712</u>                                     | <u>\$29,629,754</u> |

11. EMPLOYEE RETIREMENT SYSTEMS

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

A. 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, 1991 was \$9,152,943; the City's total payroll was \$9,578,770.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. North Carolina Local Governmental Employee's Retirement System

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.

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% 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

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. North Carolina Local Governmental Employee's Retirement System (Continued)

Covered employees are required by State statute to contribute 6% 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, 1991, was \$991,776, which consisted of \$442,604 from the City and \$549,172 from employees; the City's required contributions for employees not engaged in law enforcement and for law enforcement officers represents .75% and 4.09% 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, 1990, the date of the System's latest available actuarial valuation, was \$2,927,177,000. The System's net assets available for benefits on that date were \$3,185,753,000, leaving net assets in excess of the pension benefit obligation of \$258,576,000. The City's 1991 contribution represented .45% of total contributions required of all participating employers.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. North Carolina Local Governmental Employee's Retirement System (Continued)

Ten year historical trend information showing the System's revenues by source and expense by type will be presented in the State of North Carolina's June 30, 1991 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.

B. 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, 1991, was \$1,772,726. The City's total payroll was \$9,578,770. 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, 1991, the System's membership consisted of:

|  |           |
|--|-----------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 6         |
| Current employees:   |           |
| Vested   | 1         |
| Nonvested  | <u>72</u> |
| Total  | <u>79</u> |



CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. Law Enforcement Officers' Special Separation Allowance  
(Continued)

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% of the service is as a law enforcement officer.

The qualified law enforcement officers are entitled to an annual retirement benefit of .85% 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. Law Enforcement Officers' Special Separation Allowance  
(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, 1990. 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% compounded annually, (b) projected annual salary increases of 5.0% compounded annually, attributable to inflation, and (c) additional projected annual salary increases of 6.7% to 10.5% attributable to merit or seniority.

At December 31, 1990, the unfunded pension benefit obligation was \$312,210 as follows:

Pension benefit obligation:

|   |           |
|---|-----------|
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | \$170,463 |
|---|-----------|

Current employees:

|                                 |                  |
|---------------------------------|------------------|
| Employer - financed - vested    | 2,847            |
| Employer - financed - nonvested | <u>\$138,900</u> |

|                                  |           |
|----------------------------------|-----------|
| Total pension benefit obligation | \$312,210 |
|----------------------------------|-----------|

|  |             |
|--|-------------|
| Net assets available for benefits at cost, which approximates market | \$ <u>0</u> |
|--|-------------|

|                                     |                  |
|-------------------------------------|------------------|
| Unfunded pension benefit obligation | <u>\$312,210</u> |
|-------------------------------------|------------------|

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. Law Enforcement Officers' Special Separation Allowance  
(Continued)

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, 1991 was \$40,445; the amount funded by the City was \$36,943 (2.08% of covered payroll). The cumulative difference as of June 30, 1991 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% of the contributions to the System.

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 (1989-1991). For the four years ended June 30, 1991, there were no assets available to fund the pension benefit obligation. Unfunded pension benefit obligation represented 20.26% of the annual payroll for employees covered by the System for 1991. 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 four years ended 1988, 1989, 1990 and 1991, the City's contributions to the System, all made to fund benefits when due, were 1.07%, 1.30%, 1.80% and 2.08% respectively, of annual covered payroll.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

11. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

C. 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% 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 \$1,772,726. Total contributions for the year ended June 30, 1991, were \$175,061 which consisted of \$68,427 from the City and \$106,634 from the law enforcement officers. The City's required contributions and the officers' voluntary contributions represented 3.86% and 6.0% of the covered payroll amount, respectively.

D. 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% 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

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 \$ 82,769 in claims was incurred for benefits during fiscal year 1991.

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 revenues are 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.

CITY OF KINSTON, NORTH CAROLINA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

13. COMMITMENTS (CONTINUED)

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, 1991, the total amount due to the Agency was \$231,887, 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 government 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 REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – ACTUAL AND BUDGET

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|  | Actual       | Budget       | Variance –<br>Favorable<br>(Unfavorable) |
|--|--------------|--------------|--|
| REVENUES:  |              |              |  |
| Ad valorem taxes:                                |              |              |  |
| Taxes  | \$ 4,174,331 | \$ 4,195,750 | \$ (21,419)                              |
| Penalties and interest                           | 27,585       | 22,000       | 5,585                                    |
| Total ad valorem taxes                           | 4,201,916    | 4,217,750    | (15,834)                                 |
| Sales and services:                              |              |              |  |
| Garbage collections                              | 1,594,468    | 1,620,050    | (25,582)                                 |
| Rents, concessions and fees                      | 245,737      | 219,650      | 26,087                                   |
| Inspection fees                                  | 163,588      | 160,000      | 3,588                                    |
| Cemetery fees                                    | 80,004       | 65,000       | 15,004                                   |
| Cable franchise                                  | 53,634       | 52,800       | 834                                      |
| Lenoir County participation:                     |              |              |  |
| Fire protection                                  | 515          |              | 515                                      |
| Recreation                                       | 246,646      | 246,000      | 646                                      |
| Building inspection                              | 69,865       | 77,650       | (7,785)                                  |
| Miscellaneous                                    | 264,680      | 255,350      | 9,330                                    |
| Total sales and services                         | 2,719,137    | 2,696,500    | 22,637                                   |
| Other taxes and licenses                         |              |              |  |
| Local government sales taxes                     | 1,458,558    | 1,453,200    | 5,358                                    |
| Intangible taxes                                 | 229,016      | 253,250      | (24,234)                                 |
| Licenses and permits                             | 54,956       | 59,900       | (4,944)                                  |
| Total other taxes and licenses                   | 1,742,530    | 1,766,350    | (23,820)                                 |
| Unrestricted intergovernmental<br>revenues:      |              |              |  |
| Franchise tax                                    | 957,150      | 907,500      | 49,650                                   |
| Payments in lieu of taxes                        | 334,145      | 378,950      | (44,805)                                 |
| Beer and wine                                    | 114,548      | 107,650      | 6,898                                    |
| ABC revenue                                      | 45,735       | 45,000       | 735                                      |
| Tax refunds                                      |              | 70,200       | (70,200)                                 |
| Total unrestricted<br>intergovernmental revenues | 1,451,578    | 1,509,300    | (57,722)                                 |



## CITY OF KINSTON, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – ACTUAL AND BUDGET  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|   | Actual     | Budget     | Variance –<br>Favorable<br>(Unfavorable) |
|---|------------|------------|--|
| REVENUES (continued):   |            |            |  |
| Restricted intergovernmental revenues:  |            |            |  |
| ▲ Powell Bill allocations   | \$ 659,134 | \$ 659,150 | \$ (16)                                  |
| ▲ Community Development Block Grant reserve funds   | 29,970     | 18,000     | 11,970                                   |
| ▲ North Carolina Health and Sanitation  | 6,141      | 6,500      | (359)                                    |
| North Carolina Department of Economic and Community Development Main Street Financial Incentive Fund – Council for the Arts | 80,000     | 80,000     |  |
| Main Street Financial Incentive Fund – Paramount Theater  |            | 20,000     | (20,000)                                 |
| Voc? Emergency Shelter Grant  | 10,112     | 10,150     | (38)                                     |
| - North Carolina Department of Crime Control and Public Safety  |            |            |  |
| - Domestic Violence Program – S.A.F.E. of Lenoir County   | 27,641     | 31,650     | (4,009)                                  |
| Total restricted intergovernmental revenues   | 812,998    | 825,450    | (12,452)                                 |
| Other:  |            |            |  |
| Investment income   | 187,066    | 170,000    | 17,066                                   |
| Sales of surplus materials and assets   | 64,937     | 57,600     | 7,337                                    |
| Miscellaneous   | 69,499     | 62,250     | 7,249                                    |
| Total other   | 321,502    | 289,850    | 31,652                                   |
| TOTAL REVENUES  | 11,249,661 | 11,305,200 | (55,539)                                 |

## CITY OF KINSTON, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – ACTUAL AND BUDGET

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|                      | <u>Actual</u> | <u>Budget</u> | <u>Variance –<br/>Favorable<br/>(Unfavorable)</u> |
|----------------------|---------------|---------------|---|
| <b>EXPENDITURES:</b> |               |               |   |
| General Government:  |               |               |   |
| Governing body:      |               |               |   |
| Personal services    | \$ 240,206    | \$            | \$  |
| Operating            | 545,644       |               |   |
| Capital outlay       | <u>500</u>    |               |   |
| Total governing body | 786,350       | 775,900       | (10,450)  |
| Executive:           |               |               |   |
| Personal services    | 168,145       |               |   |
| Operating            | 39,858        |               |   |
| Capital outlay       | <u></u>       |               |   |
| Total executive      | 208,003       | 215,750       | 7,747   |
| Finance:             |               |               |   |
| Business office:     |               |               |   |
| Personal services    | 442,418       |               |   |
| Operating            | 169,750       |               |   |
| Capital outlay       | <u>3,468</u>  |               |   |
|                      | 615,636       |               |   |
| Field service:       |               |               |   |
| Personal service     | 157,212       |               |   |
| Operating            | 24,468        |               |   |
| Capital outlay       | <u></u>       |               |   |
|                      | 181,680       |               |   |
| Data processing      |               |               |   |
| Personal services    | 52,123        |               |   |
| Operating            | 163,028       |               |   |
| Capital outlay       | <u>32,662</u> |               |   |
|                      | 247,813       |               |   |

CITY OF KINSTON, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|                                 | Actual           | Budget           | Variance –<br>Favorable<br>(Unfavorable) |
|---------------------------------|------------------|------------------|--|
| EXPENDITURES (CONTINUED):       |                  |                  |  |
| General Government (Continued): |                  |                  |  |
| Finance (Continued):            |                  |                  |  |
| Purchasing:                     |                  |                  |  |
| Personal services               | \$ 139,733       | \$               | \$                                       |
| Operating                       | 21,132           |                  |  |
| Capital outlay                  | 2,106            |                  |  |
|                                 | <u>162,971</u>   |                  |  |
| Total finance                   | 1,208,100        | 1,252,900        | 44,800                                   |
| Personnel:                      |                  |                  |  |
| Personal services               | 141,334          |                  |  |
| Operating                       | 88,731           |                  |  |
| Capital outlay                  | 5,082            |                  |  |
|                                 | <u>235,147</u>   |                  |  |
| Total personnel                 | 235,147          | 255,850          | 20,703                                   |
| Public facilities:              |                  |                  |  |
| Municipal hall:                 |                  |                  |  |
| Operating                       | 178,556          |                  |  |
| Capital outlay                  | 11,726           |                  |  |
|                                 | <u>190,282</u>   |                  |  |
| Total public facilities         | 190,282          | 245,900          | 55,618                                   |
| Indirect costs reimbursement    | (1,370,000)      | (1,370,000)      |  |
| Total general government        | <u>1,257,882</u> | <u>1,376,300</u> | 118,418                                  |
| Public Safety:                  |                  |                  |  |
| Police:                         |                  |                  |  |
| Personal services               | 2,543,549        |                  |  |
| Operating                       | 400,426          |                  |  |
| Capital outlay                  | 159,621          |                  |  |
|                                 | <u>3,103,596</u> |                  |  |
| Total police                    | 3,103,596        | 3,175,100        | 71,504                                   |
| Fire:                           |                  |                  |  |
| Personal services               | 1,667,854        |                  |  |
| Operating                       | 434,780          |                  |  |
| Capital outlay                  | 54,016           |                  |  |
|                                 | <u>2,156,650</u> |                  |  |
| Total fire                      | 2,156,650        | 2,193,650        | 37,000                                   |
| Total public safety             | <u>5,260,246</u> | <u>5,368,750</u> | 108,504                                  |

CITY OF KINSTON, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|                              | <u>Actual</u>    | <u>Budget</u>    | <u>Variance –<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------|------------------|------------------|---|
| EXPENDITURES (CONTINUED):    |                  |                  |   |
| Public works:                |                  |                  |   |
| Administration:              |                  |                  |   |
| Personal services            | \$ 111,278       | \$               | \$  |
| Operating                    | 37,283           |                  |   |
| Capital outlay               | <u>1,284</u>     |                  |   |
| Total administration         | 149,845          |                  |   |
| Fleet maintenance:           |                  |                  |   |
| Personal services            | 329,512          |                  |   |
| Operating                    | 52,555           |                  |   |
| Capital outlay               | <u>21,723</u>    |                  |   |
| Total fleet maintenance      | 403,790          |                  |   |
| Streets:                     |                  |                  |   |
| Personal services            | 487,993          |                  |   |
| Operating                    | 747,276          |                  |   |
| Capital outlay               | <u>59,888</u>    |                  |   |
| Total streets                | 1,295,157        |                  |   |
| Environmental services:      |                  |                  |   |
| Personal services            | 1,002,977        |                  |   |
| Operating                    | 618,513          |                  |   |
| Capital outlay               | <u>116,359</u>   |                  |   |
| Total environmental services | 1,737,849        |                  |   |
| Buildings and grounds:       |                  |                  |   |
| Personal services            | 96,224           |                  |   |
| Operating                    | 97,657           |                  |   |
| Capital outlay               | <u>14,040</u>    |                  |   |
| Total buildings and grounds  | <u>207,921</u>   |                  |   |
| Total public works           | <u>3,794,562</u> | <u>4,039,100</u> | <u>244,538</u>                                    |

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CITY OF KINSTON, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|                            | Actual    | Budget    | Variance –<br>Favorable<br>(Unfavorable) |
|----------------------------|-----------|-----------|--|
| EXPENDITURES (CONTINUED):  |           |           |  |
| Parks and Recreation:      |           |           |  |
| Administration:            |           |           |  |
| Personal services          | \$ 97,855 | \$        | \$                                       |
| Operating                  | 34,281    |           |  |
| Capital outlay             |           |           |  |
| Total administration       | 132,136   |           |  |
| Programs:                  |           |           |  |
| Personal services          | 512,378   |           |  |
| Operating                  | 123,360   |           |  |
| Capital outlay             | 18,433    |           |  |
| Total programs             | 654,171   |           |  |
| Parks:                     |           |           |  |
| Personal services          | 343,478   |           |  |
| Operating                  | 242,150   |           |  |
| Capital outlay             | 64,561    |           |  |
| Total parks                | 650,189   |           |  |
| County:                    |           |           |  |
| Personal services          | 139,707   |           |  |
| Operating                  | 89,275    |           |  |
| Capital outlay             |           |           |  |
| Total county               | 228,982   |           |  |
| Sponsored Activities:      |           |           |  |
| Personal services          | 14,978    |           |  |
| Operating                  | 79,861    |           |  |
| Capital outlay             | 1,368     |           |  |
| Total sponsored activities | 96,207    |           |  |
| Municipal stadium:         |           |           |  |
| Personal services          | 22,450    |           |  |
| Operating                  | 48,476    |           |  |
| Capital outlay             | 45,539    |           |  |
| Total municipal stadium    | 116,465   |           |  |
| Total parks and recreation | 1,878,150 | 1,912,800 | 34,650                                   |

CITY OF KINSTON, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|  | Actual           | Budget           | Variance –<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|--|
| EXPENDITURES (Continued):                |                  |                  |  |
| Planning and Community Development:      |                  |                  |  |
| Planning:                                |                  |                  |  |
| Personal services                        | \$ 168,382       | \$               | \$                                       |
| Operating                                | 31,040           |                  |  |
| Capital outlay                           |                  |                  |  |
| Total planning                           | <u>199,422</u>   |                  |  |
| Housing/Code inspection:                 |                  |                  |  |
| Personal services                        | 39,741           |                  |  |
| Operating                                | 12,359           |                  |  |
| Capital outlay                           | <u>2,133</u>     |                  |  |
| Total housing/code inspection            | <u>54,233</u>    |                  |  |
| Community Development: 4294              |                  |                  |  |
| Personal services                        | 7,671            |                  |  |
| Operating                                | 1,836            |                  |  |
| Capital outlay                           |                  |                  |  |
| Total community development              | <u>9,507</u>     |                  |  |
| Inspections: 4292                        |                  |                  |  |
| Personal services                        | 174,751          |                  |  |
| Operating                                | 31,274           |                  |  |
| Capital outlay                           | <u>10,417</u>    |                  |  |
| Total inspections                        | <u>216,442</u>   |                  |  |
| Economic development –                   |                  |                  |  |
| Operating                                | <u>346,160</u>   | <u>351,050</u>   | <u>4,890</u>                             |
| Engineering:                             |                  |                  |  |
| Personal services                        | 340,368          | 343,850          | 3,482                                    |
| Operating                                | 75,489           | 129,550          | 54,061                                   |
| Capital outlay                           | <u>8,752</u>     | <u>10,700</u>    | <u>1,948</u>                             |
| Total engineering                        | <u>424,609</u>   | <u>484,100</u>   | <u>59,491</u>                            |
| Total planning and community development | <u>1,250,373</u> | <u>1,347,600</u> | <u>97,227</u>                            |

## CITY OF KINSTON, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – ACTUAL AND BUDGET  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | Actual             | Budget          | Variance –<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|--|
| EXPENDITURES (Continued):   |                    |                 |  |
| Debt service:   |                    |                 |  |
| Principal   | \$ 65,000          | \$ 65,000       | \$                                       |
| Interest  | 11,052             | 11,100          | 48                                       |
| Total debt service  | 76,052             | 76,100          | 48                                       |
| <br>TOTAL EXPENDITURES  | <br>13,517,265     | <br>14,120,650  | <br>603,385                              |
| <br>REVENUES OVER (UNDER) EXPENDITURES  | <br>(2,267,604)    | <br>(2,815,450) | <br>547,846                              |
| <br>OTHER FINANCING SOURCES (USES):   |                    |                 |  |
| Operating transfers in  | 2,000,000          | 2,000,000       |  |
| Operating transfers out   | (141,400) (75,350) | (75,350)        |  |
| Appropriated fund balance   |                    | 890,800         | (890,800)                                |
| <br>TOTAL OTHER FINANCING<br>SOURCES (USES)   | <br>1,924,650      | <br>2,815,450   | <br>(890,800)                            |
| <br>EXCESS OF REVENUES AND OTHER<br>SOURCES OVER (UNDER) EXPENDITURES<br>AND OTHER USES | <br>(342,954)      | <br>\$          | <br>\$ (342,954)                         |
| <br>FUND BALANCE – July 1, 1990   | <br>3,318,994      |                 |  |
| <br>FUND BALANCE – June 30, 1991  | <br>\$ 2,976,040   |                 |  |

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### SPECIAL REVENUE FUNDS

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

Community Development Harvey 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 Thompson 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 Tiffany 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.

UMTA Elderly/Handicapped Transportation Fund - This fund is used to account for the federal grant monies received from the Department of Transportation to provide transportation facilities for the elderly and handicapped.

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.

## JUNE 30, 1991

TOTAL LIABILITIES AND FUND EQUITY

CITY OF KINSTON, NORTH CAROLINA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDING JUNE 30, 1991

REVENUES:  
Restricted intergovernmental revenues  
Other - rent and program income

TOTAL REVENUES

EXPENDITURES:  
Administration  
Rehabilitation of private properties  
Capital outlay  
Contract services

TOTAL EXPENDITURES

REVENUES OVER (UNDER) EXPENDITURES

OTHER FINANCING SOURCES -  
Operating transfers in

REVENUES AND OTHER SOURCES  
OVER (UNDER) EXPENDITURES

FUND BALANCES - July 1, 1990

FUND BALANCES - June 30, 1991

|    | Community<br>Development<br>Harvey Street | Community<br>Development<br>Thompson Street | Community<br>Development<br>Tiffany Street | UMTA Elderly/<br>Handicapped<br>Transportation | Community<br>Development<br>Rental<br>Rehabilitation | Total      |
|----|---|---|--|--|--|------------|
| \$ | 243,516                                   | \$ 66,297                                   | \$ 3,318                                   | \$ 46,516                                      | \$ 160,993   | \$ 474,124 |
|    | 10,548                                    | 19,932                                      |  |  |  | 76,996     |
|    | 254,064                                   | 86,229                                      | 3,318                                      | 46,516   | 160,993  | 551,120    |
|    | 53,823                                    | 28,708                                      | 8,846                                      | 4,635  | 169,030  | 96,012     |
|    | 215,814                                   | 65,175                                      | (6,266)                                    |  |  | 443,753    |
|    | 16,508                                    | 352   | 2,155                                      | 98,299   |  | 19,015     |
|    |   |   |  |  |  | 98,299     |
|    | 286,145                                   | 94,235                                      | 4,735                                      | 102,934  | 169,030  | 657,079    |
|    | (32,081)                                  | (8,006)                                     | (1,417)                                    | (56,418)                                       | (8,037)  | (105,959)  |
|    | 25,000                                    |   |  | 53,600   |  | 78,600     |
|    | (7,081)                                   | (8,006)                                     | (1,417)                                    | (2,818)  | (8,037)  | (27,359)   |
|    | 7,081                                     | 8,006                                       | 1,417                                      | 2,905  | 9,000  | 28,409     |
| \$ | \$  | \$  | \$   | \$ 87  | \$ 963   | \$ 1,050   |

1/8 June

CITY OF KINSTON, NORTH CAROLINA

GRANT PROJECT FUND – COMMUNITY DEVELOPMENT HARVEY STREET

SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET

FROM GRANT INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|  | Actual       |               | Project       |
|--|--------------|---------------|---------------|
|  | Current Year | Total to Date | Authorization |
| REVENUES:  |              |               |               |
| Restricted intergovernmental revenues –              |              |               |               |
| Federal Community Development Grant Project          | \$ 243,516   | \$ 600,000    | \$ 600,000    |
| Other – rent and program income                      | 10,548       | 10,548        | 10,548        |
| TOTAL REVENUES                                       | 254,064      | 610,548       | 610,548       |
| EXPENDITURES:  |              |               |               |
| Administration                                       | 53,823       | 108,151       | 108,000       |
| Disposition  |              |               |               |
| Rehabilitation of private properties                 | 215,814      | 400,552       | 392,211       |
| Relocation assistance                                |              | 1,475         | 1,475         |
| Capital outlay                                       | 16,508       | 150,370       | 158,862       |
| TOTAL EXPENDITURES                                   | 286,145      | 660,548       | 660,548       |
| REVENUES OVER (UNDER) EXPENDITURES                   | (32,081)     | (50,000)      | (50,000)      |
| OTHER FINANCING SOURCES –                            |              |               |               |
| Operating transfers in                               | 25,000       | 50,000        | 50,000        |
| REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES | \$ (7,081)   | \$            | \$            |

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CITY OF KINSTON, NORTH CAROLINA

GRANT PROJECT FUND – COMMUNITY DEVELOPMENT THOMPSON STREET

SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET

FROM GRANT INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|                                 | Actual       |               | Project       |
|---------------------------------|--------------|---------------|---------------|
|                                 | Current Year | Total to Date | Authorization |
| REVENUES:                       |              |               |               |
| Restricted intergovernmental    |              |               |               |
| revenues –                      |              |               |               |
| Federal Community               |              |               |               |
| Development Grant Project       | \$ 66,297    | \$ 596,150    | \$ 596,150    |
| Other – rent and program income | 19,932       | 54,671        | 54,671        |
|                                 |              |               |               |
| TOTAL REVENUES                  | 86,229       | 650,821       | 650,821       |
|                                 |              |               |               |
| EXPENDITURES:                   |              |               |               |
| Administration                  | 28,708       | 107,306       | 107,307       |
| Disposition                     |              | 4,250         | 4,250         |
| Rehabilitation of private       |              |               |               |
| properties                      | 65,175       | 441,111       | 441,111       |
| Relocation assistance           |              | 13,500        | 13,500        |
| Capital outlay                  | 352          | 124,654       | 124,653       |
|                                 |              |               |               |
| TOTAL EXPENDITURES              | 94,235       | 690,821       | 690,821       |
|                                 |              |               |               |
| REVENUES OVER (UNDER)           |              |               |               |
| EXPENDITURES                    | (8,006)      | (40,000)      | (40,000)      |
|                                 |              |               |               |
| OTHER FINANCING SOURCES:        |              |               |               |
| Operating Transfers In          |              | 40,000        | 40,000        |
|                                 |              |               |               |
| REVENUES AND OTHER SOURCES      |              |               |               |
| OVER (UNDER) EXPENDITURES       | \$ (8,006)   | \$            | \$            |

## CITY OF KINSTON, NORTH CAROLINA

## GRANT PROJECT FUND – COMMUNITY DEVELOPMENT TIFFANY STREET

## SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET

## FROM GRANT INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | Actual         |               | Project<br>Authorization |
|---|----------------|---------------|--------------------------|
|   | Current Year   | Total to Date |                          |
| REVENUES:   |                |               |                          |
| Restricted intergovernmental<br>revenues –                                    |                |               |                          |
| Federal Community<br>Development Grant Project                                | \$ 3,318       | \$ 600,000    | \$ 600,000               |
| Other – rent and program income   |                | 22,239        | 22,239                   |
| <br>TOTAL REVENUES  | <br>3,318      | <br>622,239   | <br>622,239              |
| <br>EXPENDITURES:   |                |               |                          |
| Administration  | 8,846          | 61,829        | 63,779                   |
| Rehabilitation of private<br>properties                                       | (6,266)        | 510,110       | 510,011                  |
| Relocation assistance   |                | 1,034         | 1,034                    |
| Capital outlay  | 2,155          | 74,852        | 88,415                   |
| <br>TOTAL EXPENDITURES  | <br>4,735      | <br>647,825   | <br>663,239              |
| <br>REVENUES OVER (UNDER)<br>EXPENDITURES                                     | <br>(1,417)    | <br>(25,586)  | <br>(41,000)             |
| <br>OTHER FINANCING SOURCES (USES):   |                |               |                          |
| Operating Transfers In  |                | 41,000        | 41,000                   |
| Operating Transfers Out   |                | (15,414)      |                          |
| <br>TOTAL OTHER SOURCES (USES)  | <br>           | <br>25,586    | <br>41,000               |
| <br>REVENUES AND OTHER SOURCES<br>OVER (UNDER) EXPENDITURES<br>AND OTHER USES | <br>\$ (1,417) | <br>\$        | <br>\$                   |

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CITY OF KINSTON, NORTH CAROLINA  
GRANT PROJECT FUND – UMTA ELDERLY/HANDICAPPED TRANSPORTATION  
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | Actual         | Budget          | Variance –<br>Favorable<br>(Unfavorable) |
|---|----------------|-----------------|--|
| REVENUES:   |                |                 |  |
| Restricted intergovernmental<br>revenues –                  | \$             | \$              | \$                                       |
| Other – rent and program income                             | 46,516         | 9,400<br>44,500 | (9,400)<br>2,016                         |
| <br>TOTAL REVENUES  | <br>46,516     | <br>53,900      | <br>(7,384)                              |
| EXPENDITURES:   |                |                 |  |
| Adminstration   | 4,635          |                 |  |
| Contract services   | 98,299         |                 |  |
| <br>TOTAL EXPENDITURES                                      | <br>102,934    | <br>107,500     | <br>4,566                                |
| <br>REVENUES OVER (UNDER) EXPENDITURES                      | <br>(56,418)   | <br>(53,600)    | <br>(2,818)                              |
| OTHER FINANCING SOURCES                                     |                |                 |  |
| Operating Transfers In                                      | 53,600         | 53,600          |  |
| <br>TOTAL OTHER SOURCES                                     | <br>53,600     | <br>53,600      |  |
| <br>REVENUES AND OTHER SOURCES<br>OVER (UNDER) EXPENDITURES | <br>\$ (2,818) | <br>\$ 0        | <br>\$ (2,818)                           |

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CITY OF KINSTON, NORTH CAROLINA

GRANT PROJECT FUND – COMMUNITY DEVELOPMENT RENTAL REHABILITATION

SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL AND BUDGET

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|                               | <u>Actual</u>               | <u>Budget</u>  | <u>Variance –<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------|-----------------------------|----------------|---|
| REVENUES –                    |                             |                |   |
| Restricted intergovernmental  |                             |                |   |
| revenues –                    |                             |                |   |
| Federal Community Development |                             |                |   |
| Grant Project                 | \$ 160,993                  | \$ 115,500     | \$ 45,493   |
| EXPENDITURES –                |                             |                |   |
| Rehabilitation of private     |                             |                |   |
| properties                    | <u>169,030</u>              | <u>124,500</u> | <u>(44,530)</u>                                   |
| EXCESS (DEFICIENCY) OF        |                             |                |   |
| REVENUES OVER EXPENDITURES    | <u>(8,037)</u>              | <u>(9,000)</u> | <u>963</u>  |
| OTHER FINANCING SOURCES:      |                             |                |   |
| Appropriated fund balance     | <u>                    </u> | <u>9,000</u>   | <u>                    </u>                       |
| REVENUES AND OTHER SOURCES    |                             |                |   |
| OVER (UNDER) EXPENDITURES     | <u>\$ (8,037)</u>           | <u>\$</u>      | <u>\$ 963</u>                                     |

*5 June*



## 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.

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## CITY OF KINSTON, NORTH CAROLINA

## ENTERPRISE FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 1991

|  | Electric<br>Fund | Water and<br>Sewer Fund | Parking<br>Facilities<br>Authority<br>Fund | Totals<br>1991 |
|--|------------------|-------------------------|--|----------------|
| <b>ASSETS</b>  |                  |                         |  |                |
| Current assets:                                      |                  |                         |  |                |
| Cash and investments                                 | \$ 5,454,399     | \$ 706,905              | \$ 10,345                                  | \$ 6,171,649   |
| Due from other fund                                  | 97               |                         |  | 97             |
| Accounts receivable                                  | 72,897           | 128,344                 |  | 201,241        |
| Customer receivables, net                            | 3,751,256        | 346,697                 |  | 4,097,953      |
| Interest receivable                                  | 24,932           | 3,381                   |  | 28,313         |
| Inventories  | 944,031          | 229,425                 |  | 1,173,456      |
| Total current assets                                 | 10,247,612       | 1,414,752               | 10,345                                     | 11,672,709     |
| Restricted cash and investments                      | 2,280            | 115,117                 |  | 117,397        |
| Fixed assets:  |                  |                         |  |                |
| Land   | 207,261 ✓        | 68,972                  | 291,425                                    | 567,658        |
| Buildings  | 3,599,971 ✓      | 3,534,922               | 8,406                                      | 7,143,299      |
| Distribution   | 8,886,647        | 18,697,006              |  | 27,583,653     |
| Equipment  | 1,360,714        | 1,127,592               |  | 2,488,306      |
| Accumulated depreciation                             | (6,271,922)      | (7,217,935)             | (5,464)                                    | (13,495,321)   |
| Construction in progress                             | 1,231,607        | 93,886                  |  | 1,325,493      |
| Total fixed assets, net                              | 9,014,278        | 16,304,443              | 294,367                                    | 25,613,088     |
| Total assets   | \$ 19,264,170    | \$ 17,834,312           | \$ 304,712                                 | \$ 37,403,194  |
| <b>LIABILITIES AND FUND EQUITY</b>                   |                  |                         |  |                |
| Current Liabilities:                                 |                  |                         |  |                |
| Accounts payable and accrued liabilities             | \$ 2,463,635     | \$ 108,370              | \$   | \$ 2,572,005   |
| Deferred revenues                                    |                  | 2,350                   |  | 2,350          |
| Current portion of long-term debt                    | 366,978 ✓        | 364,760 ✓               |  | 731,738        |
| Total current liabilities                            | 2,830,613        | 475,480                 |  | 3,306,093      |
| Customer deposits                                    | 385,291          |                         |  | 385,291        |
| Due to North Carolina Eastern Municipal Power Agency | 231,887 ✓        |                         |  | 231,887        |
| Accrued compensated absences                         | 69,252 ✓         | 37,638 ✓                |  | 106,890        |
| Long-term debt                                       | 1,325,962 ✓      | 2,403,317 ✓             | 14,000                                     | 3,743,279      |
| Total liabilities                                    | 4,843,005        | 2,916,435               | 14,000                                     | 7,773,440      |
| Fund equity:   |                  |                         |  |                |
| Contributed capital                                  |                  | 2,987,498               |  | 2,987,498      |
| Retained earnings                                    | 14,421,165       | 11,930,379              | 290,712                                    | 26,642,256     |
| Total fund equity                                    | 14,421,165       | 14,917,877              | 290,712                                    | 29,629,754     |
| Total liabilities and fund equity                    | \$ 19,264,170    | \$ 17,834,312           | \$ 304,712                                 | \$ 37,403,194  |

## CITY OF KINSTON, NORTH CAROLINA

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | Electric<br>Fund | Water and<br>Sewer Fund | Parking<br>Facilities<br>Authority<br>Fund | Totals<br>1991 |
|---|------------------|-------------------------|--|----------------|
| OPERATING REVENUES:                         |                  |                         |  |                |
| Charges for services                        | \$ 32,340,404    | \$ 2,916,211            | \$   | \$ 35,256,615  |
| Other                                       | 234,516          | 135,192                 |  | 369,708        |
| TOTAL OPERATING REVENUES                    | 32,574,920       | 3,051,403               |  | 35,626,323     |
| OPERATING EXPENSES:                         |                  |                         |  |                |
| Electrical operations                       | 27,574,908       |                         |  | 27,574,908     |
| Administration                              | 1,046,866        | 944,509                 |  | 1,991,375      |
| Depreciation                                | 391,879          | 632,275                 | 210  | 1,024,364      |
| Water and sewer operations                  |                  | 471,119                 |  | 471,119        |
| Wastewater plant operations                 |                  | 517,680                 |  | 517,680        |
| Water production                            |                  | 442,649                 |  | 442,649        |
| TOTAL OPERATING EXPENSES                    | 29,013,653       | 3,008,232               | 210  | 32,022,095     |
| OPERATING INCOME (LOSS)                     | 3,561,267        | 43,171                  | (210)                                      | 3,604,228      |
| NONOPERATING REVENUES (EXPENSES):           |                  |                         |  |                |
| Interest earned on investments              | 476,172          | 74,370                  |  | 550,542        |
| 1/2% local sales tax refund                 |                  | 303,112                 |  | 303,112        |
| Interest on long-term debt                  | (122,144)        | (203,091)               | (420)                                      | (325,655)      |
| Other                                       | 27,663           | 899                     |  | 28,562         |
| TOTAL NONOPERATING REVENUES<br>(EXPENSES)   | 381,691          | 175,290                 | (420)                                      | 556,561        |
| INCOME (LOSS) BEFORE OPERATING<br>TRANSFERS | 3,942,958        | 218,461                 | (630)                                      | 4,160,789      |
| OPERATING TRANSFERS:                        |                  |                         |  |                |
| Operating transfers in                      |                  |                         | 3,000                                      | 3,000          |
| Operating transfers out                     | (2,000,000)      | (6,250)                 |  | (2,006,250)    |
| TOTAL OPERATING TRANSFERS                   | (2,000,000)      | (6,250)                 | 3,000                                      | (2,003,250)    |
| NET INCOME                                  | 1,942,958        | 212,211                 | 2,370                                      | 2,157,539      |
| RETAINED EARNINGS - July 1, 1990            | 12,478,207       | 11,718,168              | 288,342                                    | 24,484,717     |
| RETAINED EARNINGS - June 30, 1991           | \$ 14,421,165    | \$ 11,930,379           | \$ 290,712                                 | \$ 26,642,256  |

**CITY OF KINSTON, NORTH CAROLINA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1991**

|   | Electric<br>Fund    | Water and<br>Sewer Fund | Parking<br>Facilities<br>Authority<br>Fund | Totals              |
|---|---------------------|-------------------------|--|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |                         |  |                     |
| Operating income (loss)   | \$ 3,561,267        | \$ 43,171               | \$ (210)                                   | \$ 3,604,228        |
| Adjustments to reconcile operating income<br>to net cash provided by (used for)               |                     |                         |  |                     |
| operating activities:   |                     |                         |  |                     |
| Other income  | 27,663              | 304,011                 |  | 331,674             |
| Depreciation  | 391,879             | 632,275                 | 210  | 1,024,364           |
| Decrease in allowance for uncollectible accounts  | (453,141)           | (63,224)                |  | (516,365)           |
| <br>Change in assets and liabilities:   |                     |                         |  |                     |
| Decrease in due from other funds  | 15,199              |                         |  | 15,199              |
| Decrease (increase) in customer receivables   | (180,475)           | 56,732                  |  | (123,743)           |
| Decrease in accounts receivable   | 28,954              | 3,443                   |  | 32,397              |
| Decrease in interest receivable   | 1,714               | 570                     |  | 2,284               |
| Increase in customer deposits   | 17,958              |                         |  | 17,958              |
| Increase in inventories   | (212,319)           | (14,959)                |  | (227,278)           |
| (Decrease) increase in accounts payable   | 110,303             | (68,504)                |  | 41,799              |
| Decrease in deferred revenues   |                     | (36,038)                |  | (36,038)            |
| Increase in accrued compensated absences  | 8,947               | 1,835                   |  | 10,782              |
| <br>Net cash provided by operating<br>activities  | <u>3,317,949</u>    | <u>859,312</u>          |  | <u>4,177,261</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                       |                     |                         |  |                     |
| Net repayments under revolving loan<br>arrangement  | (51,231)            |                         |  | (51,231)            |
| Operating transfers in (out) to other funds   | (2,000,000)         | (6,250)                 | 3,000                                      | (2,003,250)         |
| <br>Net cash provided by (used for) noncapital<br>financing activities                        | <u>(2,051,231)</u>  | <u>(6,250)</u>          | <u>3,000</u>                               | <u>(2,054,481)</u>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING<br/>ACTIVITIES:</b>                          |                     |                         |  |                     |
| Acquisition and construction of capital assets <i>Fixed Asset Sch Less 104,115 at Netline</i> | (1,376,322)         | (549,901)               |  | (1,926,223)         |
| Principal paid on general obligation bond<br>maturities and equipment contracts               | (556,907)           | (362,375)               |  | (919,282)           |
| Interest paid on general obligation bonds<br>and equipment contracts                          | (122,144)           | (203,091)               | (420)                                      | (325,655)           |
| Capital contributed   |                     | 36,038                  |  | 36,038              |
| <br>Net cash used for capital and related<br>financing activities                             | <u>(2,055,373)</u>  | <u>(1,079,329)</u>      | <u>(420)</u>                               | <u>(3,135,122)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                     |                         |  |                     |
| Interest and dividends on investments   | <u>476,172</u>      | <u>74,370</u>           |  | <u>550,542</u>      |
| <br>Net cash provided by investing activities   | <u>476,172</u>      | <u>74,370</u>           |  | <u>550,542</u>      |
| <br><b>NET INCREASE (DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>                           | <b>(312,483)</b>    | <b>(151,897)</b>        | <b>2,580</b>                               | <b>(461,800)</b>    |
| <b>CASH AND CASH EQUIVALENTS, July 1, 1990</b>  | <u>5,769,162</u>    | <u>973,919</u>          | <u>7,765</u>                               | <u>6,750,846</u>    |
| <b>CASH AND CASH EQUIVALENTS, June 30, 1991</b>   | <u>\$ 5,456,679</u> | <u>\$ 822,022</u>       | <u>\$ 10,345</u>                           | <u>\$ 6,289,046</u> |

Supplemental Schedule of Noncash Capital Financing Activities:

A capital lease obligation of \$104,115 was incurred by the Electric Fund when the City entered into a lease for new equipment.

CITY OF KINSTON, NORTH CAROLINA  
ELECTRIC FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),  
ACTUAL AND BUDGET,  
NON-GAAP, MODIFIED ACCRUAL BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|  | Actual        | Budget        | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------|---------------|--|
| OPERATING REVENUES:  |               |               |  |
| Charges for services –<br>electricity sales                              | \$ 32,161,616 | \$ 31,587,350 | \$ 574,266                             |
| Other  | 234,516       | 240,100       | (5,584)                                |
| TOTAL OPERATING REVENUES   | 32,396,132    | 31,827,450    | 568,682                                |
| NONOPERATING REVENUES:   |               |               |  |
| Interest earned on investments   | 476,172       | 509,000       | (32,828)                               |
| Other  | 27,663        | 107,650       | (79,987)                               |
| TOTAL NONOPERATING REVENUES  | 503,835       | 616,650       | (112,815)                              |
| TOTAL REVENUES   | 32,899,967    | 32,444,100    | 455,867                                |
| EXPENDITURES:  |               |               |  |
| Administration:  |               |               |  |
| Personal services  | 117,702       |               |  |
| Operating  | 233,862       |               |  |
| Indirect costs   | 530,000       |               |  |
|  | 881,564       | 887,350       | 5,786                                  |
| Electrical operations:   |               |               |  |
| Personal services  | 961,371       |               |  |
| Operating  | 27,380,380    |               |  |
| Capital outlay   | 1,375,793     |               |  |
|  | 29,717,544    | 30,322,250    | 604,706                                |
| TOTAL EXPENDITURES   | 30,599,108    | 31,209,600    | 610,492                                |
| EXCESS OF REVENUES OVER EXPENDITURES:                                    | \$ 2,300,859  | \$ 1,234,500  | \$ 1,066,359                           |
| OTHER FINANCING SOURCES (USES):  |               |               |  |
| Operating transfers out  | (2,000,000)   | (2,000,000)   |  |
| Appropriated fund balance  |               | 765,500       | (765,500)                              |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                                  | (2,000,000)   | (1,234,500)   | (765,500)                              |
| EXCESS OF REVENUES AND OTHER SOURCES<br>OVER EXPENDITURES AND OTHER USES | \$ 300,859    | \$            | \$ 300,859                             |

## CITY OF KINSTON, NORTH CAROLINA

## ELECTRIC FUND

## RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

EXCESS OF REVENUES AND OTHER SOURCES OVER  
EXPENDITURES AND OTHER USES

\$ 300,859

## ADJUSTMENTS TO FULL ACCRUAL BASIS:

Budgetary appropriations *TRANSFER OUT*

2,000,000

Capital outlay (*Total Additions F.A. Schedule*)

1,375,793

Increase in debt (*new lease*)

104,115

Payment of debt principal (*Payments from other debt sch + Retired from Debt o/s - Prin*)

556,907

*(431,907 + 125,000)*Depreciation *Acct #*

(391,879)

*Increase* Decrease in accrued unbilled electricity sales *B.S. change 90/91*

178,788

Bad debt expense *Acct #*

(182,349)

Decrease in interest accrual *B.S. change 90/91*

724

INCOME BEFORE OPERATING TRANSFERS

\$ 3,942,958

1375,793  
 104,115  
 556,907  
 178,788  
 724

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## CITY OF KINSTON, NORTH CAROLINA

## WATER AND SEWER FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),

## ACTUAL AND BUDGET,

## NON-GAAP, MODIFIED ACCRUAL BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

(Continued)

|   | Actual       | Budget       | Variance<br>Favorable<br>(Unfavorable) |
|---|--------------|--------------|--|
| OPERATING REVENUES:                     |              |              |  |
| Charges for services:                   |              |              |  |
| Water sales                             | \$ 1,599,064 | \$ 1,577,650 | \$ 21,414                              |
| Sewer charges                           | 1,301,901    | 1,312,350    | (10,449)                               |
| Other                                   | 135,192      | 137,450      | (2,258)                                |
| TOTAL OPERATING REVENUES                | 3,036,157    | 3,027,450    | 8,707                                  |
| NONOPERATING REVENUES:                  |              |              |  |
| Interest earned on investments          | 74,370       | 68,000       | 6,370                                  |
| 1/2% local sales tax refund             | 303,112      | 305,900      | (2,788)                                |
| Restricted intergovernmental<br>revenue | 36,038       | 36,000       | 38                                     |
| Other                                   | 899          | 40,900       | (40,001)                               |
| TOTAL NONOPERATING REVENUES             | 414,419      | 450,800      | (36,381)                               |
| TOTAL REVENUES                          | 3,450,576    | 3,478,250    | (27,674)                               |
| EXPENDITURES:                           |              |              |  |
| Water and Sewer Administration:         |              |              |  |
| Personal services                       | 62,358       |              |  |
| Operating                               | 42,151       |              |  |
| Capital outlay                          |              |              |  |
| Indirect costs                          | 840,000      |              |  |
|   | 944,509      | 951,050      | 6,541                                  |
| Water Production:                       |              |              |  |
| Personal services                       | 108,246      |              |  |
| Operating                               | 371,236      |              |  |
| Capital outlay                          | 20,831       |              |  |
|   | 500,313      | 557,850      | 57,537                                 |

## CITY OF KINSTON, NORTH CAROLINA

## WATER AND SEWER FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),

## ACTUAL AND BUDGET,

## NON-GAAP, MODIFIED ACCRUAL BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | Actual             | Budget           | Variance<br>Favorable<br>(Unfavorable) |
|---|--------------------|------------------|--|
| EXPENDITURES (CONTINUED):   |                    |                  |  |
| Water and sewer operations:   |                    |                  |  |
| Personal services   | \$ 362,394         | \$               | \$                                     |
| Operating   | 685,718            |                  |  |
| Capital outlay  | 497,738            |                  |  |
|   | <u>1,545,850</u>   | <u>1,553,600</u> | <u>7,750</u>                           |
| Wastewater plant operations:  |                    |                  |  |
| Personal services   | 199,525            |                  |  |
| Operating   | 318,155            |                  |  |
| Capital outlay  | 31,332             |                  |  |
|   | <u>549,012</u>     | <u>591,500</u>   | <u>42,488</u>                          |
| TOTAL EXPENDITURES  | <u>3,539,684</u>   | <u>3,654,000</u> | <u>114,316</u>                         |
| REVENUES OVER (UNDER) EXPENDITURES  | <u>(89,108)</u>    | <u>(175,750)</u> | <u>86,642</u>                          |
| OTHER FINANCES SOURCES (USES):  |                    |                  |  |
| Transfers out   | (6,250)            | (6,250)          |  |
| Appropriated fund balance   |                    | 182,000          | (182,000)                              |
| TOTAL OTHER FINANCING SOURCES (USES)                                      | <u>(6,250)</u>     | <u>175,750</u>   | <u>(182,000)</u>                       |
| REVENUES AND OTHER SOURCES<br>OVER (UNDER) EXPENDITURES<br>AND OTHER USES | <u>\$ (95,358)</u> | <u>\$</u>        | <u>\$ (95,358)</u>                     |

CITY OF KINSTON, NORTH CAROLINA

WATER AND SEWER FUND

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|  |    |          |
|--|----|----------|
| EXCESS OF REVENUES AND OTHER SOURCES     |    |          |
| OVER (UNDER) EXPENDITURES AND OTHER USES | \$ | (95,358) |

ADJUSTMENTS TO FULL ACCRUAL BASIS:

|  |  |           |
|--|--|-----------|
| Budgetary appropriations <i>Transfers out</i>                          |  | 6,250     |
| Capital outlay ( <i>Total Additions FA Schedules</i> )                 |  | 549,901   |
| Payment of debt principal ( <i>See how to Elec Fund</i> )              |  | 362,375   |
| Depreciation <i>Acct #</i>   |  | (632,275) |
| Increase in accrued unbilled water sales <i>B.S. change 90/91</i>      |  | 2,710     |
| Increase in accrued unbilled sewer sales <i>" " "</i>                  |  | 12,536    |
| Bad debt expense <i>Acct #</i>   |  | 45,434    |
| <i>DECR</i> Increase in interest accrual <i>B.S. change 90/91</i>      |  | 2,926     |
| Restricted intergovernmental revenues <i>B.S. change Accts # 90/91</i> |  |           |
| transferred to contributed capital                                     |  | (36,038)  |

|                                   |    |                |
|-----------------------------------|----|----------------|
| INCOME BEFORE OPERATING TRANSFERS | \$ | <u>218,461</u> |
|-----------------------------------|----|----------------|

CITY OF KINSTON, NORTH CAROLINA  
PARKING FACILITIES AUTHORITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES OTHER FINANCING SOURCES (USES),  
ACTUAL AND BUDGET,  
NON-GAAP, MODIFIED ACCRUAL BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|  | <u>Actual</u>   | <u>Budget</u> | <u>Variance –<br/>Favorable<br/>(Unfavorable)</u> |
|--|-----------------|---------------|---|
| EXPENDITURES – Administration  | \$ 420          | \$ 3,450      | \$ 3,030  |
| OTHER FINANCING SOURCES  |                 |               |   |
| Operating Transfer in  | 3,000           | 3,000         |   |
| Appropriated fund balance  |                 | 450           | (450)   |
|  | <u>3,000</u>    | <u>3,450</u>  | <u>(450)</u>                                      |
| TOTAL OTHER FINANCING SOURCES  |                 |               |   |
|  | <u>3,000</u>    | <u>3,450</u>  | <u>(450)</u>                                      |
| EXCESS OF REVENUES AND OTHER SOURCES<br>OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ 2,580</u> | <u>\$</u>     | <u>\$ 2,580</u>                                   |

CITY OF KINSTON, NORTH CAROLINA  
PARKING FACILITIES AUTHORITY FUND  
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|  |    |                     |
|--|----|---------------------|
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER SOURCES | \$ | 2,580               |
| ADJUSTMENTS TO FULL ACCRUAL BASIS:                                       |    |                     |
| Budgetary appropriations   |    | (3,000)             |
| Depreciation   |    | <u>(210)</u>        |
| LOSS BEFORE OPERATING TRANSFERS  | \$ | <u><u>(630)</u></u> |

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### 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.

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## CITY OF KINSTON, NORTH CAROLINA

## INTERNAL SERVICE FUND

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|                                   | <u>Actual</u>           |
|-----------------------------------|-------------------------|
| OPERATING REVENUES:               |                         |
| Contributions from various funds  | <u>\$ 199,400</u>       |
| Operating expenses:               |                         |
| Administration                    | 91,505                  |
| Depreciation                      | 3,148                   |
| Claims reimbursement              | <u>82,769</u>           |
| TOTAL OPERATING EXPENSES          | <u>177,422</u>          |
| OPERATING INCOME                  | 21,978                  |
| NONOPERATING REVENUES - OTHER     | <u>3,513</u>            |
| NET INCOME                        | 25,491                  |
| RETAINED EARNINGS - July 1, 1990  | <u>48,577</u>           |
| RETAINED EARNINGS - June 30, 1991 | <u><u>\$ 74,068</u></u> |

## CITY OF KINSTON, NORTH CAROLINA

## INTERNAL SERVICE FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

NON-GAAP, MODIFIED ACCRUAL BASIS, ACTUAL AND BUDGET

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

*Int Serv.*

|                                      | <u>Actual</u>    | <u>Budget</u>  | Variance<br>Favorable<br>(Unfavorable) |
|--------------------------------------|------------------|----------------|--|
| OPERATING REVENUES -                 |                  |                |  |
| Contributions from<br>various funds  | \$ 199,400       | \$ 199,400     | \$                                     |
| NONOPERATING REVENUES -              |                  |                |  |
| Other                                | <u>3,513</u>     | <u>3,050</u>   | <u>463</u>                             |
| TOTAL REVENUES                       | <u>202,913</u>   | <u>202,450</u> | <u>463</u>                             |
| EXPENDITURES:                        |                  |                |  |
| Administration:                      |                  |                |  |
| Personal service                     | 37,853           |                |  |
| Operating                            | 53,652           |                |  |
| Capital outlay                       | <u>4,790</u>     |                |  |
|                                      | 96,295           | 99,450         | 3,155                                  |
| Claim Reimbursements -               |                  |                |  |
| Operating                            | <u>82,769</u>    | <u>103,000</u> | <u>20,231</u>                          |
| TOTAL EXPENDITURES                   | <u>179,064</u>   | <u>202,450</u> | <u>23,386</u>                          |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>\$ 23,849</u> | <u>\$</u>      | <u>\$ (23,849)</u>                     |

*Done*

CITY OF KINSTON, NORTH CAROLINA

INTERNAL SERVICE FUND

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|                                      |                  |
|--------------------------------------|------------------|
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 23,849        |
| ADJUSTMENTS TO FULL ACCRUAL BASIS:   |                  |
| Capital outlay                       | 4,790            |
| Depreciation                         | <u>(3,148)</u>   |
| INCOME BEFORE OPERATING TRANSFERS    | <u>\$ 25,491</u> |

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### 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.

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CITY OF KINSTON, NORTH CAROLINA  
SCHEDULE OF GENERAL FIXED ASSETS

BY SOURCE

JUNE 30, 1991

GENERAL FIXED ASSETS:

|                        |                  |
|------------------------|------------------|
| Land                   | \$ 2,744,142     |
| Buildings              | 3,468,255        |
| Equipment and vehicles | <u>6,780,249</u> |

|                            |                      |
|----------------------------|----------------------|
| TOTAL GENERAL FIXED ASSETS | <u>\$ 12,992,646</u> |
|----------------------------|----------------------|

INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:

|                       |                |
|-----------------------|----------------|
| General fund          | \$ 12,643,040  |
| Special revenue funds | <u>349,606</u> |

|  |                      |
|--|----------------------|
| TOTAL INVESTMENT IN GENERAL FIXED ASSETS | <u>\$ 12,992,646</u> |
|--|----------------------|

*Special  
DBase Program  
Print out*

*done*

CITY OF KINSTON, NORTH CAROLINA

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

JUNE 30, 1991

DBase  
01/07/91

| Function and Activity             | Land                | Buildings           | Equipment<br>and<br>Vehicles | Total                |
|-----------------------------------|---------------------|---------------------|------------------------------|----------------------|
| <b>GENERAL GOVERNMENT:</b>        |                     |                     |                              |                      |
| Council                           |                     |                     | 5,939                        | 5,939                |
| Manager                           | 173,000             | 762,266             | 86,409                       | 1,021,675            |
| Clerk                             |                     |                     | 4,915                        | 4,915                |
| Personnel                         |                     |                     | 45,117                       | 45,117               |
| Finance and<br>Administration     |                     |                     | 717,289                      | 717,289              |
| Other - Unclassified              | 2,191,593           | 845,518             | 118,949                      | 3,156,060            |
| <b>TOTAL GENERAL GOVERNMENT</b>   | <b>2,364,593</b>    | <b>1,607,784</b>    | <b>978,618</b>               | <b>4,950,995</b>     |
| <b>PUBLIC SAFETY:</b>             |                     |                     |                              |                      |
| POLICE                            |                     |                     | 780,950                      | 780,950              |
| FIRE                              | 28,825              | 341,720             | 1,327,274                    | 1,697,819            |
| INSPECTION                        |                     |                     | 90,437                       | 90,437               |
| <b>TOTAL PUBLIC SAFETY</b>        | <b>28,825</b>       | <b>341,720</b>      | <b>2,198,661</b>             | <b>2,569,206</b>     |
| <b>HIGHWAYS AND STREETS:</b>      |                     |                     |                              |                      |
| Engineering                       |                     |                     | 169,760                      | 169,760              |
| Maintenance                       |                     |                     | 799,713                      | 799,713              |
| <b>TOTAL HIGHWAYS AND STREETS</b> |                     |                     | <b>969,473</b>               | <b>969,473</b>       |
| <b>ENVIRONMENTAL SERVICES</b>     |                     |                     |                              |                      |
|                                   |                     |                     | 2,154,785                    | 2,154,785            |
| <b>CULTURE AND RECREATION</b>     |                     |                     |                              |                      |
|                                   | 350,724             | 1,518,751           | 478,712                      | 2,348,187            |
| <b>TOTAL GENERAL FIXED ASSETS</b> | <b>\$ 2,744,142</b> | <b>\$ 3,468,255</b> | <b>\$ 6,780,249</b>          | <b>\$ 12,992,646</b> |

Done



CITY OF KINSTON, NORTH CAROLINA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -- BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| Function and Activity             | General Fixed Assets<br>July 1, 1990 | Additions      | Deductions     | General Fixed Assets<br>June 30, 1991 |
|-----------------------------------|--------------------------------------|----------------|----------------|---------------------------------------|
| <b>GENERAL GOVERNMENT:</b>        |                                      |                |                |                                       |
| Council                           | \$ 5,939                             | \$             | \$             | 5,939                                 |
| Manager                           | 1,029,856                            |                | 8,181          | 1,021,675                             |
| Clerk                             | 4,814                                | 500            | 399            | 4,915                                 |
| Personnel                         | 43,286                               | 5,082          | 3,251          | 45,117                                |
| Finance and Administration        | 702,934                              | 38,236         | 23,881         | 717,289                               |
| Other -- Unclassified             | 3,168,190                            | 62,262         | 74,392         | 3,156,060                             |
| <b>TOTAL GENERAL GOVERNMENT</b>   | <b>4,955,019</b>                     | <b>106,080</b> | <b>110,104</b> | <b>4,950,995</b>                      |
| <b>PUBLIC SAFETY:</b>             |                                      |                |                |                                       |
| POLICE                            | 723,495                              | 159,620        | 102,165        | 780,950                               |
| FIRE                              | 1,744,653                            | 54,015         | 100,849        | 1,697,819                             |
| INSPECTION                        | 81,775                               | 10,417         | 1,755          | 90,437                                |
| <b>TOTAL PUBLIC SAFETY</b>        | <b>2,549,923</b>                     | <b>224,052</b> | <b>204,769</b> | <b>2,569,206</b>                      |
| <b>HIGHWAYS AND STREETS:</b>      |                                      |                |                |                                       |
| Engineering                       | 182,137                              | 8,752          | 21,129         | 169,760                               |
| Maintenance                       | 752,298                              | 59,888         | 12,473         | 799,713                               |
| <b>TOTAL HIGHWAYS AND STREETS</b> | <b>934,435</b>                       | <b>68,640</b>  | <b>33,602</b>  | <b>969,473</b>                        |
| <b>SANITATION</b>                 | <b>2,077,099</b>                     | <b>116,359</b> | <b>38,673</b>  | <b>2,154,785</b>                      |
| <b>CULTURE AND RECREATION</b>     | <b>2,317,048</b>                     | <b>129,912</b> | <b>98,773</b>  | <b>2,348,187</b>                      |
| <b>TOTAL GENERAL FIXED ASSETS</b> | <b>12,833,524</b>                    | <b>645,043</b> | <b>485,921</b> | <b>12,992,646</b>                     |

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#### 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, 1991

|  | General<br>Long-Term Debt<br>July 1, 1990 | Additions        | Retirements       | General<br>Long-Term Debt<br>June 30, 1991 |
|--|---|------------------|-------------------|--|
| <b>BY TYPE OF DEBT:</b>                                |   |                  |                   |  |
| Bonds payable ( <i>Sch of Maturities</i> )             | 165,000                                   | \$               | \$ 65,000         | \$ 100,000                                 |
| Accrued compensated<br>absences ( <i>Other Debt</i> )  | 470,782                                   | 71,058           |                   | 541,840                                    |
| Police separation<br>allowance ( <i>Other Debt</i> )   | 56,807                                    | 3,502            |                   | 60,309                                     |
| Notes payable ( <i>Sch of Maturities</i> )             | 45,104                                    |                  | 22,552            | 22,552                                     |
| Capitalized lease ( <i>Other Debt</i> )<br>obligations | 968,986                                   |                  | 414,676           | 554,310                                    |
|  | <u>\$ 1,706,679</u>                       | <u>\$ 74,560</u> | <u>\$ 502,228</u> | <u>\$ 1,279,011</u>                        |

**BY PURPOSE:**

|  |                     |                  |                   |                     |
|--|---------------------|------------------|-------------------|---------------------|
| General government -                                 |                     |                  |                   |                     |
| Equipment ( <i>40,000 + 42,673</i> )                 | 143,352             | \$               | \$ 60,679         | \$ 82,673           |
| Public safety -                                      |                     |                  |                   |                     |
| Equipment ( <i>715,419 + 60,419</i> )                | 239,155             |                  | 101,131           | 138,024             |
| Public works:  |                     |                  |                   |                     |
| Facility   | 40,000 ✓            |                  | 40,000            | 0                   |
| Street improvement                                   | 125,000 ✓           |                  | 25,000            | 100,000             |
| Storm sewer  |                     |                  |                   |                     |
| Equipment ( <i>VI, VII, IX + 100,419</i> )           | 573,182             |                  | 242,722           | 330,460             |
| Development:   |                     |                  |                   |                     |
| Land and buildings                                   | 45,104 ✓            |                  | 22,552            | 22,552              |
| Equipment  | 9,077 ✓             |                  | 9,077             | 0                   |
| Recreation:  |                     |                  |                   |                     |
| Equipment  | 4,220 ✓             |                  | 1,067             | 3,153               |
| Land   |                     |                  |                   |                     |
| Accrued compensated<br>absences - all<br>departments | 470,782 ✓           | 71,058           |                   | 541,840             |
| Police separation<br>allowance                       | 56,807 ✓            | 3,502            |                   | 60,309              |
|  | <u>\$ 1,706,679</u> | <u>\$ 74,560</u> | <u>\$ 502,228</u> | <u>\$ 1,279,011</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, 1991**

| <u>Fiscal Year</u> | <u>Uncollected<br/>Balance<br/>July 1, 1990</u> | <u>Current<br/>Year<br/>Gross Levy</u> | <u>Collections,<br/>Credits and<br/>Adjustments</u> | <u>Uncollected<br/>Balance<br/>June 30, 1991</u> |
|--------------------|---|--|---|--|
| 1990-1991          | \$  | \$ 4,205,266                           | \$ 4,065,918  | \$ 139,348                                       |
| 1989-1990          | 85,638  |  | 31,665  | 53,973   |
| 1988-1989          | 38,271  |  | 10,273  | 27,998   |
| 1987-1988          | 21,176  |  | 2,865   | 18,311   |
| 1986-1987          | 15,334  |  | 1,274   | 14,060   |
| 1985-1986          | 10,218  |  | 733   | 9,485  |
| 1984-1985          | 8,481   |  | 366   | 8,115  |
| 1983-1984          | 5,032   |  | 91  | 4,941  |
| 1982-1983          | 3,888   |  | 132   | 3,756  |
| 1981-1982          | 3,432   |  | 102   | 3,330  |
| 1980 and<br>prior  | 6,400   |  | 6,400   | 0  |
|                    | <u>\$ 197,870</u>                               | <u>\$ 4,205,266</u>                    | <u>\$ 4,119,819</u>                                 | <u>\$ 283,317</u>                                |

**RECONCILIATION WITH REVENUES:**

|                                 |                     |
|---------------------------------|---------------------|
| Ad valorem taxes - General Fund | \$ 4,099,804        |
| Add credits and adjustments     | <u>20,015</u>       |
|                                 | <u>\$ 4,119,819</u> |

*done  
72*

CITY OF KINSTON, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

|   | <u>Total<br/>Property<br/>Valuation</u> | <u>Tax Rate<br/>Per \$100<br/>Valuation</u> | <u>Amount of<br/>Tax Levy</u> |
|---|---|---|-------------------------------|
| <b>TAX LEVY:</b>                          |   |   |                               |
| City-wide                                 | \$ 681,097,705                          | \$ 0.61                                     | \$ 4,154,696                  |
| Municipal service district                | <u>18,729,630</u>                       | 0.27  | <u>50,570</u>                 |
| <br>Total for year                        | <br><u>\$ 699,827,335</u>               |   | <br>4,205,266                 |
| <br>LESS UNCOLLECTED TAX AT JUNE 30, 1991 |   |   | <br><u>139,348</u>            |
| <br>CURRENT YEAR TAXES COLLECTED          |   |   | <br><u>\$ 4,065,918</u>       |
| <br>PERCENT CURRENT YEAR COLLECTED        |   |   | <br><u>96.7%</u>              |

13 June

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                         | \$ — %                   | \$ 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%   |

Note: Information presented as of December 31 actuarial valuation date.

Note: The above schedule includes as many years as the pension benefit obligation is available.

*74 done*



CITY OF KINSTON, NORTH CAROLINA  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
REVENUES BY SOURCE AND EXPENDITURES BY TYPE

| Fiscal<br>Year | Revenues by Source        |                           |                      | Total    |
|----------------|---------------------------|---------------------------|----------------------|----------|
|                | Employee<br>Contributions | Employer<br>Contributions | Investment<br>Income |          |
| 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   |

| Fiscal<br>Year | Expenditures by Type |                            |         | Total    |
|----------------|----------------------|----------------------------|---------|----------|
|                | Benefits             | Administrative<br>Expenses | Refunds |          |
| 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   |

Note: The Law Enforcement Officers' Special Separation Allowance was established in 1987.

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done

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## CITY OF KINSTON, NORTH CAROLINA

## GENERAL GOVERNMENTAL (1)

## EXPENDITURES BY FUNCTION

## LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30 | General<br>Government | Public<br>Safety | Public<br>Works | Development | Recreation    | Non-<br>Departmental | Debt<br>Service | Other      | Total        |
|------------------------------------|-----------------------|------------------|-----------------|-------------|---------------|----------------------|-----------------|------------|--------------|
| 1982                               | \$ 2,072,462          | \$ 3,013,860     | \$ 2,079,869    | \$ 484,307  | \$ 899,341    | \$                   | \$ 759,472      | \$ 185,894 | \$ 9,495,205 |
| 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        | 3,782,239       | 1,228,241   | 1,829,086     |                      | 31,160          |            | 13,476,126   |

Source: City of Kinston Finance Department

Notes: (1) Includes general and special revenue funds.

(2) Expenses allocated on departmental basis after 1986.

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# CITY OF KINSTON, NORTH CAROLINA

## GENERAL GOVERNMENT (1)

### REVENUES BY SOURCE

#### LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30 | Ad Valorem<br>Taxes (2) | Sales &<br>Services | Other<br>Taxes | Inter-<br>Governmental<br>Unrestricted | Inter-<br>Governmental<br>Restricted | Other<br>Revenues | Total      |
|------------------------------------|-------------------------|---------------------|----------------|--|--------------------------------------|-------------------|------------|
| 1982                               | 1,986,811               | 1,848,835           | 1,111,812      | 587,708                                | 813,476                              | 180,355           | 6,528,997  |
| 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           | 1,723,694      | 1,503,999                              | 852,561                              | 342,502           | 11,949,962 |

Source: City of Kinston Finance Department

Note: (1) Includes general and special revenue funds

(2) Includes municipal service district

CITY OF KINSTON, NORTH CAROLINA

GENERAL GOVERNMENTAL

TAX REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30 | Other Taxes    |            |            |            |                       |    | Total     |
|------------------------------------|----------------|------------|------------|------------|-----------------------|----|-----------|
|                                    | Ad Valorem (2) | Sales      | Intangible | Franchise  | Licenses &<br>Permits |    |           |
| 1982                               | \$ 1,986,811   | \$ 471,481 | \$ 88,782  | \$ 493,102 | \$ 58,448             | \$ | 3,098,624 |
| 1983                               | 2,232,734      | 516,512    | 102,476    | 514,757    | 57,082                |    | 3,423,561 |
| 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 |
|                                    | 4,643,265      | 2,883,661  | 219,636    | 933,452    | 61,958                |    |           |

Source: City of Kinston Finance Department

Notes: (1) Includes general fund revenues and municipal service district

(2) Includes penalties and interest

# CITY OF KINSTON, NORTH CAROLINA

## PROPERTY TAX LEVIES AND COLLECTIONS

### LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30 | Total<br>Tax Levy | Current Tax<br>Collections | Percent of<br>Current Taxes<br>Collected | Delinquent<br>Tax<br>Collections | Total Tax<br>Collections | Ratio of Total<br>Tax Collections<br>to Total Tax Levy |
|------------------------------------|-------------------|----------------------------|--|----------------------------------|--------------------------|--|
| 1982                               | 1,978,703         | 1,925,482                  | 97.3%                                    | 49,789                           | 1,975,271                | 99.8%  |
| 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%  |

Source: City of Kinston Finance Department

Note: (1) Includes municipal service district

79 June

**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> |
|--------------------|-----------------------------|-------------------------------|--|
| 1982               | 421,000,651                 | (1)                           | 77.8%                                      |
| 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%                                       |

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

80 done



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

| Fiscal<br>Year<br>Ended<br>June 30 | City<br>Mileage | Municipal<br>Service<br>District<br>Mileage | Total<br>City<br>Millage | Total<br>County<br>Millage | Total<br>School<br>District<br>Millage |
|------------------------------------|-----------------|---|--------------------------|----------------------------|--|
| 1982                               | \$ 0.47         | \$ (1)                                      | \$ 0.47                  | \$ 0.52                    | \$6.50                                 |
| 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                                   |

Source: City of Kinston Finance Department  
Lenoir County Tax Office

Note: (1) 1985 was Initial Year of Municipal Service District Levy

*No*  
*81*  
*done*

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

| Fiscal<br>Year<br>Ended<br>June 30 | Tax Rates |         |         | Tax Levies   |              |              |
|------------------------------------|-----------|---------|---------|--------------|--------------|--------------|
|                                    | City      | County  | Total   | City         | County       | Total        |
| 1982                               | \$ 0.47   | \$ 0.52 | \$ 0.99 | \$ 1,978,703 | \$ 6,686,106 | \$ 8,664,809 |
| 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   | 17,372,648   |
| 1992                               | 0.61      | 0.77    | 1.38    |              |              |              |

Source: Lenoir County Tax Office

## CITY OF KINSTON, NORTH CAROLINA

## PRINCIPAL TAXPAYERS

JUNE 30, 1991

| <u>Name of Taxpayer</u>                      | <u>Nature of Property</u> | <u>Assessed Value</u> | <u>Percentage of Total Assessed Value</u> |
|--|---------------------------|-----------------------|---|
| Vernon Investment Associates                 | Retail                    | \$ 15,227,942         | 2.2%                                      |
| Carolina Telephone                           | Utility                   | 12,928,055            | 1.9%                                      |
| Smithfield Packing                           | Manufacturer              | 6,231,971             | 0.9%                                      |
| Barnet Southern                              | Manufacturer              | 4,611,016             | 0.7%                                      |
| Austin Carolina                              | Tobacco Processor         | 3,795,032             | 0.6%                                      |
| Northwest Financial, Inc.                    | Leasing                   | 3,656,443             | 0.5%                                      |
| Perry, Warren & Agent for Plaza              | Retail                    | 3,630,832             | 0.5%                                      |
| Will-O-Wisp Associates, Inc.                 | Rental                    | 3,461,634             | 0.5%                                      |
| Capital Hotels                               | Hotel                     | 3,432,544             | 0.5%                                      |
| North Carolina Natural Gas                   | Utility                   | 3,190,863             | 0.5%                                      |
| TOTAL ASSESSED VALUATION OF TOP 10 TAXPAYERS |                           | 60,166,332            | 8.8%                                      |
| BALANCE OF ASSESSED VALUATION                |                           | 620,931,373           | 91.2%                                     |
| TOTAL ASSESSED VALUATION                     |                           | \$ 681,097,705        | 100.0%                                    |

Source: Lenoir County Tax Office

CITY OF KINSTON, NORTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 1991

|   |                  |                       |
|---|------------------|-----------------------|
| Total Assessed Value                                  |                  | <u>\$ 681,097,705</u> |
| Debt limitation — 8% of total<br>assessed value       |                  | \$ 54,487,816         |
| Debt applicable to limitation:                        |                  |                       |
| General bonded debt                                   | \$ 1,434,000     |                       |
| Obligation under notes payable                        | 377,719          |                       |
| Obligation under capital leases                       | <u>3,340,160</u> |                       |
| Gross Debt  | <u>5,151,879</u> |                       |
| Less — Statutory Deductions:                          |                  |                       |
| Bonds issued and outstanding<br>for water purposes    | \$ 945,000       |                       |
| Bonds issued and outstanding<br>for electric purposes | 375,000          |                       |
| Bonds issued and outstanding<br>for parking purposes  | <u>14,000</u>    |                       |
| Total statutory deductions                            | <u>1,334,000</u> |                       |
| Total debt applicable<br>to limitation                |                  | <u>3,817,879</u>      |
| Legal debt margin                                     |                  | <u>\$ 50,669,937</u>  |

5/1/91 JMD

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

| Fiscal<br>Year<br>Ended<br>June 30 | Principal  | Interest   | Total (1)  | Total General<br>Governmental<br>Expenditures (2) | Ratio of Debt<br>Service to General<br>Expenditures (%) |
|------------------------------------|------------|------------|------------|---|---|
| 1982                               | \$ 470,000 | \$ 291,998 | \$ 761,998 | \$ 9,495,205                                      | 8.03%   |
| 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    | 12,943,646  | 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    | 14,053,542  | 3.11  |

14,028,862

- 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.

86 done

**CITY OF KINSTON, NORTH CAROLINA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 1991**

| <u>Name of<br/>Governmental Unit</u> | <u>Debt<br/>Outstanding (1)</u> | <u>Percentage<br/>Applicable<br/>To City of<br/>Kinston (2)</u> | <u>City of<br/>Kinston's<br/>Share of<br/>Debt (3)</u> |
|--------------------------------------|---------------------------------|---|--|
| Direct Debt – City of Kinston        | \$ 1,434,000                    | 100.00%   | \$ 1,434,000   |
| Lenoir County Debt                   | <u>15,745,000</u>               | 40.52%  | <u>6,379,919</u>                                       |
| Total Overlapping Debt               | <u>\$ 17,179,000</u>            |   | <u>\$ 7,813,919</u>                                    |

- (1) Include 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 (\$1,727,103,555) City of Kinston (\$699,827,335).
- (3) Amount in debt outstanding column multiplied by percentage applicable.

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

*Add Construction*

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Property Value (1)</u> | <u>Bank Deposits (2)</u> |
|--------------------------------------|---------------------------|--------------------------|
| 1982                                 | \$ 421,000,651            | \$ 306,292,000           |
| 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                                 | 765,858,263 (3)           |                          |

Source: (1) Lenoir County Tax Office  
(2) Banks Deposits Provided by First Citizens Bank  
and Trust Marketing Department  
(3) Includes Municipal Service District

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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<br>Year<br>Ended<br>June 30 | Estimated<br>Population | Taxable Property<br>Assessed Value | 8%<br>Debt Limit | Gross<br>Bonded Debt | Net<br>Bonded Debt | Ratio of Net<br>Bonded Debt to Taxable<br>Property Assessed Value | Per Capital<br>Bonded Debt |     |
|------------------------------------|-------------------------|------------------------------------|------------------|----------------------|--------------------|---|----------------------------|-----|
|                                    |                         |                                    |                  |                      |                    |   | Gross                      | Net |
| 1982                               | 25,234                  | \$ 421,000,651                     | \$ 33,680,052    | \$ 5,590,000         | \$ 1,100,000       | 0.26%   | 240                        | 48  |
| 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(1)                     | 42,612,195       | 3,693,000            | 595,000            | 0.11  | 142                        | 23  |
| 1987                               | 25,718                  | 539,896,267(1)                     | 43,191,701       | 3,214,000            | 475,000            | 0.09  | 125                        | 18  |
| 1988                               | 27,400                  | 592,392,161(1)                     | 47,391,373       | 2,749,000            | 365,000            | 0.06  | 100                        | 13  |
| 1989                               | 27,400                  | 542,622,725(1)                     | 43,409,818       | 2,299,000            | 265,000            | 0.05  | 84                         | 10  |
| 1990                               | 27,400                  | 666,678,591(1)                     | 53,334,287       | 1,849,000            | 165,000            | 0.02  | 67                         | 6   |
| 1991                               | 25,295                  | 699,827,335(1)                     | 55,986,187       | 1,434,000            | 100,000            | 0.01  | 57                         | 4   |
| 1992                               | 25,295                  | 765,858,203(1)                     | 61,268,661       | 1,434,000            | 75,000             | 0.01  | 52                         | 3   |
|                                    |                         |                                    |                  | 1,434,000            |                    |   | 175                        |     |

NOTES: Provided by North Carolina Department of Commerce

(1) Includes Municipal Service District

85-9000



# 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 & County) School Enrollment (4) | (County) Retail Sale (5) | Bank Deposits (6) |
|---------------------------|-----------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------|-------------------|
| 1982                      | 25,234                | \$ 8,562                       | 7.0%                           | 12,163                                | \$ 368,552,000           | \$ 306,292,000    |
| 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       |

Source: (1) Population Data Provided by U.S. Census Bureau

(2) N.C. Department of Administration

N.C. Department of Commerce

(3) N.C. 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

(7) Information not presently available

# CITY OF KINSTON, NORTH CAROLINA

## MISCELLANEOUS STATISTICS

JUNE 30, 1991 ✓

|                                   |   |
|-----------------------------------|---|
| ✓ Population:                     | 25,292 <sup>05</sup>                      |
| ✓ Date of Incorporation:          | 1762                                      |
| ✓ Form of Government:             | Council/Manager                           |
| Area:                             | 16.53 square miles <sup>57</sup>          |
| Miles of Paved Streets:           | 103.69 <sup>57</sup>                      |
| Number of Street Lights:          | 1950 <sup>57</sup>                        |
| Employees:                        | 470 <sup>PER</sup>                        |
| ✓ Fire Protection:                |   |
| ✓ Number of Stations:             | 4   |
| Number of Firemen and Officers:   | 71 <sup>fire</sup>                        |
| Police Protection:                |   |
| Number of Stations:               | 1   |
| Number of Policemen and Officers: | 69  |
| Electric Department:              |   |
| Number of Consumers:              | 12,800                                    |
| Average Daily Usage:              | 1,037 KW <sup>Witch</sup>                 |
| Miles of Distribution Lines:      | 320                                       |
| Water Department:                 |   |
| Number of Consumers:              | 10,700                                    |
| Average Daily Consumption:        | 5.0 MGD <sup>Harold</sup>                 |
| Miles of Water Mains:             | 164                                       |
| Sewers:                           |   |
| Average Daily Flow:               | 5.01 MGD <sup>Harold</sup>                |
| Miles of Sewer lines:             | 275                                       |
| Culture & Recreation:             |   |
| Number of Parks:                  | 9   |
| Park Acreage:                     | 111                                       |
| Golf Courses:                     | 1 <sup>OK</sup>                           |
| Swimming Pools:                   | 3   |
| Tennis Courts:                    | 20  |
| Museum:                           | 1   |
| Other Recreational Facilities:    |   |
| Grainger Stadium                  | 4,100 Seat Baseball Stadium <sup>OK</sup> |