

## **Chapter 16**

### **Financial Conditions**

## FINANCIAL CONDITIONS: INTRODUCTION

The financial soundness of Greensboro impacts the extent and quality of services that may be provided, and the ability to react quickly to change and new directions. Financial information provides measures to gauge how well the City is performing against its own goals and objectives, and to compare data with other benchmark cities.

The City operates within a structure of seven fund groupings: General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Trust. The General Fund finances most of the Cities' common functions. In Greensboro, the General Fund provides 58 percent of the services.

This chapter highlights overall financial resources at the organization-wide level. Included is a summary of historical information about revenues and expenditures for the period of FY 1990-1991 through FY 1999-2000, and key financial indicators.

## FINANCIAL CONDITIONS: SUMMARY HIGHLIGHTS

The City of Greensboro has received very favorable evaluations of credit worthiness from nationally recognized credit rating agencies on its General Obligation debt issues. Standard and Poor's (S&P) and Moody's Investors Service (Moody's) have given the City of Greensboro's debt instruments their highest and second highest rating, AAA and Aa1, respectively.

The City of Greensboro's current debt burden as a percentage of the legally allowed debt limit is at the lower end of the state limit. The legal limit is eight percent of the City's total property assessed valuation, and in FY 1999-2000, the City's net debt percentage was 1.5 percent.

The City of Greensboro's current net bonded debt per capita has remained relatively stable during the period of FY 1994-1995 to 1998-1999, ranging from a low of \$643 in FY 1996-1997 to a high of \$822 in FY 1997-1998.

The City has maintained an undesignated fund balance (funds set aside for emergencies and to provide working capital) of nine percent of the adopted General Fund budget. The North Carolina Local Government Commission recommends that local governments maintain a fund balance of at least eight percent of the adopted General Fund budget.

### Fund Sources, 2000

Greensboro receives its funds from the following revenue sources:

General Fund: a variety of taxes, services, fees, etc., however, of all of these taxes, property taxes comprise about 53 percent of the total Revenue Fund;

Special Revenue: motor vehicle licenses and fuel tax, storm water fees, occupancy tax, cemetery fees, federal, state, and local grants;

Enterprise Fund: water and wastewater fees, coliseum charges, golf fees, meter and parking fees, and waste disposal fees; and  
Other Sources: Debt Service, Capital Project, and Internal Services.

### Revenues and Expenditures

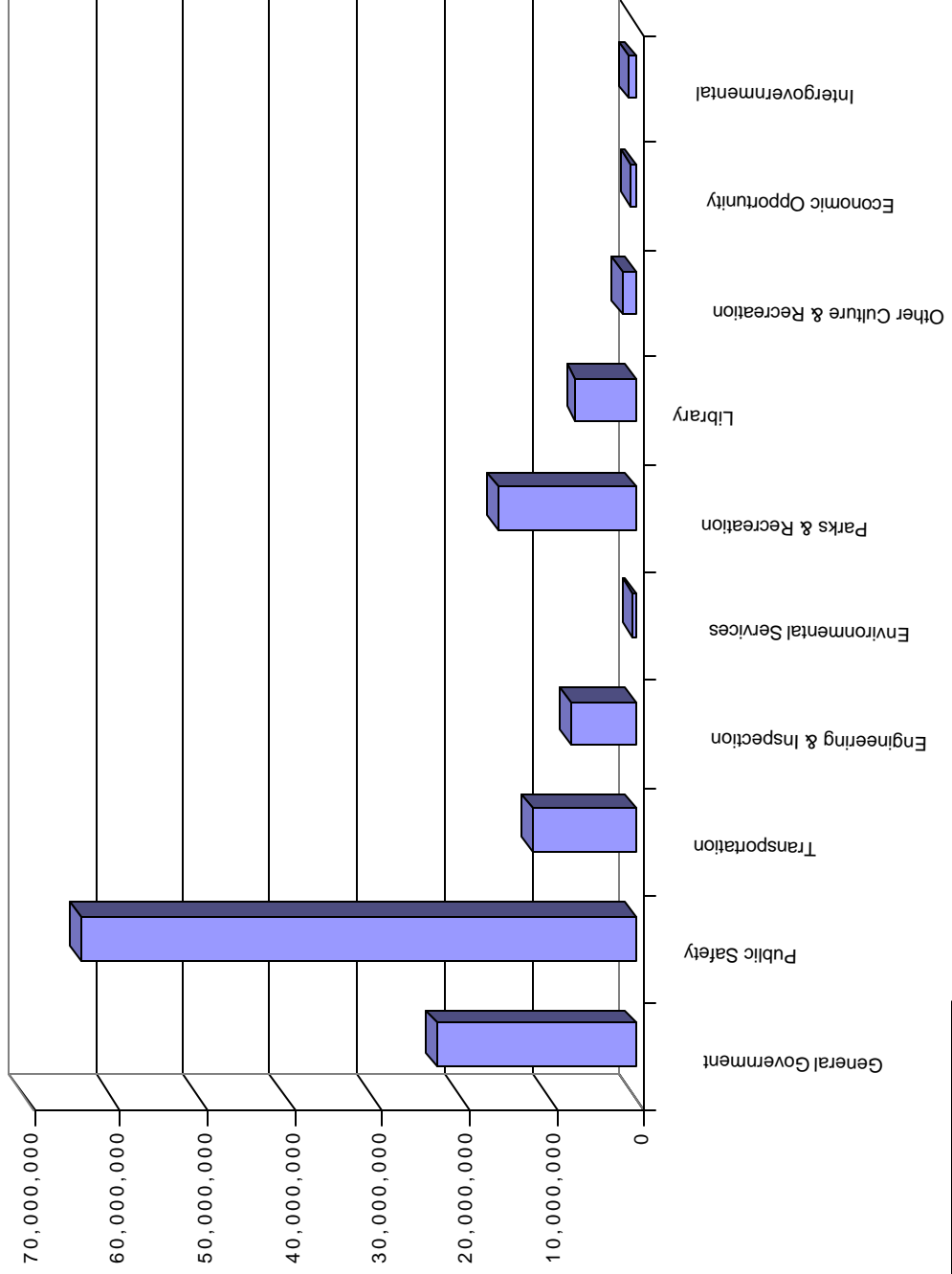
General Fund revenues increased from \$103 million in FY 1990-91 to \$160 million in FY 1999-2000, an increase of 55.3 percent. For the same period, General Fund expenditures increased from \$91 million to \$133 million, an increase of 46.1 percent.

In FY 1999-00, the top five sources of General Fund revenues were property taxes (\$88 million), sales tax (\$28 million), charges for current services (\$13 million), utility franchise (\$11 million), and licenses and permits (\$6 million). For the same year, the principal expenditures were public safety (\$64 million), general government (\$23 million), parks and recreation (\$16 million), transportation (\$12 million), and engineering and inspections (\$7 million).

Table 16-4: Greensboro's General Fund Expenditure History FY 1990-1991 to FY 1999-2000												
Source:	Actual (in dollars)											
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00		
General Govern- ment	17,093,040	16,326,995	16,909,483	17,593,845	16,547,529	17,458,253	17,943,550	19,684,927	19,187,940	23,003,255		
Public Safety	38,255,486	40,910,242	42,106,627	43,648,543	47,216,510	49,988,500	52,042,384	56,171,122	59,639,251	63,769,802		
Transportation	10,612,339	9,930,600	10,363,627	10,325,314	10,291,183	10,504,673	11,422,967	11,112,903	11,849,448	11,884,437		
Engineering & In- spection	5,584,531	5,826,516	5,881,738	5,923,571	6,104,070	6,392,755	6,767,229	6,926,307	7,405,294	7,418,861		
Environmental Services	0	296,136	671,386	276,957	820,723	811,057	641,341	636,284	639,212	550,853		
Parks & Recrea- tion	12,352,189	10,745,550	11,241,110	11,691,389	13,191,074	12,619,519	13,411,345	14,201,705	14,330,440	15,854,521		
Library	4,370,132	4,255,739	4,238,495	4,411,383	4,952,046	5,148,106	5,233,445	5,069,329	6,270,936	6,869,735		
Other Culture & Recreation	2,263,469	1,304,707	1,217,421	1,357,537	2,029,448	1,389,169	1,405,122	1,369,121	1,283,824	1,674,986		
Economic Oppor- tunity	406,500	336,500	344,100	335,945	333,500	283,570	297,815	287,480	330,425	591,713		
Intergovernmental	382,944	232,136	252,756	544,903	601,611	757,062	729,423	833,702	908,192	891,314		
Total Expendi- tures	91,320,630	90,165,121	93,226,743	96,109,387	102,087,694	105,352,664	109,894,621	116,292,880	121,844,962	132,509,477		

Source: Greensboro Finance Dept., 2001.

Figure 16-1: Greensboro's General Fund Expenditure History, FY 1999-2000

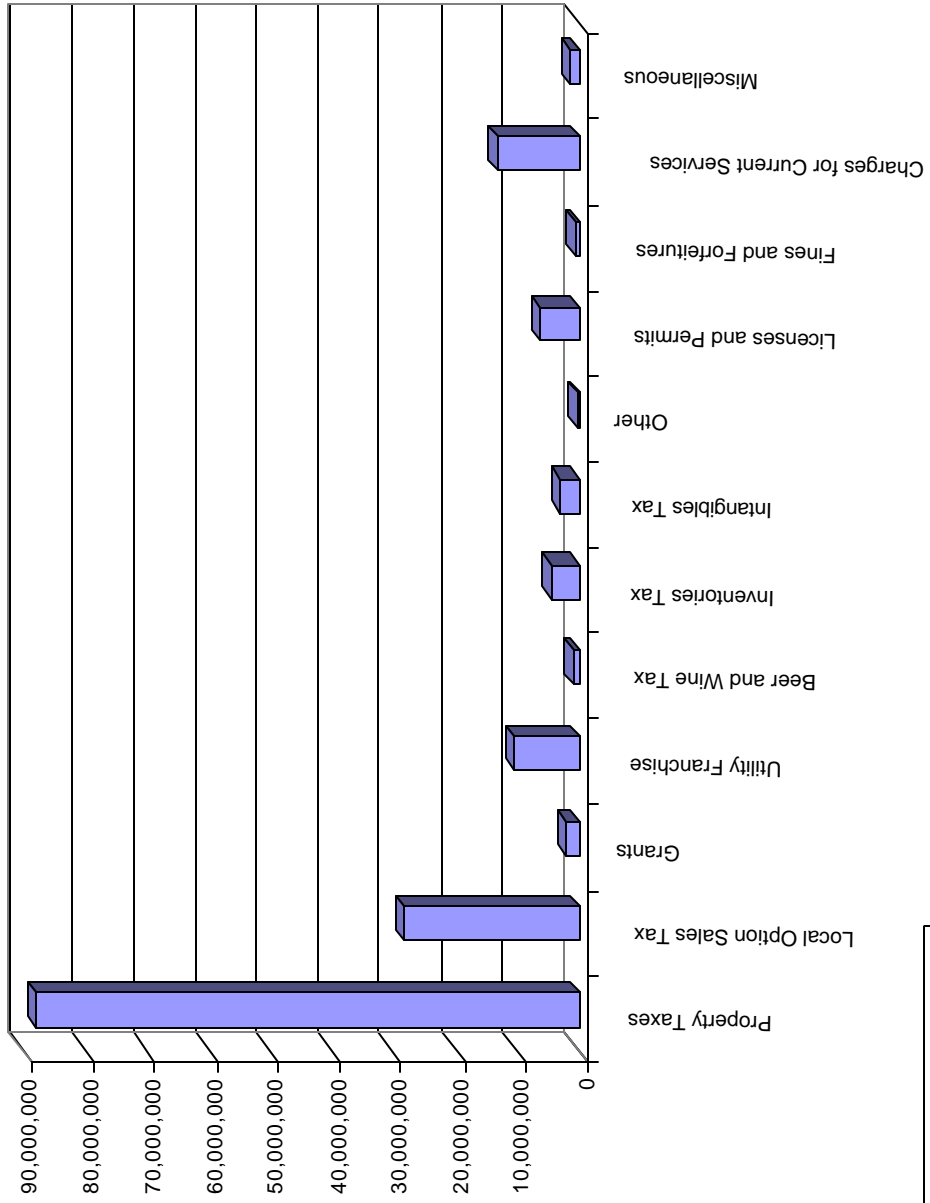


Source: Greensboro Finance Dept., 2001.

Table 16-5: General Fund Revenue History FY 1990-1991 to 1999-2000												
Source:	Actual (in dollars)											
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00		
Property Taxes	56,431,647	59,287,121	65,494,210	67,468,052	70,657,654	71,523,606	78,872,617	83,361,585	83,988,991	88,243,499		
Local Option Sales Tax	17,591,333	17,132,396	17,810,904	19,613,070	21,241,316	23,219,514	24,680,520	26,163,103	27,703,995	28,446,812		
Grants	1,032,752	900,038	1,258,152	775,174	1,019,629	1,014,363	1,505,659	1,409,252	1,303,328	2,260,785		
State Shared:												
Utility Franchise	7,336,822	7,008,731	6,943,007	7,226,577	7,055,233	8,127,096	8,958,940	9,371,500	9,660,066	10,618,484		
Beer and Wine Tax	809,365	708,894	713,545	747,091	744,025	798,115	845,422	841,157	862,555	882,158		
State Reimbursements:												
Inventories Tax	3,725,047	4,748,562	4,573,741	4,600,943	4,543,976	4,546,348	4,558,118	4,574,285	4,580,595	4,569,725		
Intangibles Tax	3,628,575	3,095,158	3,559,516	3,496,311	3,066,523	3,123,230	3,162,272	3,254,769	3,286,397	3,237,698		
Other	911,436	553,753	405,019	369,454	366,311	357,830	316,680	438,507	474,303	475,309		
Licenses and Permits	2,736,720	2,908,891	3,397,828	3,459,103	4,050,360	4,838,178	5,412,254	5,982,517	6,292,769	6,390,035		
Fines and Forfeitures	361,312	431,696	449,602	524,849	469,563	481,024	506,009	663,428	693,342	691,472		
Charges for Current Services	6,657,566	5,319,369	5,938,634	7,359,364	7,709,567	7,315,793	8,093,113	8,032,267	8,452,440	13,254,566		
Miscellaneous	1,327,979	2,303,728	1,927,330	1,357,590	1,646,712	1,905,995	1,543,307	1,589,804	2,327,399	1,359,974		
Total Revenues	102,550,554	104,398,337	112,471,488	116,997,578	122,570,869	127,251,092	138,454,911	145,682,174	149,626,180	160,430,517		

Source: City of Greensboro Finance Dept., 2000.

Figure 16-2: General Fund Revenue History FY 1999-2000



Source: City of Greensboro Finance Dept., 2000.