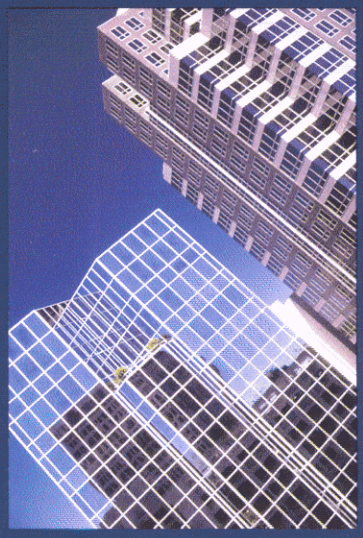
CITY OF GREENSBORO, NORTH CAROLINA

Comprehensive Annual Financial Report



JUNE 30, 2003

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2003

Prepared by the City of Greensboro Finance Department

Richard L. Lusk, Finance Director
Sherry E. Carson, Administrative Assistant

Marlene F. Druga, Financial Reporting Manager
Jeffery L. Roberts, Investment Manager
Bonnie G. Harvell, Senior Financial Analyst
Roberta K. Johnson, Financial Analyst
Pattie G. Elwood, Accountant

Susan C. Wuchae, Accounting Manager
Anita B. Wilson, Assistant Accounting Manager
Christina N. Smith, Senior Accountant
James R. Holfield, Accountant

CITY OF GREENSBORO
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003

Table of Contents

	Exhibit Number	Page Number
Introductory Section		
Letter of Transmittal		i
Certificate of Achievement for Excellence in Financial Reporting		xiv
Organizational Chart		xv
City Officials		xvi
Financial Section		
Independent Auditor's Report		
Management's Discussion and Analysis		1
Basic Financial Statements:		
I. Government-Wide Financial Statements:		
Statement of Net Assets	A-1	2
Statement of Activities	A-2	4
II. Fund Financial Statements:		
Balance Sheet-Governmental Funds	A-3	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	A-4	7
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	A-5	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	9
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual-General Fund	A-7	10
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual– Housing Partnership Revolving Fund	A-8	11
Statement of Net Assets-Proprietary Funds	A-9	12
Reconciliation of the Statement of Net Assets of Proprietary Funds to the Statement of Net Asset	A-10	16

	Exhibit/ Schedule Number	Page Number
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	A-11	17
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Assets of Proprietary Funds to the Statement of Activities	A-12	19
Statement of Cash Flows-Proprietary Funds	A-13	20
Police Special Separation Allowance Fund:		
Statement of Fiduciary Net Assets-Fiduciary Fund	A-14	25
Statement of Changes in Fiduciary Net Assets-Fiduciary Fund	A-15	26
Statement of Net Assets-Component Units	A-16	27
Statement of Activities-Component Units	A-17	28
III. Notes to the Financial Statements		30
IV. Required Supplementary Information:		
Schedule of Funding Progress	1	31
Schedule of Employer Contributions	2	32
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet-Nonmajor Funds:		
Governmental Funds	3	33
Special Revenue Funds	4	34
Capital Projects Funds	5	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Funds:		
Governmental Funds	6	40
Special Revenue Funds	7	41
Capital Projects Funds	8	44
Combining Statement of Net Assets-Other Enterprise Funds	9	48
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Other Enterprise Funds	10	50
Combining Statement of Cash Flows-Other Enterprise Funds	11	51
Schedule of Changes in Long-Term Debt-Enterprise Funds	12	53
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Component Unit	13	54
Statement of Cash Flows-Component Unit	14	55
Schedules of Revenues, Expenses, and Changes in Fund Balance-Budget and Actual-Component Unit:		
Greensboro Transit Authority	15	57
Greensboro Transit Planning and Grant Project Fund	16	59
Greensboro Transit Authority Multi Modal Transportation Center	17	60

	Schedule Number	Page Number
Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual:		
General Fund:	18	62
Special Revenue Funds:		
Street and Sidewalk	19	73
State Highway Allocation	20	74
Cemetary	21	75
Hotel/Motel Occupancy Tax	22	76
Special Tax Disctricts	23	77
Stormwater Quality Control	24	78
Housing Partnership Revolving	25	79
Community Development	26	80
Home Program	27	82
Hope VI Program	28	83
Workforce Investment Act	29	84
Job Training Consortium	30	85
State and Federal Grants	31	86
Debt Service Fund	32	89
Capital Projects Funds:		
Street and Sidewalk	33	91
State Highway Allocation	34	92
Stormwater Capital Improvements	35	93
General Capital Improvement	36	94
Public Improvement Bond—Series 1990, 1992, 1994 and 1998	37	95
Redevelopment Bond—Series 1994	38	96
Public Improvement Bond—Series 1998A	39	97
Public Improvement Bond—Series 1998B	40	98
Housing/Redevelopment Bond—Series 1998	41	99
Street Improvement Bond Fund—Series 2003	42	100
Parks and Recreation Bond Fund—Series 2003	43	101
Fire Station Bond Fund—Series 2003	44	102
Public Transportation Bond Fund—Series 2003	45	103
Natural Science Center Bond Fund—Series 2003	46	104
Law Enforcement Bond Fund-Series 2003	47	105
Library Facilities Bond Fund-Series 2003	48	106

	Schedule Number	Page Number
Capital Projects Funds (continued)		
Neighborhood Redevelopment Bond Fund-Series 2001	49	107
Coliseum Capital Improvements Fund	50	108
Perpetual Care Fund		
Enterprise Funds:		
Schedules of Revenues, Expenses, and Changes in Fund Balance-Budget and Actual:		
Water Resources	51	112
Water Resources Bond—Series 2001	52	114
Water Resources Bond—Series 2003	53	115
Guilford County Construction Project Fund	54	116
Water Resources Capital Improvements	55	117
War Memorial Coliseum	56	118
Bryan Park	57	120
Parking Facilities	58	122
Parking Facilities Capital Project	59	124
Solid Waste Management	60	125
Solid Waste Capital Improvement Project	61	127
Solid Waste Landfill Expansion Project	62	128
Internal Service Funds:		
Combining Statement of Net Assets	63	130
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	64	132
Combining Statement of Cash Flows	65	134
Schedule of Changes in Long-Term Debt	66	136
Schedules of Revenues, Expenses, and Changes in Fund Balance-Budget and Actual:		
Equipment Services	67	138
Technical Services Fund	68	140
City/County Telecommunications	69	142
Graphic Services	70	144
Employee Insurance	71	146
General Insurance	72	148
Capital Leasing	73	150
General Capital Assets:		
Schedule of General Capital Assets by Source	74	152
Schedule of General Capital Assets by Function and Activity	75	153

	Table Number	Page Number
Schedule of Changes in General Capital Assets by Function and Activity	76	155
Schedule of Changes in General Long-Term Debt:	77	157

Statistical Section

I. Fund Information:

General Governmental Expenditures by Function	I	160
General Governmental Revenues by Source	II	162
General Governmental Tax Revenues by Source	III	164
Assessed Value of All Taxable Property	IV	165
Property Tax Levies and Collections	V	166
Analysis of Current Tax Levy	VI	168
Property Tax Rates—Direct and Overlapping Governments	VII	169
Principal Taxpayers	VIII	171
Assessments Receivable and Collections	IX	172
Computation of Legal Debt Margin	X	173
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	XI	174
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Debt per Capita	XII	175
Computation of Direct and Overlapping Bonded Debt—General Obligation Bonds	XIII	177
Revenue and Special Obligation Bond Coverage	XIV	178

II. Other Information:

Demographic Statistics	XV	179
Miscellaneous Statistics	XVI	180
Construction, Bank Deposits and Property Value	XVII	181

Single Audit Section

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A—133 and the State Single Audit Implementation Act

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance in Accordance with Applicable Sections of OMB Circular A—133 and the State Single Audit Implementation Act

	Table Number	Page Number
Schedule of Findings and Questioned Costs		
Schedule of Expenditures of Federal Awards		184
Schedule of Expenditures of State Awards		190
Schedule of Expenditures by Program and Cost Category—Job Training Partnership Act		192
Notes to the Schedule of Expenditures of Federal and State Awards		193

City of Greensboro
North Carolina

November 2, 2003

The Honorable Mayor
And Members of the City Council
Greensboro, North Carolina

The ***Comprehensive Annual Financial Report*** of the City of Greensboro, North Carolina for the fiscal year ended June 30, 2003, is submitted for your review. This report was prepared by the City's Finance Department and it is the comprehensive publication of the City's financial position and results of operations for the fiscal year ended June 30, 2003, for all funds and component units of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Greensboro's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required by state law to have an annual independent financial audit. A compliance audit on federal and state financial assistance programs is also required under the Federal Single Audit Act of 1984 and the State Single Audit Implementation Act. The independent auditors' report on the Basic Financial Statements is included in the Financial Section of this report. The independent auditor concluded, based upon the audit, that the financial statements of the City of Greensboro present fairly in conformity with GAAP, in all material respects, the financial position of the City of Greensboro, North Carolina, as of June 30, 2003. In addition, the auditors' reports, required as part of a single audit, are found in the Single Audit Section of this report. This report focuses not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements involving the administration of state and federal awards.

The ***Comprehensive Annual Financial Report*** is presented in four sections: (1) Introductory Section; (2) Financial Section; (3) Statistical Section; and (4) Single Audit Section.

The ***Introductory Section*** includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2002, the City's organization chart and a listing of the City's principal officials.

P.O. Box 3136 • Greensboro, NC 27402-3136 • www.ci.greensboro.nc.us • (336) 373-2065 • TTY # 333-6930

640

The ***Financial Section*** includes the independent auditors' report, the management's discussion and analysis (MD&A), the Basic Financial Statements composed of government-wide and fund financial statements, with supporting statements included, and notes to the financial statements deemed necessary to present fairly the financial position of the City. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of the MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Greensboro's MD&A can be found immediately following the report of the independent auditors.

In addition, *Supplementary Information* is presented in this section displaying all individual funds by classification of the City. Although these statements are not considered necessary for a fair presentation of the financial position or results of operations and cash flows, they are presented for supplementary analysis purposes and have been subjected to auditing procedures applied by the independent auditors in the audit of the Basic Financial Statements. *Required Supplementary Information* pertaining to contributions and funding progress of the City's Law Enforcement Officers' Special Separation Allowance is also included in this section.

The ***Statistical Section*** includes selected financial data trends of the City and its operations and local demographic and economic information.

The ***Single Audit Section*** presents information in conformity with provisions of the Federal and State Single Audit Acts, which establish audit requirements for state and local governments that receive federal and state financial assistance. It includes grant schedules and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations.

In conformity with the standards of the Governmental Accounting Standards Board, this report includes all funds of the City, as well as all of its component units. Component units (blended or discrete) are legally separate entities, for which the City is financially accountable. Blended component units are, in substance, part of the City's operations. The Greensboro Center City Corporation is reported as a blended unit in the Proprietary Funds. Discretely presented component units are not considered to be part of the City's primary operations and, therefore, are reported in total as a separate column to differentiate their financial position, results of operations and cash flows from those of the City. The Greensboro Housing Development Partnership, Inc., the Greensboro Transit Authority and the Greensboro ABC Board are presented as discrete component units.

Additional information on all three of these legally separate entities can be found in Note I. A.

PROFILE OF THE GOVERNMENT

The City of Greensboro is located in central piedmont North Carolina, midway between Washington, D.C. and Atlanta. The City was incorporated in 1808 and is the county seat of Guilford County. Greensboro has a population of 231,740 and presently covers a land area of 116.6 square miles.

The City is empowered to levy a property tax on the appraised value of all real and certain categories of tangible personal property located in the City. The County is the only other unit levying such taxes within the City's corporate limits. The City is also empowered by state statute

to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.
The City operates as a Council-Manager form of government. The Council is the policy-making and legislative body of City government and includes a Mayor and eight Council members who serve two-year concurrent terms. The Mayor and three Council members are elected at-large and the remaining five Council members are elected from districts within the City. The Mayor is a voting member and the presiding officer of the Council. A Mayor Pro Tempore is selected by the Council from its members.

The City Manager is appointed by the Council as Chief Executive Officer and is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of the City through appointed department directors and staff members.

The City provides services to its citizens in the following areas: police, fire, transportation, environmental services, water resources, parks and recreation, libraries, housing and community development, public improvements and general administration. The City also operates an arena, auditorium and exhibition building complex, golf course facilities, downtown parking facilities and government access cable television.

The annual budget serves as the foundation for the City's financial planning and control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year for all funds for which a budget is required. Activities of the General Fund, Special Revenue Funds (except for Grant Project Funds), Debt Service Fund, Proprietary Funds and certain Trust Funds are included in the annual appropriated budget. Project-length financial plans are adopted for Grant and Capital Projects Funds. Budgetary control is facilitated by the use of a personnel/payroll data system that requires every position, including applicable fringe benefits, be budgeted. Also, the North Carolina General Statutes require an encumbrance system and a finance officer's certification that funds are available prior to the placement of all purchase orders and contracts. Outstanding purchase orders and contracts are reported as a reservation of fund balance at June 30, 2003.

The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). The City Manager then presents the proposed budget to Council for review as well as the citizens of Greensboro for questions and/or concerns. The City Manager may make transfers of appropriations within funds and department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Housing Partnership Revolving Fund *(Special Revenue Fund)* budgetary comparisons are presented on pages 10 and 11 as part of the Basic Financial Statements pertaining to the governmental funds. For other funds with annual and project-length budgets, detailed budget to actual comparisons are presented in the supplementary information subsection of this report, which starts on page 33.

COUNCIL BUDGET PRIORITIES

- *Maintain a Stable Property Tax Rate*
- *Continue Basic City Services and Programs*
- *Develop New Revenue Sources for New Services and Programs*

- *Enhance Financial Condition and Continue Fund Balance Policies*
- *Maintain Enterprise Funds with User Fees*
- *Continue Productivity Improvements*
- *Provide Adequate Employee Compensation*

Within these priorities, six strategic issues will be the primary focus for FY 2003-04 funding:

- Economic Development
- Public Safety
- Protecting Natural Resources and Managing Growth
- Maintaining Existing Facilities and Assets
- Community Relations
- Fiscal Management

FACTORS AFFECTING FINANCIAL CONDITION

A. Local Economy

Greensboro's diverse economy is attributed to its unique blend of trade, manufacturing and service businesses. Local industry is characterized by the production of a wide range of products, including textiles, apparel, tobacco, machinery and electronics equipment, with increased emphasis on the telecommunications industry. The area experiences an excellent market location which has access to all major domestic and international markets from Interstate Highways 40 and 85, and the Piedmont Triad International Airport. Plans are in progress for a new interstate system (I-73) that will span North Carolina, joining Detroit and Charleston, including Greensboro en route. In northern Greensboro, U.S. 29, between Danville and Greensboro, has also been designated as Interstate 785. In addition, the Urban Loop, a 40 mile beltway around Greensboro is under construction, at a cost of $900 million. The target date for completion of the Eastern, Southern and Western Loops is 2009.

Located in the vicinity of Piedmont Triad International Airport are various major industrial and business parks covering about 700 acres. Existing office and industrial facilities located within 2 ½ miles of the airport exit off Interstate Highway 40 include more than three million square feet of office, office/showroom, warehouse/distribution, light industrial and hotel space.

County-wide inventories of industrial and office space are conducted quarterly. During the first quarter of 2003, the office market vacancy rate increased slightly to 19.99% versus the fourth quarter 2002 vacancy rate of 19.75%. Rentable square feet totaled 9.9 million with nearly 2 million square feet vacant. During the same period, the industrial market vacancy rate decreased slightly from nearly 20% in the fourth quarter of 2002 to 19.33% in the first quarter of 2003. Rentable industrial space totaled 16.2 million square feet and vacant square feet totaled 3.1 million.

In 2003, the Boyd Company of Princeton, N.J. rated the Greensboro MSA as the lowest cost location for Fortune 500 corporate headquarters among 30 major U.S. metropolitan areas.

Area businesses have experienced moderate growth and development overall in the past year, despite economic slowdowns at both the state and local level, as evidenced in the following statistics.

% Greensboro Unemployment

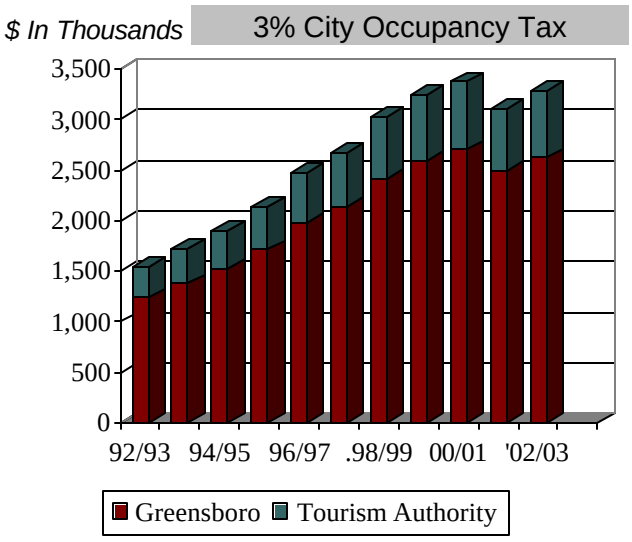
	98	99	00	01	02	03		98	99	00	01	02
Jan	3.5	2.5	2.9	3.7	6.3	6.2	July	2.9	2.6	3.1	5.0	7.4
Feb	3.3	2.6	3.2	3.9	6.4	6.0	Aug	2.9	2.9	2.9	5.2	6.9
Mar	3.1	2.3	2.7	3.7	6.5	5.9	Sept	2.6	2.4	3.0	5.1	6.4
Apr	2.6	2.0	2.2	3.9	6.3	6.0	Oct	2.5	2.6	2.9	5.2	6.4
May	2.8	2.3	2.7	4.2	6.7	6.1	Nov	2.3	2.6	3.3	6.2	6.3
Jun	2.9	2.5	3.0	4.8	7.2	7.0	Dec	1.9	2.3	2.9	5.9	6.3

Source: North Carolina Employment Security Commission

The following is a comparison of average annual unemployment rates *(%)* for the City, County, State and United States:

Year		City		County		State		US
1997		3.3		3.1		3.7		5.0
1998		2.8		2.6		3.4		4.5
1999		2.5		2.4		3.2		4.2
2000		2.9		2.8		3.4		4.0
2001		4.9		4.7		5.3		5.1
2002		6.4		6.2		6.5		6.0

Source: North Carolina Employment Security Commission

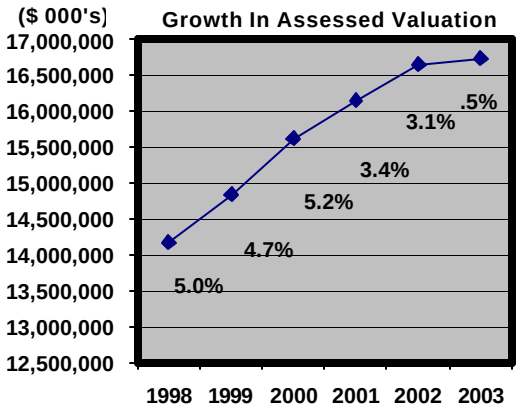


There are currently 8,588 hotel/motel rooms throughout the City. Receipts from the City's 3% occupancy tax totaled $2,623,791 in FY 2002-03, increasing by 5.2% over the prior year, with moderate growth expected next year. The Tourism Authority receives 20% of the City's 3% occupancy tax, while a portion of the County's 3% occupancy tax is remitted to the City for tourism development activities.

Greensboro Area Largest Employers

Company	Product / Service	Approximate Number of Full-Time Employees
Guilford County Public Schools	Education	8,000
Moses H. Cone Health System & Affiliates	Health Care	6,500
Tyco Electronics	Electronics	3,415
Sears Roebuck & Company	Retail	3,000
Guilford County	Government	3,000
City of Greensboro	Government	2,857
American Express, Inc.	Credit Card Services	2,400
The University of North Carolina at Greensboro	Education	2,025
High Point Regional Hospital	Health Care	1,975
U.S. Postal Service	Postal Service	1,900
Bank of America, N.A.	Banking Services	1,800
Thomas Built Buses/Freightliner	Bus Manufacturing	1,800
VF (Vanity Fair) Corporation	Apparel	1,685
Old Dominion Freight Line, Inc.	Transportation	1,500
Lorillard Tobacco Company	Cigarettes	1,500
Cone Mills Corporation	Textile Manufacturing/Office	1,320
Procter & Gamble Corporation	Consumer Products	1,200
RF Micro Devices	Semiconductors	1,035

Source: Greensboro Chamber of Commerce, December 2002



Population Characteristics

	Median Age	Median Household Income	% Households Earning >$20,000
Greensboro	33.0	$35,307	77.7
Guilford County	35.7	37,889	79.8
North Carolina	36.2	35,537	76.4
United States	36.0	38,035	NA

Source: Sales and Marketing Management Magazine, 2003
Book of County Demographics, 2003
U.S.Census, 2000

Business Investment FY2003 Summary

	New Jobs	Investment
Expanding Firms	300	$ 2,500,000
New Firms	290	19,700,000
Total	590	$22,200,000

Source: Greensboro Chamber of Commerce

Retail Sales Data

Fiscal Year	Retail Sales	% Increase Over Previous Year
1992	$3,897,081,800	3.4
1993	4,172,198,401	7.1
1994	4,684,753,591	12.3
1995	5,280,097,083	12.7
1996	5,344,766,815	1.2
1997	5,624,445,628	5.2
1998	6,080,301,316	8.1
1999	6,450,317,470	6.1
2000	6,365,659,377	(1.3)

2001	6,573,713,784	3.2
2002	5,929,164,086	(9.8)
2003	5,780,945,375	(2.5)

Source: North Carolina Department of Revenue

Other economic development news in FY 2002-03 include the following highlights.

The Downtown Development Plan, commissioned by Action Greensboro, provided ideas for major downtown projects including cost, feasibility and strategies for increasing commercial, residential and cultural activity. As a result, Action Greensboro, a consortium of six foundations, has committed to raise $36.7 million for several initiatives over next the three years, among which are $12 million for Freedom Park, $8.5 for a minor-league baseball stadium, $1.5 million for housing initiatives and $4 million for a Civil Rights Museum. Four downtown districts have been designated for future development: Bellemeade, Morehead, Cultural and Southside.

Federal Express Corporation has received approval from the Federal Aviation Administration to construct an approximately $500 million mid-Atlantic cargo hub adjacent to the airport, which is expected to be completed and operational in 2009. The Federal Express hub is projected to employ 1,500 people and operate 20 to 25 flights daily. The Piedmont Triad Airport Authority plans to construct a third runway parallel to the existing main runway to support the hub and to facilitate future expansion. As a result of the Federal Express hub, MWG-Biotech and Medi Manufacturing have announced plans to collectively invest $7 million in facilities located in the airport area and employ more than 200 people. A final environmental impact statement report prepared by consultants for the Federal Aviation Administration has been approved. PTIA has received nearly $11 million in federal grants to build the third runway, buy land and begin other construction tasks necessary for the cargo hub.

B. Long-Term Financial Planning

1) Environmental Issues

The Piedmont Triad Regional Water Authority, jointly sponsored by six area local governments, including the City, is coordinating the construction of the $140 million Randleman Dam, Water Plant and Lake project that was designed to meet anticipated 21st century water needs. The project is expected to serve Randolph County and five municipalities located in Guilford and Randolph Counties: Greensboro, High Point, Jamestown, Archdale and Randleman. The project was originally scheduled to begin in 1998 and be completed by the year 2000. However, due to delays in obtaining the required regulatory approvals and permits, the project is now underway. The dam is nearing completion, but roads, bridges and other reservoir improvements must be made before the gates can be closed. A water treatment plant and transmission lines must also be designed and constructed. The City expects to receive water from the Randleman Dam Reservoir in 2007.

In order to ensure its future water supply, the City has also purchased a dam on the Haw River and built an emergency pipeline from the river to Lake Townsend at a cost of approximately $10,000,000. The 30" line runs approximately 13 miles. Other plans for supplementing the City's water supply include the continuation of a water line to the City of Burlington, scheduled for completion in 2004. The City is pursuing the construction of a transfer station for municipal solid waste as an alternative to the White Street Landfill. In order to fund the additional costs for land, construction, operations, and haul and disposal associated with the transfer station, the FY 2004 budget includes increased user fees to accommodate these changes. Property was purchased for the project subsequent to year end.

2) Economic Development

Based on discussions held with Council in December 2002, Economic Development was added as a strategic priority for the City. Revitalization of downtown is targeted with a variety of activities including new housing development, business location, business façade improvement programs, landscaping programs and public safety. A new program was developed to fund small businesses on the eastern side of the City as well as increased support of Forward Greensboro, our business development and recruitment program. This additional funding will help develop geographic based information regarding business site selection and development that prospective employers and developers can access through an Economic Development Partnership maintained website.

3) Technology

The FY 2003-04 adopted budget includes $1.1 million in the General Fund to continue implementation of Case Processing and Field Reporting Systems for the Police Department, as well as a new computer aided dispatch system. These technology projects were delayed in the prior year due to local revenue shortfalls from state shared sources.

The City implemented the Enterprise Resource Planning (ERP) project in January 2003. The organization's foundational computing systems such as the General Ledger, Payroll, Procurement and Human Resources were combined into one basic suite of products that are highly integrated. This comprehensive project adapts mainframe systems, internally developed in the 1960's, to an industry supportable networked environment. The total estimated cost of the project is $6.2 million dollars and is being financed over a three-year period.

The City is in progress of creating a state-of-the-art, enterprise-wide Contact Center for the provision of non-emergency municipal services. The initial project covers the areas of Solid Waste Collection and Street Maintenance. Once fully implemented, the Contact Center will provide a single point of contact for citizens to communicate requests for either City services or information. Integral to this project is the implementation of an enterprise-wide asset management and work order management system. This system will

be used to track our success in fulfilling service requests and improve productivity of filed operations. Initial operation of the Center is scheduled to begin in late spring 2004.

4) Plans for Debt Issuances

The City currently has $88,400,000 in authorized and unissued general obligation bonds to fund various governmental projects, with an anticipated phased issuance over the next several years. $43.4 million in Combined Enterprise System Revenue Bonds were issued in August 2003 to fund projects such as the Haw River water line installation, further infrastructure improvements to allow greater water purchases from a neighboring community and a variety of major lift station installations and replacements that should stimulate economic development.

5) Capital Improvements

Bond-financed and other major capital projects completed, or in progress at year-end included street and bridge projects, additional fire stations and public safety training facilities, water and sewer system upgrades, renovations of existing facilities and landfill expansion.

- The $14.5 million Public Safety Training Facility, funded from general obligation bonds issued in 1998, opened in FY 2003. The capital improvements program includes funding for construction of the Horsepen Creek Fire Station in anticipation of service expansion and replacement of aging Fire Station Number 11. A new Police District #3 Substation is scheduled to be completed next year. Renovations to the District #1 Police Substation are planned as well as construction of a third substation in District #2 in FY 2004-05.

- Cultural and Recreation projects, largely conceptualized in the Parks and Recreation Master Plan, account for approximately 11% of the planned capital program. Projects scheduled include replacement of the Barber Park Tennis Pavilion, a new Southwest Recreation Center, and connector trails between City parks. The City also purchased a property and created the Greensboro Sportsplex, a multi-use indoor recreational facility which opened in FY 2003. Other notable projects include construction of several new and replacement libraries.

- Design work is underway for the Cone Boulevard/Nealtown Road extension at a projected cost of $5.5 million, to be funded from future Powell Bill funds. Planning and design are in progress for 2000 referendum projects such as Franklin Boulevard, Creek Ridge Road, Lake Jeanette Road and East Market Street and Church Streetscape Projects. Construction is complete for the Multi-Modal Transportation Center which opened in August 2003. This facility will house a City bus transfer center, rail station and commercial bus service providers in downtown Greensboro.

- Expansion of Phase III of the Osborne Wastewater Treatment plant, estimated at a total cost of $40 million, was completed in June 2001 for an additional 10 million gallons per day (mgd). The project increased the plant's sewage treatment capacity to 30 mgd. Phase IV, which increased the plant's sewage treatment capacity to 40 mgd, was completed in March 2003.

- The City is currently participating with the Greensboro Housing Authority in the HOPE VI housing project in order to revitalize the Willow Oaks neighborhood in southeast Greensboro. The total project cost is estimated to be $97 million, including federal funds. Our commitment is $12.4 million, primarily for site assembly and infrastructure work which is in progress as of June 30, 2003. The project is estimated to be complete in fall 2007.

The proposed six-year Capital Improvement Plan includes approximately $362 million for projects that will be undertaken during FY 2003-2009 and will be funded primarily with the proceeds of authorized or proposed bond sales, state and federal grants and enterprise fund revenues. This is approximately 4% less than the capital plan adopted last year.

C. Cash Management Policies and Practices

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City or its agent. All investments held by the City during the year and at June 30, 2003 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

The City's cash management program provided the City with interest earnings totaling $8,831,012 for the fiscal year ended June 30, 2003 as compared to $10,444,187 in the prior year. Cash balances are analyzed daily to forecast the amount of funds required and amounts available for investment. The average amount of funds invested per month totaled $251,851,158 during the year. The City's average yield on investments for the year was 3.5%. Interest earnings showed a decrease over the prior year largely due to the market conditions. Interest earned on bond proceeds was used to offset the cost of debt service. Interest earnings were the equivalent of nearly 5.3 cents on the tax rate for FY 2002-03.

D. Risk Management

The City has a risk management program where resources are being accumulated to meet potential losses due to employee injuries, damage to assets, and natural disasters to name a few. In addition, various internal control techniques, including employee accident prevention sessions, have been implemented to minimize accident-related losses and to safeguard assets.

Additional information on the City’s risk management activity can be found in Note V. A of the notes to the financial statements.

E. Pension and Other Postemployment Benefits

The City provides pension benefits for all permanent, full-time employees through the statewide Local Governmental Employees’ Retirement System, (System) a multiple-employer, cost-sharing, defined benefit pension plan, administered by the State of North Carolina. Covered employees are required by State statute to contribute 6% of their salary to the

System. The City is required by State statute to contribute the remaining amounts necessary to pay benefits when due, based on an actuarially determined contribution requirement. The City of Greensboro has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the State.

The General Statutes of North Carolina require the City to provide a special separation allowance for law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The actuarial present value of the total accrued actuarial liabilities as of December 31, 2002, the date of the last actuarial valuation, amounted to $15,831,856 of which 28% was funded. The valuation projects that an annual contribution of 4.65% of law enforcement payroll or $1,099,000 is required in FY 2004 to provide sufficient funding for this liability. Increased hiring of police officers due to Council service priorities and higher levels of federal funding have raised City contributions to $1,531,886 in FY 2002-03, which represents 122% of the required amount. This amount was funded in the current year.

All law enforcement officers employed by the City participate in the State of North Carolina Supplemental Retirement Income Plan, a 401(k) defined contribution pension plan, administered by the State of North Carolina. The City is required to contribute 5% of each officer's salary, as well as the law enforcement officers may make voluntary contributions to the plan.

The City of Greensboro also provides postretirement health benefits for retirees until age 65. As of the end of the current fiscal year, there were 457 retirees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the City of Greensboro's pension arrangements and postemployment benefits can be found in Notes V. G and I in the notes to the financial statements.

AWARDS AND ACKNOWLEDGMENTS

The City has participated in the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement Program since 1975. GFOA recognizes governmental units that issue their comprehensive annual financial reports substantially in conformity with the standards of the Governmental Accounting Standards Board. The City has received favorable recognition for its comprehensive annual financial report for twenty-eight consecutive years, (1975 through 2002). Valid for a period of one year, we believe our current report continues to conform to Certificate of Achievement Program requirements, as an easily readable and efficiently organized CAFR, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City of Greensboro's Connections 2025 Comprehensive Plan has been awarded the "Outstanding Planning Award in the Comprehensive Planning Category" by the North Carolina Chapter of the American Planning Association (NCAPA). The award honors plans, programs and processes of unusually high merit and it was noted by NCAPA that this is the first true

comprehensive plan for the City and it is unique for its community wide goals. *The Plan distinguishes itself by the City's express commitment to continuing inclusiveness and social equity for all Greensboro residents, thereby giving them a stake in ensuring the vitality of the Plan.*

Greensboro's comprehensive plan process began in September 2000 with the appointment of an 18-member Steering Committee. Numerous opportunities for public input were provided throughout the process, including an initial public lecture series, interviews, public meetings and a charette to solicit ideas and recommendations. The Greensboro City Council adopted the plan in May 2003.

To conclude, a review of the financial statements of the City will indicate a sound financial position and responsible actions in response to statewide slowing of the economy and loss of state-shared revenues. The financial outlook for FY 2003-04 is strong, with some moderate growth in revenue categories forecasted. Present management efforts in long-range strategic and comprehensive planning should enable the City to generate adequate resources to meet future services demand levels, afford a stable financial position, protect the City's credit ratings, and maintain realistic tax burdens on the public. City staff are preparing to meet the challenges of the twenty-first century to exceed the expectations of citizens for service delivery.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Financial Reporting and Accounting Divisions of the Finance Department and the Internal Audit staff. We would like to express our appreciation to all personnel who assisted and contributed to the preparation of this report. We would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

J. Edward Kitchen
City Manager

Richard L. Lusk
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Greensboro, North Carolina

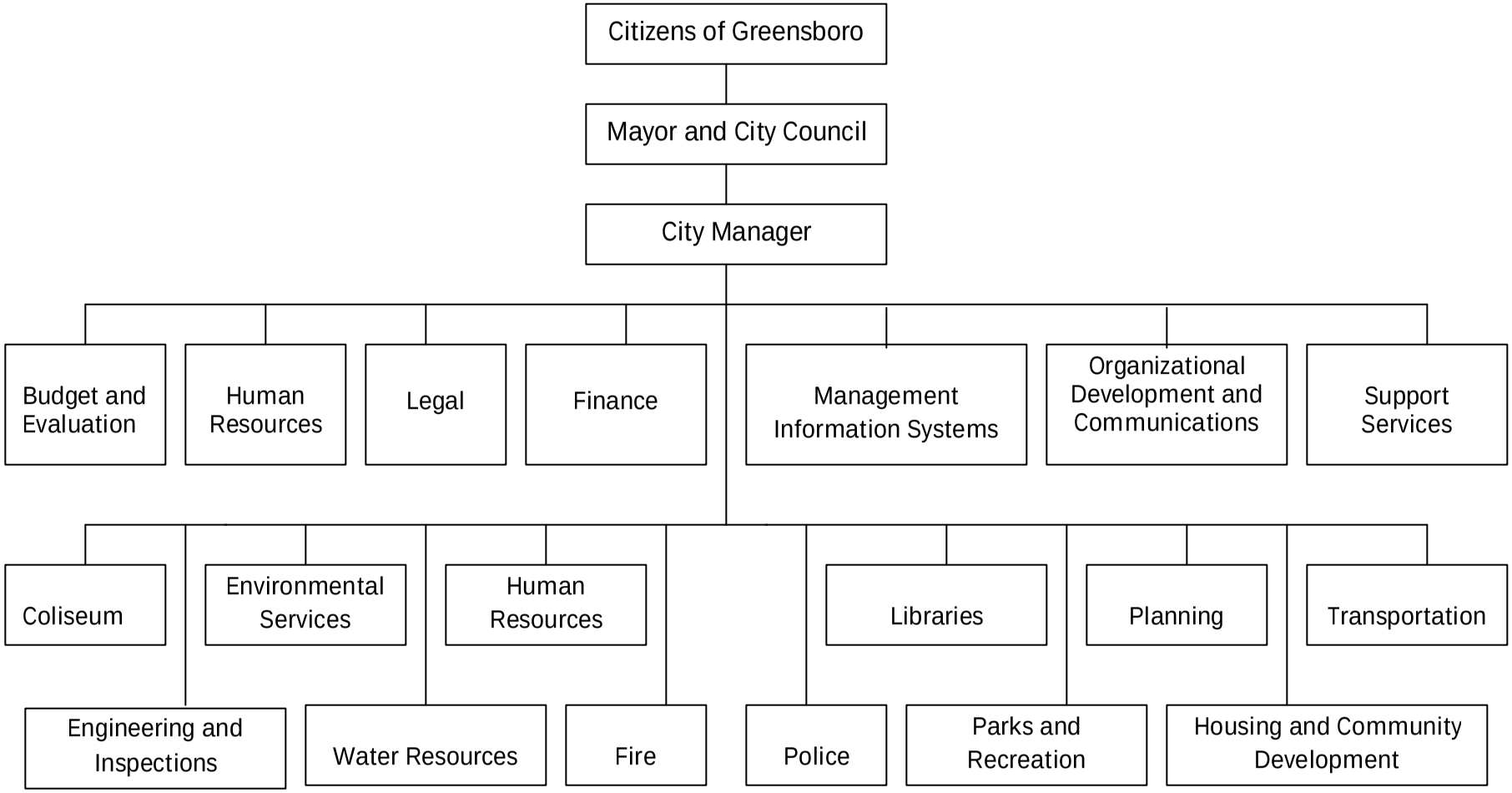
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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

President

Executive Director

CITY OF GREENSBORO



Greensboro City Council

Keith A. Holiday, Mayor
Yvonne J. Johnson, Mayor Pro Tem
Thomas M. Phillips, At Large
Donald R. Vaughan, At Large
Belvin J. Jessup, District 1
Claudette Burroughs-White, District 2
Robert V. Perkins, District 3
Florence F. Gatten, District 4
Sandra G. Carmany, District 5

City Manager

J. Edward Kitchen

Finance Director

Richard L. Lusk

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Greensboro, North Carolina, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Greensboro's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the City of Greensboro ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Greensboro ABC Board, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Greensboro, North Carolina as of June 30, 2003, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund and the Housing Partnership Revolving Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2003 on our consideration of City of Greensboro's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the City of Greensboro, North Carolina. The combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the State Single Audit Implementation Act, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Cherry, Bekaert & Holland, L.L.P.

Greensboro, North Carolina
October 31, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greensboro, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Greensboro for the fiscal year ended June 30, 2003. The Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or concerns.

Since the MD&A is structured to focus on the current years activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with the transmittal letter, which can be found on pages ___ of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City of Greensboro exceeded its liabilities at the close of the fiscal year by $704.7 million *(net assets).*

  The City's net assets increased by $2.5 million (.35%) compared to FY 2002. The governmental net assets increased by $14 million (4.2%) due to increased property tax rates, full reimbursement of utility franchise taxes previously withheld from local government units by the state due to budgetary constraints and increased sales tax collections which help to offset loss of state-shared revenues for inventory and intangible tax reimbursements. The business-type net assets decreased by $11.6 million (3.2%) primarily due to expensing of significant contributions for the Randleman Dam and reservoir improvement project this year.

- The governmental activities revenue increased by $10.9 million, an increase of 5.5% from last year, primarily due to higher levels of grants and contributions and tax collections from the sources described above. In the City's business-type activities, program revenues decreased by $10.4 million or 11.2% to $82.5 million. The change in business-type activities is largely due to decreased donations of water and sewer lines from developers and the net income from joint venture (Piedmont Triad Regional Water Authority – PTRWA) recorded in the prior year. City-wide, charges for services increased $10.4 million or 9.5%.

- During the year, the City's governmental expenses were $193.1 million, an increase of $2.3 million or 1.2% from last year while expenses increased 21.3% in the City's business-type activities. Most notable business-type expense was $16 million contributed toward expanding the City's long-term water supply.

- Of the City's various service areas, Environmental Services generated sufficient revenues in its program to cover program expenses as well as parking fees from operations covered operating expenses. No significant new funding sources were noted in FY 2003.

- The total cost of all City programs increased by $18.4 million or 13.4% compared to FY 2002.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $155.3 million, an increase of approximately $24 million in comparison with the prior year. Approximately 67% of this total amount, or $104.5 million is unreserved, less amounts appropriated for next year's budget. The overall increase in fund balance is largely due to proceeds of general obligation bonds issued in 2003.

- At the end of the current fiscal year, the total unreserved fund balance for the General Fund specifically was $28.8 million, or 15.9% of total general fund expenditures for the fiscal year. Of this balance, $10.1 million is designated for appropriation next year. It is also the City's policy to hold aside 9% of the subsequent year's General Fund budget as "undesignated" to remain available for appropriation. This amounted to $17.5 million as of June 30, 2003.

- Charges for services for the City's largest enterprise activity, Water Resources Fund, comprising water and sewer operations increased 2.4% in FY 2003. The City purchased a water supply from three neighboring municipalities in the current year for approximately $2.3 million and entered into a water purchase contract arrangement with a fourth community. Payments of $16 million were also made to the PTRWA for construction of the Randleman Dam, which should be operational by 2007 and for reservoir and surrounding infrastructure improvements. This project is being funded by a group of local government units and will supplement Greensboro's water supply needs for the long term. The City's total equity interest in the Randleman Dam project is approximately $36 million as of June 30, 2003.

- A deficit of $86,145 was reported in the Hope VI Program as of the end of the fiscal year. This deficit will be funded by reimbursements from other governmental agencies in FY 2004.

- The General Fund budget for the fiscal year ended June 30, 2003 was adopted with a $.5975 per $100 assessed valuation property tax rate. An additional levy of $.02 per $100 assessed valuation was used to improve and expand the public transit system.

- As of June 30, 2003, the City had collected approximately $181 million or 101% of its amended budgeted General Fund revenues and had incurred $181 million or 93% of its budgeted expenditures. The net effect on General Fund fund balance is minimal this year.

- General Fund budget amendments during FY 2003 netted to approximately $3,115,000 with individual increases (decreases) by functional area noted below:

  General Government increased by $3,090,115 to fund technology improvements.
  Public Safety increased by $52,317. Police increased $95,186 while Fire decreased $42,869.
  Culture and Recreation increased by $189,249
  Transfers Out decreased by ($115,630)
  Other functional areas decreased by ($101,051)

- Key Ratios

	2003	2002	2001	2000
$ Bonded Debt Per Capita	$691	$581	$598	$696
% Debt Service to General Governmental Expenditures	8.1	8.1	9.2	9.9
% Property Tax Collections	98.83	98.74	98.77	98.65
% Increase in Assessed Property Valuation	.5	3.1	3.4	5.2

- The City's total bonded debt increased by $27 million and includes issuance of general obligation debt and scheduled principal retirements. The City issued $50 million in General Obligation Bonds in February 2003 that are part of the $135.9 million bond referendum approved by voters in November 2000. In September 2002, the City also took advantage of historically low interest rates and refunded a portion of its Parking Facilities Certificates of Participation and achieved a present value interest savings of $1,012,388 over the remaining term of the certificates which mature on December 1, 2008. General obligation debt in the amount of $22,820,000 was also issued in FY 2003 to refund certain 1993 and 1994 fixed rate obligations for a present value savings of $1,650,617. Interest rates on the City's variable rate debt were 1.00% and 1.05% respectively for tax-exempt and taxable general obligations at June 30, 2003.

- The City of Greensboro maintained its AAA and Aa1 general obligation (GO) credit rating from Standard & Poor's and Moody's Investors Service and received an AAA rating from Fitch IBCA for their first rating of the City's GO obligations this year. Ratings for Certificates of Participation were re-affirmed and the Combined Enterprise System Revenue Bonds were upgraded by S&P and Fitch to AA+ as follows:

<u>Standard & Poor's (S&P)</u>

General Obligation Bonds	Currently	AAA	Target	AAA
Certificates of Participation	Currently	AA+	Target	AA+
Enterprise System Revenue Bonds	Currently	AA+	Target	AA+

<u>Moody's Investor Service (Moody's)</u>

General Obligation Bonds	Currently	Aa1	Target	Aaa
Certificates of Participation	Currently	Aa2	Target	Aa1
Enterprise System Revenue Bonds	Currently	Aa3	Target	Aa1

<u>Fitch IBCA (Fitch)</u>

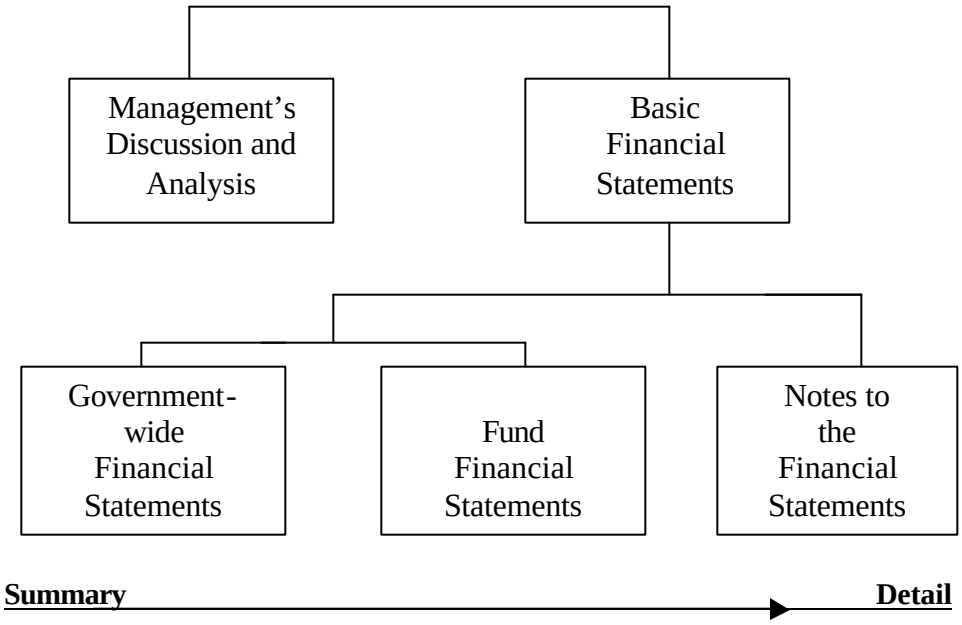
General Obligation Bonds	Currently	AAA	Target	AAA
Enterprise System Revenue Bonds	Currently	AA +	Target	AA+

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Greensboro's basic financial statements. The financial statements include two kinds of statements that present different views of the City: 1) Government-Wide Financial Statements and 2) Fund Financial Statements. Both perspectives, however, are essential and complementary components that allow the user to address relevant questions, broaden a basis for comparison, and enhance the City's accountability. Another element of the basic financial statements is the notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Greensboro. (See Figure 1)

Required Components of Annual Financial Report

Figure 1



A. Government-Wide Financial Statements

The government-wide statements report both short-term and long-term information about the financial condition of the City as a whole, focusing on the government's operational accountability. The accounting methods of these statements reflect that of private sector companies in that all governmental and business-type activities are consolidated into columns that add to a total for the primary government. The statement of net assets reports the City's net assets and includes all, both current and non-current, assets and liabilities of the government. The difference between the two is

reported as net assets. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will also need to consider other non-financial factors, such as changes in the City's property tax base, local economy and service levels, to assess the overall health of the City. On the other hand, the statement of activities reports how net assets have changed and includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The government-wide financial statements of the City are divided into three categories:

Governmental Activities- Most of the City's basic services are included here, such as police, fire, transportation, environmental services, libraries, housing and community development, public improvements, parks and recreation and general administration. Property taxes and state and federal grants finance most of these activities.

Business-Type Activities- The City charges fees to customers to help it cover the costs of certain services it provides. The City's water and sewer system, parking facilities, solid waste facilities, coliseum, and water resources are included here as well as certain golf course operations.

Component Units- The City includes three other discretely presented component entities in its report—Greensboro Housing Development Partnership, Inc., the Alcoholic Beverage Control (ABC) Board and the Greensboro Transit Authority. The activities of Greensboro Center City Corporation are also blended with those of the City. Although legally separate, these "component units" are important because of certain financial transactions that exist between the entities and the City and extensive board member appointments by City officials.

The government-wide financial statements can be found on pages 2-5 of this report.

B. <u>Fund Financial Statements</u>

The fund financial statements provide more detailed information about the City's major funds while focusing on the fiscal accountability. Funds are accounting devices that the City uses to keep track of specific sources of funding, such as those required by state law and bond covenants, and spending for particular purposes. City Council establishes many funds to assure control as well as good management and to exhibit proper usage of certain taxes and grants. The City of Greensboro, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or City ordinances.

The City has three types of funds:

Governmental Funds- Most of the City's basic services are included in governmental funds, which focus on 1) how cash and other financial assets can readily be converted to cash flow in and out (that is, their liquidity) and 2) the balances left at year-end that are available for spending. This is the manner in which the financial budget is typically developed. Because this information provides a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs, as opposed to the government-wide statements which provides both a short and a long term focus, a reconciliation is provided on the page following the fund statements that explains the relationship or differences between the two views.

The basic governmental fund financial statements can be found on pages 6-11 of this report.

Proprietary Funds- Services for which the City charges customers a fee are generally reported in proprietary funds. Accounted for like the government-wide statements, proprietary funds provide both long and short-term financial information and in addition include the statement of cash flows. A reconciliation statement is once more provided following these funds to explain the differences between them. The Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements. Individual fund data for the internal service funds is provided in the form of combining statements located on pages 130-151.

The basic proprietary fund financial statements can be found on pages 12-23 of this report.

Fiduciary Funds- The City is the trustee, or fiduciary, for its Police Special Separation Allowance Pension Trust. The City is responsible for ensuring that the assets reported in this fund are used only for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the government-wide financial statements because the City cannot use these assets to finance its operations.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

C. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 30 of this report.

D. Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Greensboro's progress in funding its obligation to provide pension benefits to certain of its employees. Required supplementary information can be found on pages 31-32 of this report.

E. Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages starting on page 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended June 30, 2003 still represent a new look for the City of Greensboro. Prior to last year, the City maintained its governmental and proprietary fund groups as two separate and very distinct types of accounting, without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the City. These statements were basically the equivalent of the fund financial statements that appear in this report with fiduciary funds and two former account groups, the long-term debt and the general fixed assets, added in.

The changes in the financial statement reporting model are mandated by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34 dictated the changes you see in the City of Greensboro's financial reports as well as those of many other units of government. While the City of Greensboro was required to implement these changes in the prior year, other units may not be required to implement until 2003 or 2004.

Because of the new reporting model, comparative data for all parts of this report may not be available. When comparative numbers are accessible, they have been included. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Greensboro, assets exceeded liabilities by $704,694,791 at the close of June 30, 2003 compared to $702,210,818 in the previous year. The net assets for the City as a whole increased .35% at June 30, 2003. This increase of $2.5 million represents a combination of increased collections of property and other taxes and more grants and contributions, offset by higher payments to ensure Greensboro's future water supply.

The largest portion of the City of Greensboro's net assets $493,049,890 (70%) represents its investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The resources needed to repay the debt must be provided from sources other than capital assets, since it cannot be used to liquidate the liabilities.

An additional portion of the City of Greensboro's net assets $93,997,313 (13%), represents resources that are subject to external restrictions on how they may be used. Lower "restricted" net assets and increased investment in capital assets, net of related debt this year is largely a function of the City's expansive construction activity funded by bond proceeds. Unrestricted net assets, the residual amount of assets that can be used without constraints established by debt covenants, enabling legislation, or other legal requirements changed from $146,832,124 at June 30, 2002 to $117,647,588 (17%) at the end of this year. However, it should be noted that of this total reported "unrestricted" amount, only approximately $28 million is available and unobligated to finance additional day-to-day governmental activities or unforeseen circumstances in the future.

Table A-1
City of Greensboro's Net Assets
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2002	2003	2002	2003	2002	2003	02-03
Current and Other Assets	$ 230,890	$ 254,163	$ 137,501	$ 112,742	$ 368,391	$ 366,905	-0.40%
Capital Assets, Net	338,935	353,395	412,986	424,270	751,921	777,665	3.42%
Total Assets	569,825	607,558	550,487	537,012	1,120,312	1,144,570	2.17%
Long-Term Debt Outstanding	201,190	226,175	167,090	161,943	368,280	388,118	5.39%
Other Liabilities	29,419	28,089	20,402	23,669	49,821	51,758	3.89%
Total Liabilities	230,609	254,264	187,492	185,612	418,101	439,876	5.21%
Net Assets	339,216	353,294	362,995	351,400	702,211	704,694	0.35%
Invested in Capital Assets, Net of Related Debt	188,505	217,732	263,478	275,318	451,983	493,050	9.09%
Restricted	70,317	77,176	33,079	16,820	103,396	93,996	-9.09%
Unrestricted	80,394	58,386	66,438	59,262	146,832	117,648	-19.88%
Total Net Assets	$ 339,216	$ 353,294	$ 362,995	$ 351,400	$ 702,211	$ 704,694	0.35%

*For more detailed information, see the Statement of Net Assets on page 2.

Table A-2
City of Greensboro's Changes in Net Assets
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
Revenues:						
Program Revenues:						
Charges for Services	$ 32,343	$ 40,776	$ 76,470	$ 78,446	$108,813	$ 119,222
Operating Grants and Contributions	15,408	18,137		150	15,408	18,287
Capital Grants and Contributions	930	3,000	16,387	3,899	17,317	6,899
General Revenues:						
Property Taxes	93,812	99,839			93,812	99,839
Other Taxes	43,112	46,835			43,112	46,835
Investment Income	9,142	5,991	3,314	1,731	12,456	7,722
Other	10,598	2,611	1,274	1,577	11,872	4,188
Total Revenues	205,345	217,189	97,445	85,803	302,790	302,992
Expenses:						
General Government	28,695	26,891			28,695	26,891
Public Safety	73,864	77,219			73,864	77,219
Transportation	18,655	23,844			18,655	23,844
Engineering and Inspections	15,428	13,571			15,428	13,571
Environmental Services	993	1,818			993	1,818
Culture and Recreation	28,757	27,736			28,757	27,736
Community Development and Housing	10,711	9,588			10,711	9,588
Economic Opportunity	2,319	3,061			2,319	3,061
Water Resources	2,401	1,995			2,401	1,995
Intergovernmental	1,037	1,149			1,037	1,149
Interest, Fees on Long Term Debt	7,918	5,709			7,918	5,709
Arbitrage Rebates		548				548
Water Resources			48,627	65,612	48,627	65,612
War Memorial Coliseum			15,269	16,533	15,269	16,533
Solid Waste Management			19,596	21,083	19,596	21,083
Parking Facilities			2,113	1,830	2,113	1,830
Bryan Park			2,848	2,322	2,848	2,322
Total Expenses	190,778	193,129	88,453	107,380	279,231	300,509
Net Increase (Decrease) in Net Assets Before Transfers	14,567	24,060	8,992	(21,577)	23,559	2,483

	Activities		Activities		Total	
	2002	2003	2002	2003	2002	2003
Transfers	(9,029)	(9,982)	9,029	9,982	-	-
Increase (Decrease) in Net Assets						
Net Assets	5,538	14,078	18,021	(11,595)	23,559	2,483
Net Assets - July 1	333,678	339,216	344,974	362,995	678,652	702,211
Net Assets - June 30	$ 339,216	$353,294	$362,995	$351,400	$702,211	$704,694

Table A-3
Summary of Financing/Interest Earnings - Governmental Activities
(In thousands of dollars)

	FY2002	FY2003	$ Change	% Change
Interest Revenue	$9,142	$5,991	($3,151)	-34.5%
Interest Expense	7,917	5,709	(2,208)	-27.9%
Net	$1,225	$ 282	($ 943)	-77.0%

Summary of Financing/Interest Earnings - Business Activities
(In thousands of dollars)

	FY 2002	FY2003	$ Change	% Change
Interest Revenue	$3,315	$1,731	($1,584)	-47.8%
Interest Expense	6,348	6,988	640	10.1%
Net	($3,033)	($5,257)	($2,224)	73.3%

A. Governmental Activities

Governmental activities increased the City's net assets by approximately $14 million. Key elements of this increase are as follows:

The net cost of program services were lowered by 7.7% or approximately $10.9 million, with savings in general government debt service of approximately 2.2 million noted. The property tax rate increased $.035 per $100 valuation in the current year, and slight gains in assessed property valuation contributed more than $6 million more in general revenues.

FIGURE 2
Expenses and Program Revenues – Governmental
(In thousands of dollars)

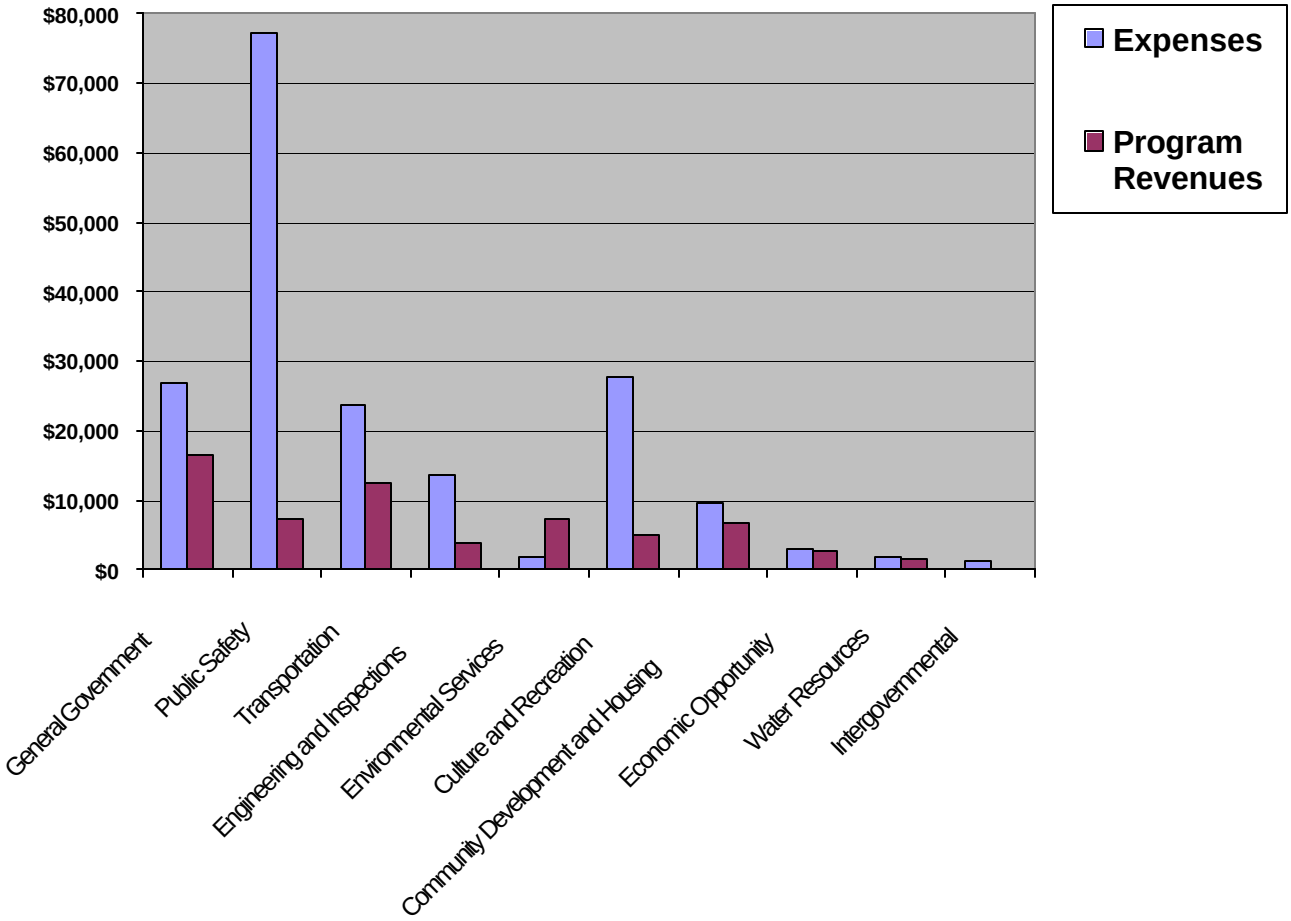


Table A-4
Net Cost – Governmental Activities
(In thousands of dollars)

	Total Cost of Services		% Change	Net Cost Of Services		% Change
	2002	2003	02-03	2002	2003	02-03
General Government	$28,695	$26,891	-6.3%	($19,333)	($10,383)	-46.3%
Public Safety	73,864	77,219	4.5%	(67,283)	(69,867)	3.8%
Transportation	18,655	23,844	27.8%	(5,263)	(11,218)	113.1%
Engineering and Inspections	15,428	13,571	-12.0%	(11,477)	(9,741)	-15.1%
Environmental Services	993	1,818	83.1%	112	5,472	4785.7%
Culture and Recreation	28,757	27,736	-3.6%	(24,136)	(22,780)	-5.6%
Community Development and Housing	10,711	9,588	-10.5%	(5,393)	(2,855)	-47.1%
Economic Opportunity	2,319	3,061	32.0%	(396)	(445)	12.4%
Water Resources	2,401	1,995	-16.9%	25	(1,994)	-8076.0%
Intergovernmental	1,037	1,149	10.8%	(1,037)	(1,149)	10.8%
Total	$182,860	$186,872	2.2%	($134,181)	($124,960)	-6.9%

B. Business-Type Activities

Business-type activities decreased the City of Greensboro's net assets by $11.6 million, largely attributable to contributions to the Randleman Dam and surrounding reservoir and infrastructure improvements.

1) *Enterprise Funds*

There are five separate and distinct operations accounted for in the Enterprise Funds: the Water Resources Utility Operations, War Memorial Coliseum Complex, Bryan Park Golf Complex, Parking Facilities and Solid Waste Management.

Depreciation is computed on all depreciable plant and equipment and is reflected as an operating expense. The following schedule reflects the change in net assets before and after depreciation for each of the enterprises compared to the preceding year.

Table B-1
Change in Net Assets – Business-Type Activities
(in thousands of dollars)

	Before Depreciation		After Depreciation*	
Enterprise Activities	2002	2003	2002	2003
Water Resources	$26,388	($2,797)	$16,985	($12,106)
War Memorial Coliseum	(701)	840	(2,732)	(1,224)
Bryan Park	5	42	(259)	(372)
Parking Facilities	1,377	1,518	916	1,077
Solid Waste Management	2,598	2,860	1,413	1,839
Total	$29,667	$2,463	$16,323	($10,786)

*Excludes the effect of Internal Service Fund chargebacks.

Major activities and/or changes in the Enterprise Fund operations are presented in the following comments.

2) *Water Resources Fund*

Charges for current services totaled $48,038,868 as compared to $46,878,516 for the preceding year, an increase of 2.4%. Operating expenses totaled $59,168,013 as compared to $43,969,426 for the preceding year, an increase of 34.5% due to $16 million in contributions to the Piedmont Triad Regional Water Authority (PTRWA). A 9% water rate increase was effective January 2003 to help offset debt service associated with a variety of capital improvements, the continuing costs of purchased water and meeting environmental regulations. The City has established a capital reserve account to provide for future water and sewer system needs. An account balance of $3,165,665 is available in the restricted assets total of the Water Resources Fund. This reserve will be used primarily to fund contributions to the PTRWA for the Randleman Dam, Lake and Water Plant Project, reservoir and surrounding infrastructure improvements. PTRWA initiated construction of the Dam in 2002 and spent more than $13.8 million on the project in the current year. The decline in net assets compared to the prior year was offset by a capital contribution of $3.2 million for donated water and sewer lines from area developers.

3) *War Memorial Coliseum Fund*

Charges for current services totaled $12,897,136 as compared to $10,698,668 for the preceding year, an increase of 20.5%. The Coliseum currently has lease agreements with an East Coast Hockey League team and an Arena Football 2 League team to play at the Coliseum venue. The total number of events in FY 2002-03 increased from 728 to 875 with attendance at approximately 1.4 million compared to about 1 million last year. Operating expenses totaled $16,282,003 as compared to $14,595,830 for the preceding year, an increase of 11.5%. The General Fund contributed $1,546,800 toward Coliseum operating activities this year.

The War Memorial Coliseum Fund is not charged with the retirement of its general long-term debt. City residents have voted to tax themselves for the cost of major bond-financed improvements. Proceeds of the Hotel/Motel Room Occupancy Tax will retire the debt on improvements financed with certificates of participation, except for catering kitchen improvements to be funded from catering revenues.

4) *Bryan Park Fund*

Charges for current services totaled $1,294,130 as compared to $2,112,020 for the preceding year, a decrease of 38.7%. Operating expenses totaled $2,278,541 as compared to $2,874,563 for the preceding year, a decrease of 20.7%. Transfers to the park totaled $607,330 in order to support operations. The Bryan Park Complex consists of two 18-hole golf courses, driving range, pro shop and clubhouse accounted for as an Enterprise Fund. On January 1, 2003, Bryan Park LLC, a private corporation, became the manager of the golf operations and the Enrichment Center. Only one city staff position remains for provision of building maintenance, for which the corporation pays $47,780 annually.

5) *Parking Facilities Fund*

Charges for current services totaled $1,945,922 as compared to $2,122,578 for the preceding year, a decrease of 8.3%. Operating expenses totaled $1,343,416 as compared to $1,307,071 for the preceding year, an increase of 2.7%. This fund incurs interest payments on outstanding debt for parking facilities certificates of participation. General Fund support in FY 2002-03 totaled $900,455.

6) *Solid Waste Management Fund*

Charges for current services totaled $14,391,695 as compared to $14,368,025 for the preceding year, an increase of .16%. Automated collection fees and bulk container service fees were increased during FY 2002-03 with additional fee increases for residential and commercial customers planned in 2004 to support mandated improvements. Operating expenses totaled $19,980,021 as compared to $20,052,641 for the preceding year, a decrease of .36%. The General Fund contributed $6,978,045 million to finance the cost of solid waste collection and disposal.

The City is pursuing the construction of a transfer station for municipal solid waste as an alternative to the White Street Landfill. In order to fund the additional costs for land, construction, operations, and haul & disposal associated with the transfer station, the FY 2004 budget includes a Commercial User Fee increase from $103.50 to $116.50, effective October 1, 2003 and an increase to $128.50, effective July 1, 2004.

FIGURE 3
Expenses and Program Revenues – Business-Type
(In thousands of dollars)

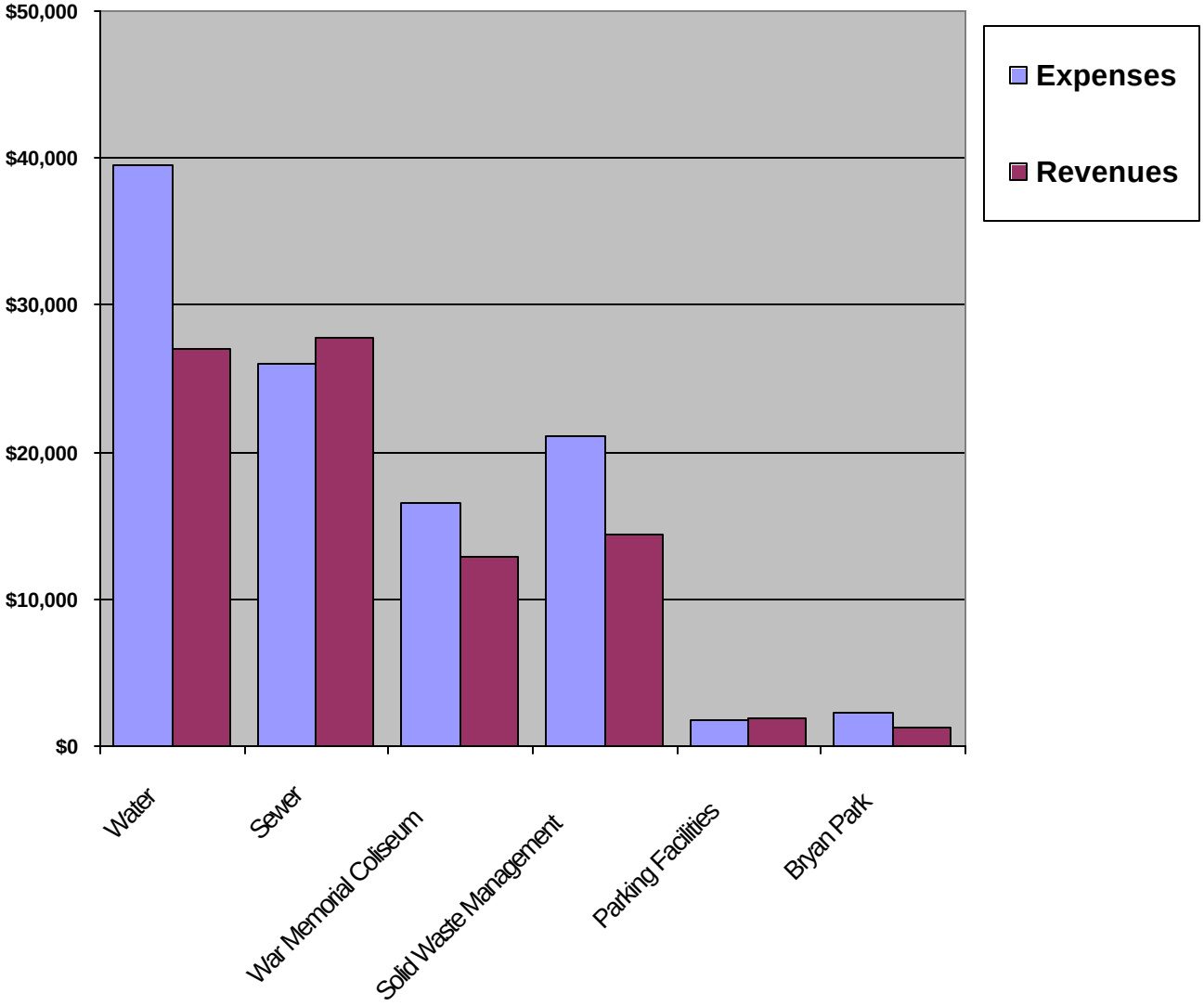
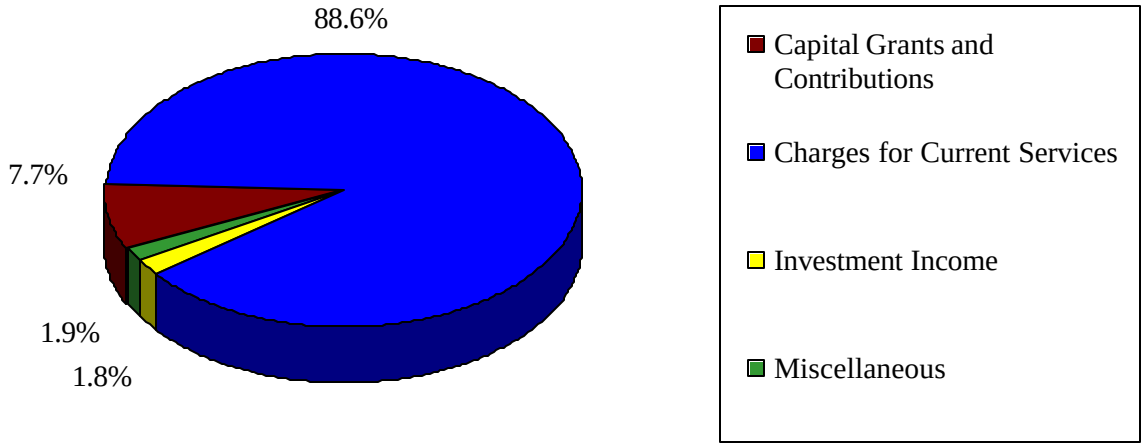


Figure 4
Revenues by Sources – Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

A. Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of June 30, 2003, governmental funds reported a combined fund balance of $155,333,135, an increase of approximately $24 million in comparison with June 2002. $33,507,155 or 22% of the total amount has been reserved to indicate that it is not available for new spending due to commitments to (1) liquidate contracts and purchase orders of the previous year, 2) adhere to State statutes that limit the amount that may be appropriated by the governing board , 3) segregate funds for the 911 wireless emergency system and future capital projects or 4) for other restricted purposes. The remainder of fund balance represents unrestricted funds, known as unreserved fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund, $28,790,143, exemplifies 53.5% of the total General Fund fund balance. Of this amount, $10,052,795 is designated for appropriation in next year's budget, $1,226,485 is designated for hazardous waste material collection, and $17,510,863 or 9% of the subsequent years' budget is undesignated and retained for working capital purposes as well as unforeseen emergencies.

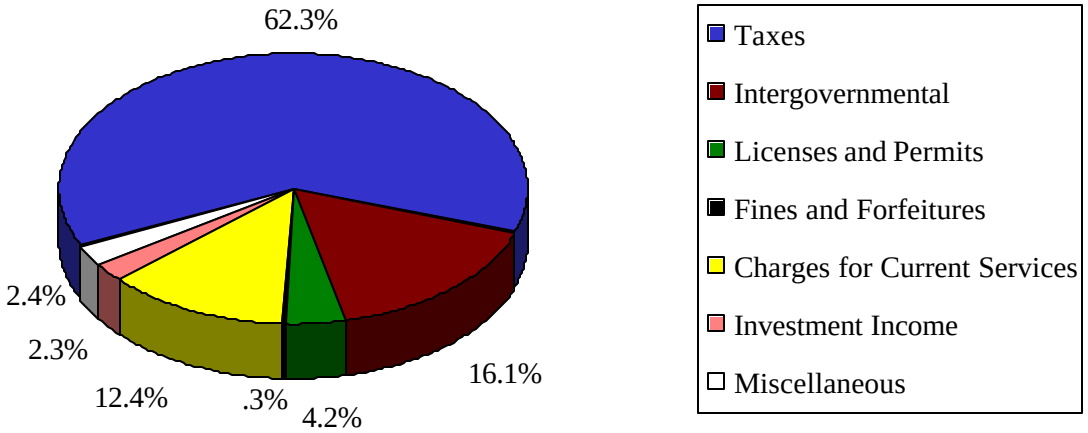
The Debt Service Fund has a total fund balance of $16,231,564 compared to $16,775,399 in the prior year. All amounts are designated for debt service in FY 2004 ($4,009,015) and succeeding years.

Key factors explaining the increase of the City's overall fund balance are as follows:

The decrease in debt service expenditures in the amount of $2.2 million as well as another $1.8 million reduction in general government expenditures helped offset increases in public safety and transportation for an overall increase in total governmental expenditures of 1.2%.

Revenues for general governmental functions (General, Special Revenue and Debt Service Funds) amounted to $209,969,216 for the fiscal year ended June 30, 2003 and are comprised of various sources as shown in the following graph:

Figure 5
Revenues by Sources – Governmental Activities



Property tax collections, including delinquent amounts, were $104,604,315. The current year rate of collections increased .06% as compared to the previous year, from 98.74% to 98.83%.

The property tax rate increased in FY 2002-03. Tax rates for the current and three preceding fiscal years were adopted, as follows:

	2003	2002	2001	2000	1999
General Fund	$.5975	$.5625	$.5625	$.5675	$.5675
Transit Authority	.0200	.0200	.0200	.0150	.0150
Total Tax Rate	$.6175	$.5825	$.5825	$.5825	$.5825

The *local option sales tax* collection amounted to $30,023,807 as compared to the previous year's collection of $28,609,704 an increase of $1,414,103 or 4.9% from last year. This increase represents an improvement over the weakened economic conditions noted in the Triad region and the state during the previous year. In addition, on January 1, 2003, the state authorized local governments to levy an additional ½% local option sales tax to help offset the loss of state shared revenues. Guilford County enacted the new levy at that time. The County will also change its method of sales tax distribution in FY2003/04, which is anticipated to result in a loss of approximately $1.4 million in sales tax revenues. The distribution currently requires that 1% be distributed back to the point of sale while the remaining 1% is distributed statewide based upon population.

Intergovernmental Revenues amounted to $34,107,196 as compared to previous year revenues of $29,789,517, an increase of 14.5% from last year. State-shared and grant revenues are a major source of funding for municipal operations and services, with intergovernmental revenues comprising 16% of total general governmental revenues, as compared to 14.8% in the previous year. The increase is attributable to additional funding for state and federal grants.

Licenses and permits amounted to $8,844,568 compared to previous year revenues of $9,436,921, a decrease of 6.2%.

Fines and forfeitures amounted to $723,536 as compared to the previous year's collection of $849,289, a decrease of 14.8% over last year. The decline is primarily due to decreased collection of fees in parking violations and false burglar alarms.

Charges for current services amounted to $26,314,484 as compared to the previous year's revenue of $25,431,823 an increase of 3.4% from last year. The increase is primarily attributable to the Fire Disaster Recovery area, going from $127,366 to $2,435,053.

A. Proprietary Funds

Proprietary Funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City of Greensboro's business-type activities.

General Fund Budgetary Highlights

The General Fund budget for FY 2002-03 was adopted at $191,081,116 and represents a decrease of 1.5% over the revised FY 2001-02 budget. Additional funding was provided for increased police and fire staff, public safety technology advances and renovations to a number of buildings and City facilities, including Parks and Recreational areas with savings generated in other operating areas.

Capital Asset and Debt Administration

A. Capital Assets

The City's investment in capital assets for both its governmental and business-type activities as of June 30, 2003, amounts to $777,664,123 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities and vehicles among other types of assets. This investment represents an increase of $25,743,328 or 3.4% over the prior year.

Table C-1
Capital Assets
(Net of Depreciation-in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
Land	$ 46,794	$ 48,008	$ 34,371	$ 34,683	$ 81,165	$ 82,691
Construction in Progress	36,371	45,572	48,693	69,113	85,064	114,685
Buildings	45,198	52,568	133,202	128,933	178,400	181,501
Improvements Other Than Buildings	2,164	2,433	13,226	11,899	15,390	14,332
Furniture, Fixtures, Machinery and Equipment	40,372	40,307	9,355	8,681	49,727	48,988
Infrastructure	168,036	164,506	174,139	170,962	342,175	335,468
Total Capital Assets	$ 338,935	$ 353,394	$ 412,986	$ 424,271	$ 751,921	$777,665

This year's major capital asset additions included:

- Expansion of Phase III of the Osborne Wastewater Treatment plant, estimated at a total cost of $40 million along with various sediment basis improvements and sewer rehabilitation.
- Over $12.9 million was spent on construction of the new Public Safety Training Facility which opened in the current year.
- Transportation improvements were continued in development of GTA's Multi Modal Transportation Center in downtown Greensboro, at a total project budget of $17.5 million. The facility opened in August 2003.

Construction in progress for governmental-type and business-type capital assets totaled $45,572,050 and $69,113,050, respectively as of June 30, 2003. No major demolitions were recorded this year.

The City adopted the FY 2003-2009 Capital Improvements Program (CIP) totaling $361,943,395 or a 4.1% decrease from the prior year plan amounts. Funding for major improvements is allocated as follows:

Table C-2
CIP Expenditures – 5 Year Plan

CIP Expenditure Category by Service Area	% of Total CIP
Environmental Protection	41.7%
Transportation	30.6%
Culture and Recreation	11.6%
Public Safety	8.9%
Economic and Community Development	5.7%
General Government	1.5%
	100%

Table C-3
CIP Funding Sources – 5 Year Plan

CIP Funding Source	% of Total CIP
Revenue Bonds	32.1%
Authorized Bonds	29.8%
Grants/Other	15.3%
Enterprise Funds	10.0%
Unauthorized Bonds	9.2%
Miscellaneous Sources	2.4%
General Fund/Capital Reserve	1.2%
	100%

Additional information on the City's capital assets can be found in Note I.D.5 and IV.C of this report.

B. Long-Term Debt

As of June 30, 2003, the City had total bonded debt outstanding of $318,510,000 million, with $181,630,000 million backed by the full faith, credit and taxing power of the City.

Table D-1
General Obligation, Special Obligation and Revenue Bonds – Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2002	2003	2002	2003	2002	2003
General Obligation Bonds	$148,730	$176,772	$5,835	$4,858	$154,565	$181,630
Special Obligation Bonds	-	-	13,400	12,450	13,400	12,450
Revenue Bonds	-	-	127,600	124,430	127,600	124,430
Total	$148,730	$176,772	$146,835	$141,738	$295,565	$318,510

The City's total debt increased by $23 million during the current fiscal year with $50 million of new debt and $23 million in refunding debt resulting from the issuance of public improvement bonds. The issuance of these bonds supports continued enhancements of the capital projects program, including street improvements and several facility enhancements such as a fire station, law enforcement facility and a library. To accommodate these and future projects and to help offset any further decreased funding from State sources, the property tax rate increased $.035 per $100 assessed valuation in FY 2003. The City also issued $43.4 million in Combined Enterprise System Revenue bonds subsequent to year-end for improvements to the City's water and sewer system.

The City of Greensboro has a general obligation bond rating of Aa1 from Moody's Investor Service and an AAA rating from Standard and Poor's Corporation and Fitch ICBA. These bond ratings are a clear indication of the sound financial condition of the City of Greensboro. Greensboro's credit worthiness is a major factor in securing a bond rating. This credit worthiness, according to recent rating reports, is the result of a strong and diverse economy, a stable and consistent growth in the taxpayer base, the conservative fiscal policies for reserve and debt management and the operating performance, as well as

financial flexibility despite the State budget crisis. Other factors considered and affecting the high-grade credit position is the history of budgeting, the moderate debt position and the oversight provided by the North Carolina Local Government Commission.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Greensboro is $1,018,534,881. The City has $88,400,000 in bonds authorized but unissued at June 30, 2003.

In August 2002, the City converted $3,078,000 of its HUD Section 108 variable note to a fixed rate obligation with interest rates ranging from 1.75% to 6.12%, maturing in 2022.

In August 2002, the City also authorized an additional loan guarantee in the amount of $215,000 for GHDP in conjunction with the development of the Southside neighborhood. The guaranteed portion of the outstanding loan would be paid by GHDP with a pledge of 25% of the proceeds from the sale of each newly constructed home unit.

On September 18, 2002, the City issued $11,770,000 in Certificates of Participation to refund all of the outstanding 1991 Parking Facilities Certificates and $1,505,000 in additional funds to pay the costs of improvements to and renovation of an existing City-owned parking deck. The Certificates were issued with a 3% coupon and associated premium of $200,362 and generated present value interest savings in excess of $1 million over the life of the certificates, which mature in December 2008.

On October 8, 2002, the City entered into two master agreements to reduce interest rate exposure on the City's variable rate debt outstanding. Interest rate swaps were executed pertaining to $13,600,000 Series 1994B and $5,700,000 Series 1998 Tax Exempt General Obligation Bonds. Terms of the agreements call for the City to make fixed interest payments to a third party until final maturity of the bonds as follows:

$13,600,000	4/1/14	2.92%
5,700,000	4/1/19-20	3.46%

The City will receive payments associated with the bonds at 67% of the US 1-Month LIBOR Index. In addition, the City has executed an interest rate cap agreement at 6% for its $6,300,000 Series 1998 Taxable General Obligation Bonds, terminating in five years.

In June 2003, the City entered into a swaption contract, based on 72% of 1 Month LIBOR, as a synthetic refunding of its 1995A Combined Enterprise System Revenue Bonds, and received an upfront payment of $2,904,000.

More detailed information about the City's long-term liabilities is presented in Note IV.F.

Economic Factors and Next Year's Budgets and Rates

The level of Greensboro unemployment has decreased in the past year to 7%, down from 7.2% in June 2002. The relatively high unemployment levels are largely due to the regional textile industry which has reported successive employment declines in recent years due to increased overseas manufacturing. The average City's unemployment rate is 6.4% compared to a statewide rate of 6.5%, and has begun to decline in FY 2004.

Durable spending in construction dollars, according to residential and commercial building permit activity, decreased by approximately $10.7 million in FY 2003. Revenue generated from privilege licenses and construction permits within the City decreased by 6% during the year.

The property tax base increased by .5% to $16.7 billion in the fiscal year ended June 30, 2003. Collection of sales tax receipts increased by 4.9% over the prior year. The City also experienced a 5.2% increase in hotel/motel occupancy tax receipts for the fiscal year ended June 30, 2003.

The City's adopted budget for the fiscal year ending June 30, 2004 assumes that the City will not receive traditional reimbursements from the State that replace revenues lost due to the repealed inventory and intangibles tax and franchise reimbursements. Part of this loss will be funded by additional sales tax collections, as Guilford County increased the local option sales tax by .5% on January 1, 2003. The property tax rate remained stable at $.6175 per $100 assessed valuation compared to the previous year. There are no significant City service enhancements planned for the fiscal year ending June 30, 2004.

City management has reaffirmed its intention to continue to maintain the undesignated General Fund balance at 9% of the 2004 fiscal year budget.

Considering the above indicators when adopting the operating budget for the next fiscal year, the City's adopted FY 2003-04 budget increased 4.4% or $13.7 million to $327,078,275.

Budget Highlights for the Fiscal Year Ending June 30, 2004

Governmental Activities:

In order to continue emphasizing the City's strategic priorities for Economic Development, Natural Resource/Growth Management, Public Safety, Maintenance of City Investments and Community Relations in FY 2004, certain funds from other projects needed to be reallocated, due to uncertainties surrounding State funding and economic conditions. The FY 2004 budget includes a total net reduction of 8 full time equivalent positions. Funds were included in the FY 2004 budget to begin implementing upgrades to the Police Case Processing and Field Reporting Systems, the City's top technology project. Funding was also included to open the Public Safety Training Facility and a new Police Sub-station in District #3. Support will also be given to maintenance needs throughout the Park System and for operations of the new Carolyn Allen Park.

Business-Type Activities:

Bonds sold in August 2003 will fund such projects as the Reedy Fork Lift Station Replacement, the Aycock Street Water Tank Replacement and major electrical and pump motor upgrades at the Lake Townsend Facility. Water service rates are projected to increase by approximately 10% to cover the costs of purchased water and to help offset debt service costs associated with these and previously sold revenue bonds.

Requests for Information

This financial report is designed to provide a general overview of the City of Greensboro's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any information provided in this report or requests for additional information should be addressed to City of Greensboro Finance Department, P.O. Box 3136, Greensboro, North Carolina 27402-3136 or by calling (336) 373-2077.

City of Greensboro
Statement of Net Assets
June 30, 2003

ASSETS	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Cash and Cash Equivalents/Investments	$ 115,540,510	$ 30,562,290	$ 146,102,800	$ 3,151,665
Receivables, Net				
Taxes	3,218,378		3,218,378	81,136
Accounts, Notes and Mortgages	27,979,537	10,323,028	38,302,565	3,422,737
Assessments	100,911		100,911	
Intergovernmental	15,970,739	390,758	16,361,497	172,733
Interest	1,001,869	239,161	1,241,030	1,338,154
Real Estate Foreclosed	264,099		264,099	
Internal Balances	(1,819,161)	1,819,161		
Due from Component Unit	512,562		512,562	
Inventories	1,302,692	1,321,656	2,624,348	1,722,677
Miscellaneous	455,983	1,927,035	2,383,018	45,917
Assets Held for Resale	95,335		95,335	
Insurance Deposits	11,801,612		11,801,612	
Deferred Charges	935,943		935,943	
Internal Balances-Long Term	20,045	(20,045)		
Long-Term Note Receivable				14,793,759
Investment in Joint Venture		36,064,109	36,064,109	
Restricted Assets:				
Temporarily Restricted:				
Cash and Cash Equivalents/Investments	73,384,233	27,119,943	100,504,176	
Receivables, (Net):				
Accounts, Notes and Mortgages	50,630		50,630	
Assessments	46,548	550,808	597,356	
Intergovernmental	54,537	348,929	403,466	
Interest		114,007	114,007	
Miscellaneous		1,981,530	1,981,530	
Permanently Restricted:				
Cash and Cash Equivalents/Investments	1,910,211		1,910,211	
Net Pension Asset	1,336,249		1,336,249	
Capital Assets, Net				
Non-Depreciable:				
Land	48,008,345	34,682,589	82,690,934	574,855
Construction in Progress	45,572,050	69,113,050	114,685,100	16,511,782
Depreciable:				
Land Improvements	7,053,050	16,508,414	23,561,464	2,022
Accumulated Depreciation	(4,628,035)	(11,234,911)	(15,862,946)	
Buildings	84,679,473	181,488,737	266,168,210	4,630,329
Accumulated Depreciation	(32,111,371)	(52,555,979)	(84,667,350)	(1,071,324)
Improvements Other than Buildings	11,108	9,124,179	9,135,287	183,641
Accumulated Depreciation	(3,075)	(2,499,167)	(2,502,242)	(170,403)
Furniture, Fixtures, Machinery and Equipment	102,113,555	38,765,129	140,878,684	6,799,164
Accumulated Depreciation	(61,806,487)	(30,084,241)	(91,890,728)	(3,673,551)
Infrastructure	285,052,122	273,315,279	558,367,401	
Accumulated Depreciation	(120,546,102)	(102,353,589)	(222,899,691)	
Total Assets	$ 607,558,095	$ 537,011,860	$ 1,144,569,955	$ 48,515,293

The notes to the financial statements are an integral part of this statement.

	Primary Government			
LIABILITIES	**Governmental Activities**	**Business-Type Activities**	**Total** (1)	**Component Units**
Accounts Payable	$ 7,827,557	$ 1,178,251	$ 9,005,808	$ 1,588,318
Contracts/Retainage Payable	1,192,546	324,232	1,516,778	3,339,013
Intergovernmental Payable	1,557,497	339,191	1,896,688	
Customer Deposits Payable	10,000		10,000	
Accrued Interest Payable	1,177,611	33,063	1,210,674	
Due to Primary Government				512,562
Miscellaneous	67,989		67,989	46,119
Unearned Revenues	5,075,499		5,075,499	2,902,024
Liabilities Payable from Restricted Assets:				
Accounts Payable	50,683		50,683	
Contracts/Retainage Payable	1,841,201		1,841,201	
Accrued Interest Payable		500,000	500,000	
Miscellaneous	660,844		660,844	
Deferred Revenues	956		956	
Noncurrent Liabilities:				
Due Within One Year:				
General Obligation Bonds	10,441,594	1,178,578	11,620,172	
Lease Purchase and Other Financing Agreements Payable	1,716,938	416,380	2,133,318	
Revenue Bonds Payable		3,395,000	3,395,000	
Special Obligation Bonds Payable		995,000	995,000	
Certificates of Participation Payable	5,363,896	1,971,104	7,335,000	
Federal Loan Obligation		280,178	280,178	
Interest Payable		455,304	455,304	
Customer Deposits Payable		1,781,655	1,781,655	
Note Payable				411,530
Compensated Absences	5,253,551	1,166,151	6,419,702	7,338
Miscellaneous		615,993	615,993	
Due in More Than One Year:				
Payable from Restricted Assets:				
Accounts Payable		432,374	432,374	
Contracts/Retainage Payable		3,843,432	3,843,432	
Intergovernmental Payable		3,784	3,784	
General Obligation Bonds	166,330,608	3,679,220	170,009,828	
Premium-General Obligation Bonds	950,085		950,085	
Lease Purchase and Other Financing Agreements Payable	5,209,273	2,804,637	8,013,910	
Revenue Bonds Payable		121,035,000	121,035,000	
Premium - Revenue Bonds Payable		358,645	358,645	
Special Obligation Bonds Payable		11,455,000	11,455,000	
Discount - Special Obligation Bonds Payable		(58,475)	(58,475)	
Certificates of Participation Payable	36,168,360	10,946,640	47,115,000	
Premium - Certificates of Participation		143,171	143,171	
Federal Loan Obligation		3,362,141	3,362,141	
Compensated Absences	3,366,899	330,033	3,696,932	16,165
Accrued Landfill Liability		9,319,361	9,319,361	
Unearned Revenues		3,326,534	3,326,534	
Total Liabilities	254,263,587	185,611,577	439,875,164	8,923,802
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	217,732,109	275,317,781	493,049,890	23,529,038
Restricted for:				
Highway Improvements	9,189,532		9,189,532	
Transportation	1,355,718		1,355,718	
Culture and Recreation	740,468		740,468	
Capital Projects	42,545,959	16,820,517	59,366,476	
Community Development	19,085,955		19,085,955	58,843
Public Safety	743,490		743,490	
Engineering and Inspections	249,716		249,716	
Workforce Training	19,498		19,498	
Pension Benefits	1,336,249		1,336,249	
Perpetual Care:				
Nonexpendable	1,910,211		1,910,211	
Unrestricted	58,385,603	59,261,985	117,647,588	16,003,610
Total Net Assets	$ 353,294,508	$ 351,400,283	$ 704,694,791	$ 39,591,491

City of Greensboro
Statement of Activities
For the Fiscal Year Ended June 30, 2003

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 26,891,086	$ 16,470,340	$ 37,800	$
Public Safety	77,218,663	5,351,385	1,178,273	822,563
Transportation	23,843,714	3,009,583	8,573,184	1,042,597
Engineering and Inspections	13,571,422	3,735,377		95,071
Environmental Services	1,818,177	7,079,142	121,784	89,497
Culture and Recreation	27,736,118	3,225,247	780,397	950,000
Community Development & Housing	9,587,987	1,904,006	4,828,786	
Economic Opportunity	3,061,015	(872)	2,616,851	
Water Resources	1,995,056	1,563		
Intergovernmental	1,149,260			
Interest, Fees on Long-Term Debt	5,709,365			
Arbitrage Rebates	547,509			
Total Governmental Activities	193,129,372	40,775,771	18,137,075	2,999,728
Business-Type Activities:				
Water Operations	39,576,801	23,487,145	150,000	1,949,292
Sewer Operations	26,034,854	24,429,889		1,949,292
War Memorial Coliseum	16,533,293	12,897,136		
Solid Waste Management	21,082,600	14,391,695		
Parking Facilities	1,829,999	1,945,922		
Bryan Park	2,321,449	1,294,130		
Total Business-Type Activities	107,378,996	78,445,917	150,000	3,898,584
Total Primary Government	$ 300,508,368	$ 119,221,688	$ 18,287,075	$ 6,898,312
Component Units:				
Greensboro Housing Dev. Partnership	$ 148,880	$ 106,775	$ 2,872	$
Greensboro Transit Authority	9,840,308	1,094,694		7,340,125
Greensboro ABC Board	18,478,508	18,469,200		
Total Component Units	$ 28,467,696	$ 19,670,669	$ 2,872	$ 7,340,125

General Revenues:
- Property Tax
- Local Option Sales Tax
- Vehicle Gross Receipts Tax
- Hotel/Motel Occupancy Tax
- Utility Franchise Tax
- Piped Natural Gas Tax
- Telecommunications Sales Tax
- ABC Profit Distribution
- Intergovernmental
- Investment Income
- Miscellaneous
- Transfers In (Out)

Total General Revenues and Transfers

Change in Net Assets
Net Assets - July 1
Net Assets - June 30

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (10,382,946)	$	$ (10,382,946)	$
(69,866,442)		(69,866,442)	
(11,218,350)		(11,218,350)	
(9,740,974)		(9,740,974)	
5,472,246		5,472,246	
(22,780,474)		(22,780,474)	
(2,855,195)		(2,855,195)	
(445,036)		(445,036)	
(1,993,493)		(1,993,493)	
(1,149,260)		(1,149,260)	
(5,709,365)		(5,709,365)	
(547,509)		(547,509)	
(131,216,798)		(131,216,798)	
	(13,990,364)	(13,990,364)	
	344,327	344,327	
	(3,636,157)	(3,636,157)	
	(6,690,905)	(6,690,905)	
	115,923	115,923	
	(1,027,319)	(1,027,319)	
	(24,884,495)	(24,884,495)	
(131,216,798)	(24,884,495)	(156,101,293)	
			(39,233)
			(1,405,489)
			(9,308)
			(1,454,030)
99,838,501		99,838,501	3,322,165
30,023,807		30,023,807	
347,416		347,416	
2,623,791		2,623,791	
7,884,861		7,884,861	
344,673		344,673	
4,655,496		4,655,496	
955,526		955,526	
2,214,504		2,214,504	
223,882		223,882	
5,991,373	1,731,471	7,722,844	1,424,058
172,850	1,577,115	1,749,965	101,097
(9,981,680)	9,981,680		
145,295,000	13,290,266	158,585,266	4,853,702
14,078,202	(11,594,229)	2,483,973	3,399,672
339,216,306	362,994,512	702,210,818	36,191,819
$ 353,294,508	$ 351,400,283	$ 704,694,791	$ 39,591,491

BALANCE SHEET

Governmental Funds
June 30, 2003

ASSETS	GENERAL	HOUSING PARTNERSHIP REVOLVING	DEBT. SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS (1)
Cash and Cash Equivalents/Investments	$ 48,947,365	$ 1,147,508	$ 16,112,381	$ 15,949,869	$ 82,157,123
Receivables:					
Taxes	3,215,678			2,700	3,218,378
Accounts, Notes and Mortgages	1,696,773	16,452,206		9,830,558	27,979,537
Assessments				100,911	100,911
Intergovernmental	13,689,992	23,824	123,813	1,509,772	15,347,401
Real Estate Foreclosed	264,099				264,099
Internal Receivables		81,750			81,750
Due from Component Unit	512,562				512,562
Inventories	588,884				588,884
Miscellaneous	269,683				269,683
Assets Held for Resale				95,335	95,335
Restricted Assets:					
Cash and Cash Equivalents/Investments				71,928,003	71,928,003
Receivables:					
Accounts, Notes and Mortgages				50,630	50,630
Assessments				46,548	46,548
Intergovernmental				54,537	54,537
Total Assets	$ 69,185,036	$ 17,705,288	$ 16,236,194	$ 99,568,863	$ 202,695,381
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 3,169,894	$ 18,484	$ 4,630	$ 599,250	$ 3,792,258
Contracts/Retainage Payable	193,432	20,000		979,114	1,192,546
Intergovernmental Payable	1,325,190				1,325,190
Internal Payable				81,750	81,750
Miscellaneous		11,020		56,969	67,989
Deferred Revenues	10,065,257	16,452,206		11,831,366	38,348,829
Liabilities Payable From Restricted Assets:					
Accounts Payable				50,683	50,683
Contracts/Retainage Payable				1,841,201	1,841,201
Miscellaneous	660,844			956	661,800
Total Liabilities	15,414,617	16,501,710	4,630	15,441,289	47,362,246
Fund Balances:					
Reserved by State Statute	12,318,025	105,574	123,813	2,321,726	14,869,138
Reserved for Encumbrances	4,538,795	258,861	1,000	3,710,359	8,509,015
Reserved for Inventories	588,884				588,884
Reserved for 911 Wireless	775,810				775,810
Reserved for Assets Held for Resale				95,335	95,335
Reserved for Capital Projects	6,758,762				6,758,762
Reserved for Perpetual Care				1,910,211	1,910,211
Total Reserved Fund Balance	24,980,276	364,435	124,813	8,037,631	33,507,155
Unreserved, Reported In:					
Designated for Subsequent Year's Expenditures:					
General Fund	10,052,795				10,052,795
Special Revenue Funds		409,900		2,901,990	3,311,890
Debt Service Fund			4,009,015		4,009,015
Total Unreserved-Subsequent Year's Expenditures	10,052,795	409,900	4,009,015	2,901,990	17,373,700
Designated for Specific Purposes:					
General Fund	1,226,485				1,226,485
Special Revenue Funds				985,074	985,074
Capital Projects Funds				61,592,382	61,592,382
Debt Service Fund			12,097,736		12,097,736
Total Unreserved-Specific Purposes	1,226,485		12,097,736	62,577,456	75,901,677
Undesignated:					
General Fund	17,510,863				17,510,863
Special Revenue Funds		429,243		10,610,497	11,039,740
Total Unreserved-Undesignated	17,510,863	429,243		10,610,497	28,550,603
Total Fund Balances	53,770,419	1,203,578	16,231,564	84,127,574	155,333,135
Total Liabilities and Fund Balances	$ 69,185,036	$ 17,705,288	$ 16,236,194	$ 99,568,863	$ 202,695,381

(1) After internal receivables and payables have been eliminated.

The notes to the financial statements are an integral part of this statement.

City of Greensboro
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2003

Total fund balances - governmental funds	$ 155,333,135
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	311,586,751
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	33,275,830
Internal service funds are used by management to charge the costs of fleet management, equipment services, technical services, city/county telecommunications, graphic services, employee insurance, general insurance and capital leasing to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	63,142,341
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(212,207,777)
Miscellaneous adjustments to net assets include investment income receivable and pension assets not reported in the governmental funds.	2,164,228
Net assets of governmental activities	$ 353,294,508

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds
For the Fiscal Year Ended June 30, 2003

	GENERAL	HOUSING PARTNERSHIP REVOLVING	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Taxes	$ 129,581,903	$	$	$ 2,664,106	$ 132,246,009
Assessments				94,922	94,922
Intergovernmental	17,133,452		120,045	16,853,699	34,107,196
Licenses and Permits	8,844,568				8,844,568
Fines and Forfeitures	723,536				723,536
Charges for Current Services	16,872,933	530,368		8,816,261	26,219,562
Investment Income	7,304	40,564	3,306,423	1,553,483	4,907,774
Miscellaneous	4,347,171	1,700	100,353	1,702,134	6,151,358
Total Revenues	177,510,867	572,632	3,526,821	31,684,605	213,294,925
Expenditures:					
Current:					
General Government	29,241,457			161,161	29,402,618
Public Safety	76,052,556			5,765,245	81,817,801
Transportation	13,553,822			9,648,674	23,202,496
Engineering and Inspections	8,378,502			5,024,146	13,402,648
Environmental Services	419,090			40,087	459,177
Culture and Recreation	26,038,247			10,635,961	36,674,208
Community Development and Housing		2,037,495		7,855,847	9,893,342
Economic Opportunity	319,496			2,556,693	2,876,189
Water Resources				1,995,056	1,995,056
Intergovernmental	1,149,260				1,149,260
Debt Service:					
Principal Retirement			11,511,905	1,620,542	13,132,447
Interest, Fees on Long-Term Debt			5,121,881	1,141,731	6,263,612
Arbitrage Rebates			462,304		462,304
Total Expenditures	155,152,430	2,037,495	17,096,090	46,445,143	220,731,158
Excess of Revenues Over (Under) Expenditures	22,358,437	(1,464,863)	(13,569,269)	(14,760,538)	(7,436,233)
Other Financing Sources (Uses):					
Transfers In	3,291,970	1,789,880	13,057,060	1,218,992	19,357,902
Transfers Out	(25,623,647)			(3,901,355)	(29,525,002)
Debt Issuances:					
General Obligation Bonds Issued				40,000,000	40,000,000
Refunding Certificates Issued				1,092,256	1,092,256
Federal Loan Program				1,105,000	1,105,000
Premium, (Discount) on Debt			19,654,599	178,895	19,833,494
Refunding Bonds Issued			771,190		771,190
Payment to Escrow Agent			(20,457,415)	(1,072,408)	(21,529,823)
Total Other Financing Sources (Uses)	(22,331,677)	1,789,880	13,025,434	38,621,380	31,105,017
Net Change in Fund Balances	26,760	325,017	(543,835)	23,860,842	23,668,784
Fund Balances - July 1	53,743,659	878,561	16,775,399	60,266,732	131,664,351
Fund Balances - June 30	$ 53,770,419	$ 1,203,578	$ 16,231,564	$ 84,127,574	$ 155,333,135

The notes to the financial statements are an integral part of this statement.

City of Greensboro
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2003

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances----total governmental funds.	$ 23,668,784
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, including amounts for disposals.	13,054,951
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,615,557
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents principal repayments in the current year.	(28,311,886)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents interest expense.	1,092,142
Internal service funds are used by management to charge the costs of equipment services, technical services, city/county telecommunications, graphic services, employee insurance, general insurance, and capital leasing to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	2,119,590
This amount represents the change in pension asset for funds contributed to the special separation allowance for law enforcement officers in excess of the actuarially determined annual pension cost.	273,987
Revenues earned in prior year that first became available in the current year in the government funds have been reclassed to beginning net assets in the statement of activities.	(2,434,923)
Change in net assets of governmental activities	$ 14,078,202

The notes to the financial statements are an integral part of this statement.

CITY OF GREENSBORO
General Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Over (Under)
Revenues:				
Taxes	$ 131,030,420	$ 131,030,420	$ 129,581,903	$ (1,448,517)
Intergovernmental	16,724,445	16,724,445	17,133,452	409,007
Licenses and Permits	9,557,100	9,557,100	8,844,568	(712,532)
Fines and Forfeitures	868,760	868,760	723,536	(145,224)
Charges for Current Services	13,738,230	14,036,450	16,872,933	2,836,483
Investment Income	5,000	5,000	7,304	2,304
Miscellaneous	4,064,695	4,064,695	4,347,171	282,476
Appropriated Fund Balance	11,499,096	14,409,290		(14,409,290)
Total Revenues	187,487,746	190,696,160	177,510,867	(13,185,293)
Expenditures:				
Current:				
General Government	32,789,295	35,879,410	29,241,457	(6,637,953)
Public Safety	77,867,113	77,919,430	76,052,556	(1,866,874)
Transportation	14,063,767	14,063,770	13,553,822	(509,948)
Engineering and Inspections	9,186,583	9,186,585	8,378,502	(808,083)
Environmental Services	784,230	736,395	419,090	(317,305)
Culture and Recreation	28,684,096	28,873,345	26,038,247	(2,835,098)
Economic Opportunity	286,700	336,700	319,496	(17,204)
Intergovernmental	1,269,197	1,166,020	1,149,260	(16,760)
Total Expenditures	164,930,981	168,161,655	155,152,430	(13,009,225)
Excess of Revenues Over Expenditures	22,556,765	22,534,505	22,358,437	(176,068)
Other Financing Sources (Uses):				
Transfers In	3,593,370	3,500,000	3,291,970	(208,030)
Transfers Out	(26,150,135)	(26,034,505)	(25,623,647)	410,858
Total Other Financing Sources (Uses)	(22,556,765)	(22,534,505)	(22,331,677)	202,828
Net Change in Fund Balances			26,760	26,760
Fund Balances - July 1			53,743,659	53,743,659
Fund Balances - June 30	$	$	$ 53,770,419	$ 53,770,419

The notes to the financial statements are an integral part of this statement.

CITY OF GREENSBORO
Housing Partnership Revolving
Statement Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues:				
Charges for Current Services	$ 343,000	$ 343,000	$ 530,368	$ 187,368
Investment Income	7,020	7,020	40,564	33,544
Miscellaneous			1,700	1,700
Appropriated Fund Balance	472,792	472,800		(472,800)
Total Revenues	822,812	822,820	572,632	(250,188)
Expenditures:				
Current:				
Community Development and Housing	2,612,692	2,612,700	2,037,495	(575,205)
Excess of Revenues Under Expenditures	(1,789,880)	(1,789,880)	(1,464,863)	325,017
Other Financing Sources:				
Transfers In	1,789,880	1,789,880	1,789,880	
Net Change in Fund Balances			325,017	325,017
Fund Balances - July 1			878,561	878,561
Fund Balances - June 30	$	$	$ 1,203,578	$ 1,203,578

The notes to the financial statements are an integral part of this statement.

Statement of Net Assets

Proprietary Funds
June 30, 2003

	Business-Type Activities - Enterprise Funds			
	Water Resources	War Memorial Coliseum	Solid Waste Management	Other Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents/Investments	$ 18,666,643	$ 1,792,820	$ 7,599,091	$ 2,503,736
Receivables (Net):				
Accounts, Notes and Mortgages	8,407,820	413,330	1,494,852	7,026
Intergovernmental	311,224	7,765	59,878	11,891
Interest	157,561	21,374	56,081	4,145
Inventories	1,034,590	196,204	90,862	
Miscellaneous	1,122,459	564		804,012
Total Current Assets	29,700,297	2,432,057	9,300,764	3,330,810
Noncurrent Assets:				
Restricted:				
Cash and Cash Equivalents/Investments	18,639,001		8,480,942	
Receivables (Net):				
Assessments	550,808			
Intergovernmental	348,929			
Interest	77,501		36,506	
Miscellaneous	1,881,630		99,900	
Internal Receivables-Long Term				
Self-Funded Retention Deposits				
Investment in Joint Venture	36,064,109			
Capital Assets:				
Non-Depreciable:				
Land	22,324,124	1,416,153	4,706,919	6,235,393
Construction in Progress	64,789,175	327,732	3,031,868	964,275
Depreciable:				
Land Improvements	1,753,057	74,831	10,265,790	4,414,736
Buildings	98,500,548	63,704,571	1,763,363	17,520,255
Improvements Other than Buildings	8,579,464	275,756	35,887	233,072
Furniture, Fixtures, Machinery and Equipme	24,836,537	8,513,478	4,167,353	1,247,761
Infrastructure	273,315,279			
Less Accumulated Depreciation	(156,042,873)	(21,468,123)	(11,624,854)	(9,592,037)
Total Noncurrent Assets	395,617,289	52,844,398	20,963,674	21,023,455
Total Assets	$ 425,317,586	$ 55,276,455	$ 30,264,438	$ 24,354,265

(1) After internal receivables and payables have been eliminated.

The notes to the financial statements are an integral part of this statement.

Totals (1)	Internal Service Funds
$ 30,562,290	$ 33,383,387
10,323,028	
390,758	623,338
239,161	173,890
1,321,656	713,808
1,927,035	186,303
44,763,928	35,080,726
27,119,943	3,366,441
550,808	
348,929	
114,007	
1,981,530	
	2,490,391
	11,801,612
36,064,109	
34,682,589	1,660,541
69,113,050	3,998,816
16,508,414	823,430
181,488,737	1,186,791
9,124,179	11,108
38,765,129	89,032,784
273,315,279	
(198,727,887)	(54,905,591)
490,448,816	59,466,323
$535,212,744	$ 94,547,049

(Continued)

Statement of Net Assets (continued)

Proprietary Funds
June 30, 2003

	Enterprise Funds			
	Water Resources	War Memorial Coliseum	Solid Waste Management	Other Enterprise Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 1,084,651	$ 33,921	$ 59,679	$
Contracts/Retainage Payable	31,441	931	267,830	24,030
Intergovernmental Payable	261	244,272	94,608	50
General Obligation Bonds Payable	1,178,578			
Revenue Bonds Payable	3,395,000			
Special Obligation Bonds Payable			995,000	
Lease-Purchase and Other Financing Agreements Payable	416,380			
Certificates of Participation Payable		80,000		1,891,104
Federal Loan Obligations	280,178			
Interest Payable	454,524	780		33,063
Accrued Landfill Liability			500,000	
Customer Deposits Payable	1,551,915	229,740		
Compensated Absences Payable	715,845	122,839	295,367	32,100
Miscellaneous	277	572,152	1,500	42,064
Total Current Liabilities	9,109,050	1,284,635	2,213,984	2,022,411
Noncurrent Liabilities:				
Payable from Restricted Assets:				
Accounts Payable	432,374			
Contracts/Retainage Payable	3,058,512		784,920	
Intergovernmental Payable	3,784			
General Obligation Bonds Payable	3,679,220			
Revenue Bonds Payable	121,035,000			
Premium-Revenue Bonds Payable	358,645			
Special Obligation Bonds Payable			11,455,000	
Discount-Special Obligation Bonds Payable			(58,475)	
Lease-Purchase and Other Financing Agreements Payable	2,804,637			
Certificates of Participation Payable		740,000		10,206,640
Premium (Discount)-Certificates of Participation		(4,311)		147,482
Federal Loan Obligation	3,362,141			
Accrued Landfill Liability			9,319,361	
Compensated Absences Payable	169,321	119,949	30,446	10,317
Internal Payables-Long Term			20,045	
Unearned Revenues	2,904,000	422,534		
Total Noncurrent Liabilities	137,807,634	1,278,172	21,551,297	10,364,439
Total Liabilities	146,916,684	2,562,807	23,765,281	12,386,850
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	210,306,025	52,028,709	1,785,201	11,197,846
Restricted for Capital Projects	10,875,040		5,945,477	
Unrestricted	57,219,837	684,939	(1,231,521)	769,569
Total Net Assets	$ 278,400,902	$ 52,713,648	$ 6,499,157	$ 11,967,415

Totals (1)	Internal Service Funds
$ 1,178,251	$ 4,035,299
324,232	
339,191	195,361
1,178,578	224,826
3,395,000	
995,000	
416,380	1,563,599
1,971,104	3,500,000
280,178	
488,367	
500,000	
1,781,655	10,000
1,166,151	203,157
615,993	
14,630,080	9,732,242
432,374	
3,843,432	
3,784	
3,679,220	5,291,737
121,035,000	
358,645	
11,455,000	
(58,475)	
2,804,637	1,502,612
10,946,640	10,500,000
143,171	
3,362,141	
9,319,361	
330,033	88,610
20,045	2,470,346
3,326,534	
171,001,542	19,853,305
185,631,622	29,585,547
275,317,781	22,591,546
16,820,517	11,801,612
57,442,824	30,568,344
$ 349,581,122	$ 64,961,502

City of Greensboro
Reconciliation of the Statement of Net Assets-Proprietary Funds
To the Statement of Net Assets
June 30, 2003

Net assets - proprietary funds	$ 349,581,122
Amounts reported for business-type activities in the statement of net assets are different because:	
Internal service funds	1,819,161
Net assets of business-type activities	$ 351,400,283

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Enterprise Funds			
	Water Resources	War Memorial Coliseum	Solid Waste Management	Other Enterprise Funds
Revenues:				
Charges for Current Services	$ 48,038,868	$ 12,897,136	$ 14,391,695	$ 3,240,052
Miscellaneous	913,834	489,280	626,572	16,340
Total Operating Revenues	48,952,702	13,386,416	15,018,267	3,256,392
Operating Expenses:				
Personal Services	10,497,334	4,838,673	5,164,432	1,186,063
Fringe Benefits	3,275,535	967,386	1,645,210	303,078
Maintenance and Operations	36,086,579	8,411,111	12,150,407	1,277,918
Insurance Claims and Expenses				
Depreciation	9,308,565	2,064,833	1,019,972	854,898
Total Operating Expenses	59,168,013	16,282,003	19,980,021	3,621,957
Operating Income (Loss)	(10,215,311)	(2,895,587)	(4,961,754)	(365,565)
Nonoperating Revenues (Expenses):				
Investment Income	1,014,518	144,048	530,325	42,580
Gain on Sale of Capital Assets	550			
Net Income (Loss) from Joint Venture	(190,356)			
Miscellaneous Revenue	208,811			
Interest Expense	(5,867,257)	(13,299)	(680,754)	(426,990)
Loss on Disposal of Capital Assets				
Amortization of Underwriters' Expense	(119,963)		(23,374)	(21,657)
Miscellaneous Expense	(134,274)	(6,587)	(2,580)	(31,066)
Total Nonoperating Revenues (Expenses)	(5,087,971)	124,162	(176,383)	(437,133)
Income (Loss) Before Contributions and Transfers	(15,303,282)	(2,771,425)	(5,138,137)	(802,698)
Capital Contribution	3,248,478			
Transfers In		1,546,800	6,978,045	1,507,785
Transfers Out	(50,950)			
Change in Net Assets	(12,105,754)	(1,224,625)	1,839,908	705,087
Net Assets - July 1	290,506,656	53,938,273	4,659,249	11,262,328
Net Assets - June 30	$ 278,400,902	$ 52,713,648	$ 6,499,157	$ 11,967,415

The notes to the financial statements are an integral part of this statement.

Totals	Internal Service Funds
$ 78,567,751	$ 43,640,286
2,046,026	392,948
80,613,777	44,033,234
21,686,502	3,237,747
6,191,209	936,475
57,926,015	12,183,492
	18,725,977
13,248,268	8,817,656
99,051,994	43,901,347
(18,438,217)	131,887
1,731,471	1,644,168
550	702,630
(190,356)	
208,811	25,959
(6,988,300)	(729,197)
	(347,520)
(164,994)	(2,952)
(174,507)	(134,349)
(5,577,325)	1,158,739
(24,015,542)	1,290,626
3,248,478	
10,032,630	185,420
(50,950)	
(10,785,384)	1,476,046
360,366,506	63,485,456
$349,581,122	$ 64,961,502

City of Greensboro
Reconciliation of the Statement of Revenues,
Expenses, and Changes in Fund Net Assets-Proprietary Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2003

Amounts reported for business-type activities in the statement of activities are different because:	
Net change in fund balances----total proprietary funds.	$ (10,785,384)
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with business-type activities.	(808,845)
Change in net assets of business-type activities	$ (11,594,229)

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows

Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Enterprise Funds			
	Water Resources	War Memorial Coliseum	Solid Waste Management	Other Enterprise Funds
Cash Flows from Operating Activities:				
Receipts from Customers	$ 47,010,988	$ 11,997,156	$ 14,294,075	$ 3,256,526
Payments to Suppliers	(36,782,960)	(8,472,986)	(11,042,410)	(1,373,831)
Payments to Employees	(14,054,070)	(5,546,583)	(6,808,126)	(1,615,359)
Other Receipts	913,834	489,280	626,572	16,340
Net Cash Provided by (Used for) Operating Activities	(2,912,208)	(1,533,133)	(2,929,889)	283,676
Cash Flows from Noncapital Financing Activities:				
Subsidies and Transfers In		1,546,800	6,978,045	1,507,785
Subsidies and Transfers Out	(50,950)			
Net Cash Provided by (Used for) Noncapital Financing Activities	(50,950)	1,546,800	6,978,045	1,507,785
Cash Flows from Capital and Related Financing Activities:				
Capital Debt Issued	3,240,318			1,601,634
Acquisition and Construction of Capital Assets	(19,613,904)	(497,128)	(982,758)	(229,458)
Insurance Proceeds				
Proceeds from Sale of Capital Assets	550			
Principal Paid on Capital Debt	(5,057,594)	(65,000)	(950,000)	(1,849,949)
Interest and Fiscal Charges Paid on Capital Debt	(6,045,178)	(19,739)	(725,552)	(295,292)
Other Receipts	208,811			
Net Cash Used for Capital and Related Financing Activities	(27,266,997)	(581,867)	(2,658,310)	(773,065)
Cash Flows from Investing Activities:				
Interest	1,184,373	132,856	532,373	42,472
Net Increase (Decrease) in Cash and and Cash Equivalents	(29,045,782)	(435,344)	1,922,219	1,060,868
Balances - July 1	66,351,426	2,228,164	14,157,814	1,442,868
Balances - June 30	$ 37,305,644	$ 1,792,820	$ 16,080,033	$ 2,503,736
Reconciliation of Cash and Cash Equivalents/Investments:				
Cash and Cash Equivalents/Investments - Current	$ 18,666,643	$ 1,792,820	$ 7,599,091	$ 2,503,736
Cash and Cash Equivalents/Investments - Restricted	18,639,001		8,480,942	
Total Cash and Cash Equivalents/Investments - June 30	$ 37,305,644	$ 1,792,820	$ 16,080,033	$ 2,503,736

The notes to the financial statements are an integral part of this statement.

Totals	Internal Service Funds
$ 76,558,745	$ 44,236,054
(57,672,187)	(30,733,672)
(28,024,138)	(4,139,729)
2,046,026	392,948
(7,091,554)	9,755,601
10,032,630	185,420
(50,950)	
9,981,680	185,420
4,841,952	
(21,323,248)	(9,655,522)
	11,747
550	670,950
(7,922,543)	(4,807,501)
(7,085,761)	(819,935)
208,811	
(31,280,239)	(14,600,261)
1,892,074	1,443,967
(26,498,039)	(3,215,273)
84,180,272	39,965,101
$ 57,682,233	$ 36,749,828
$ 30,562,290	$ 33,383,387
27,119,943	3,366,441
$ 57,682,233	$ 36,749,828

(Continued)

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2003

(continued)	Business-Type Activities - Enterprise Funds			
	Water Resources	War Memorial Coliseum	Solid Waste Management	Other Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ (10,215,311)	$ (2,895,587)	$ (4,961,754)	$ (365,565)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	9,308,565	2,064,833	1,019,972	854,898
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(1,027,715)	(244,370)	(97,618)	16,811
Increase in Inventories	(114,898)	(73,941)	(3,252)	
(Increase) Decrease in Intergovernmental Receivables	(125,025)	(7,733)	(22,398)	(7,141)
(Increase) Decrease in Miscellaneous Assets	(735,981)	23,083	970	
Increase (Decrease) in Accounts Payable	279,523	(3,284)	(197)	(20,357)
Increase in Landfill Liability			1,132,874	
Increase (Decrease) in Compensated Absences Payable	128,426	45,155	22,969	(91,633)
Increase (Decrease) in Intergovernmental Payable	(444,895)	214,321	(20,653)	(4,922)
Increase in Customer Deposits Payable	34,991			
Increase (Decrease) in Miscellaneous Payable	112	(655,610)	(802)	(98,415)
Total Adjustments	7,303,103	1,362,454	2,031,865	649,241
Net Cash Provided by (Used for) Operating Activities	$ (2,912,208)	$ (1,533,133)	$(2,929,889)	$ 283,676
Noncash Investing, Capital and Financing Activities:				
Lease-Purchase and Other Capital Financing Agreements	$	$	$	$
Donated Assets	3,248,478			
Equity Interest in Joint Venture	(190,356)			
Total Noncash Investing, Capital and Financing Activities	$ 3,058,122	$	$	$

Totals	Internal Service Funds
$ (18,438,217)	$ 131,887
13,248,268	8,817,656
(1,352,892)	
(192,091)	(431,290)
(162,297)	1,135,939
(711,928)	(245,992)
255,685	381,607
1,132,874	
104,917	47,624
(256,149)	(117,665)
34,991	5,000
(754,715)	30,835
11,346,663	9,623,714
$ (7,091,554)	$ 9,755,601
$	$ 2,113,435
3,248,478	
(190,356)	
$ 3,058,122	$ 2,113,435

Police Special Separation Allowance Fund

Police Special Separation Allowance Fund

This fund was established to account for special separation (pension) benefits, payable monthly, to qualified law enforcement officers. The City is required to provide such benefits until each qualified law enforcement officer attains age 62. The City's contributions to this fund have been actuarially determined and will be funded by fringe benefit charges based on active police officers' salaries.

City of Greensboro

Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2003

		Pension Benefit Trust
ASSETS		
Cash and Cash Equivalents/Investments, Restricted for:		
Pension Benefits-Police Special Separation Allowance	$	4,393,113
Interest Receivable		26,738
Total Assets Held in Trust for Pension Benefits	$	4,419,851

The notes to the financial statements are an integral part of this statement.

City of Greensboro

Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2003

		Pension Benefit Trust
ADDITIONS		
Employer Contribution	$	1,531,886
Investment Income		140,047
Total Additions		1,671,933
DEDUCTIONS		
Benefits Paid-Police Special Separation Allowance		1,471,555
Administrative Expenses		1,539
Total Deductions		1,473,094
Change in Net Assets		198,839
Net Assets - Beginning of the Year		4,221,012
Net Assets - End of the Year	$	4,419,851

The notes to the financial statements are an integral part of this statement.

Statement of Net Assets
Component Units
June 30, 2003

ASSETS	Greensboro Housing Dev. Partnership	Greensboro Transit Authority	Greensboro ABC Board	Total Component Units
Cash and Cash Equivalents/Investments	$ 300,007	$ 1,413,135	$ 1,438,523	$ 3,151,665
Receivables, Net				
Taxes		81,136		81,136
Accounts, Notes and Mortgages		3,416,382	6,355	3,422,737
Intergovernmental	68,713	104,020		172,733
Interest		1,338,154		1,338,154
Inventories		114,407	1,608,270	1,722,677
Miscellaneous			45,917	45,917
Long-Term Note Receivable		14,793,759		14,793,759
Capital Assets				
Non-Depreciable:				
Land		235,000	339,855	574,855
Construction in Progress	198,634	16,313,148		16,511,782
Depreciable:				
Land Improvements		2,022		2,022
Accumulated Depreciation				
Buildings	121,287	2,861,638	1,647,404	4,630,329
Accumulated Depreciation	(62,444)	(406,326)	(602,554)	(1,071,324)
Improvements Other than Buildings		3,807	179,834	183,641
Accumulated Depreciation		(881)	(169,522)	(170,403)
Furniture, Fixtures, Machinery and Equipment		5,878,770	920,394	6,799,164
Accumulated Depreciation		(2,988,684)	(684,867)	(3,673,551)
Total Assets	$ 626,197	$ 43,159,487	$ 4,729,609	$ 48,515,293
LIABILITIES				
Accounts Payable	$ 1,717	$ 65,673	$ 1,520,928	$ 1,588,318
Contracts/Retainage Payable	5,803	3,333,210		3,339,013
Due to Primary Government			512,562	512,562
Miscellaneous			46,119	46,119
Unearned Revenues	7,792	2,894,232		2,902,024
Noncurrent Liabilities:				
Due Within One Year:				
Note Payable	411,530			411,530
Compenstated Absences		7,338		7,338
Due in More Than One Year:				
Note Payable	100,733			100,733
Compensated Absences		16,165		16,165
Total Liabilities	527,575	6,316,618	2,079,609	8,923,802
NET ASSETS				
Invested in Capital Assets, Net of Related Debt		21,898,494	1,630,544	23,529,038
Restricted for:				
Community Development	58,843			58,843
Unrestricted	39,779	14,944,375	1,019,456	16,003,610
Total Net Assets	$ 98,622	$ 36,842,869	$ 2,650,000	$ 39,591,491

The notes to the financial statements are an integral part of this statement.

Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2003

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Greensboro Housing Dev. Partnership				
Governmental Activities:				
Community Development & Housing	$ 148,880	$ 106,775	$ 2,872	$
Total Greensboro Housing Dev. Partnership	148,880	106,775	2,872	
Greensboro Transit Authority				
Business Type Activities:				
Transit Operations	9,840,308	1,094,694		7,340,125
Total Greensboro Transit Authority	9,840,308	1,094,694		7,340,125
Greensboro ABC Board				
Business Type Activities:				
ABC Board Operations	18,478,508	18,469,200		
Total Greensboro ABC Board	18,478,508	18,469,200		
Total	$ 28,467,696	$ 19,670,669	$ 2,872	$ 7,340,125

General Revenues:
Taxes:
Property Tax
Investment Income
Gain on Sale of Capital Assets
Miscellaneous

Total General Revenues

Change in Net Assets
Net Assets - July 1
Net Assets - July 30

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			
Greensboro Housing Dev. Partnership	Greensboro Transit Authority	Greensboro ABC Board	Totals
$ (39,233)	$	$	$ (39,233)
(39,233)			(39,233)
	(1,405,489)		(1,405,489)
	(1,405,489)		(1,405,489)
		(9,308)	(9,308)
		(9,308)	(9,308)
(39,233)	(1,405,489)	(9,308)	(1,454,030)
	3,322,165		3,322,165
	1,414,750	9,308	1,424,058
	6,382		6,382
	101,097		101,097
	4,844,394	9,308	4,853,702
(39,233)	3,438,905		3,399,672
137,855	33,403,964	2,650,000	36,191,819
$ 98,622	$ 36,842,869	$ 2,650,000	$ 39,591,491

NOTES TO THE FINANCIAL STATEMENTS
CITY OF GREENSBORO, NORTH CAROLINA

JUNE 30, 2003

I. Summary of Significant Accounting Policies

The accounting policies of the City of Greensboro (City) and its component units conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the City:

A. The Financial Reporting Entity

The City is a municipal corporation governed by an elected Mayor and eight-member Council. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. Criteria used to establish financial accountability include appointment of a voting majority of the component unit's governing board and imposition of will or a financial benefit/burden relationship, fiscal dependency or other significant operational and financial relationships.

1. Blended Component Unit

Blended component units, although legally separate entities, are, in substance, part of the City's operations. Financial amounts from this unit are combined with amounts of the primary government.

The Greensboro Center City Corporation (GCCC) assists the City in financing, acquiring and constructing public facilities and in purchasing equipment. The sole purpose of the GCCC is to provide a funding source for City assets, lease the assets to the City and to use the lease payments to repay the debt. The corporation has no other operations. The GCCC's twelve member governing board is appointed by the City Mayor. A financial burden exists, as the City is required to transfer funds to the GCCC in an amount sufficient to pay the scheduled debt service on GCCC certificates of participation. The GCCC's cash and debt is combined with assets and liabilities of the Parking facilities and the Capital Leasing Funds for financial statement purposes.

2. Discretely Presented Component Units

The component unit column in the combined financial statements includes the financial data of the City's other component units. The units are reported in a separate column to emphasize that they are legally separate from the City.

Greensboro Housing Development Partnership, Inc. (GHDP) provides first-time home buyers, with low to moderate income, affordable financing. GHDP also serves as a conduit to sell surplus land to builders to develop affordable housing for City citizens. The voting majority of the Board not only rests with the City, but also the financial burden, as the City guarantees support for any deficits of certain programs and loan obligations. The City also influences the operations of the GHDP by providing loan initiatives and rehabilitation of properties. Related transactions of this partnership are reflected in the City records.

The Greensboro Transit Authority (GTA) is responsible for operating the mass transit system in the municipal area. The members of GTA's governing board are appointed by City Council. City Council approves GTA's budget, transit rates and maintains substantive approval over significant operating decisions. Transit taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The GTA is presented as an Enterprise Fund.

Greensboro ABC Board operates alcoholic beverage stores, regulates the sale of such beverages and enforces alcoholic beverage laws in the City. Members of the governing body are appointed by City Council. Financial benefit is provided to the City as a portion of the Greensboro ABC Board's profits are distributed to the City, quarterly.

Each of the blended and discretely presented component units has a June 30 year-end. Complete financial statements for the individual component units may be obtained at their respective administrative offices. Financial transactions of the GTA are reported and audited during the City's annual audit. No separate financial statements are prepared for this entity.

ADMINISTRATIVE OFFICES

Greensboro Center City Corporation
Attention: Richard Lusk
P.O. Box 3136
Greensboro, North Carolina 27402-3136

Greensboro Housing Development Partnership, Inc.
Attention: Linda Wilson
P.O. Box 3136
Greensboro, North Carolina 27402-3136

Greensboro ABC Board
Attention: Fred McCormick
P.O. Box 16905
Greensboro, North Carolina 27416-0905

B. Governmental-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements).

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The previous reporting model did not summarize or present net cost by function or activity.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the governmental and proprietary fund financial statements is on major funds. The City's determination of reporting major funds considered the criteria prescribed by GASB and consistency of presentation from year to year. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are summarized into a single column. Internal Service funds, funds that provide goods and services to other City departments and certain outside agencies on a cost-reimbursement basis, have also been eliminated to prevent "double reporting" of their transactions.

The government-wide financial statements and the fund financial statements report the City's operational and fiscal accountability. Operational accountability refers to the reporting of efficiency and effectiveness of achieved operating objectives using all resources available for that purpose, and whether additional objectives can be met in the foreseeable future. Fiscal accountability is demonstrated through additional fund information detailing compliance with finance-related legal and contractual provisions.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and liabilities (whether current or non-current) associated with these activities are included in the government-wide financial statements, resulting in net assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available, or when susceptible to accrual. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers ad valorem taxes, sales taxes, state-shared revenues and reimbursements, and profit distributions from the ABC Board to be available if they are collected within 60 days after year end. Certain intergovernmental revenues, licenses and permits, fines and forfeitures, and charges for current services are recognized when cash is received, unless they are subject to deferral to a future period.

As of January 1, 1993, state law changed the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. For those motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the Fiscal Year in which they become due. Therefore, taxes for vehicles registered from March 2002 through February 2003 apply to the Fiscal Year ended June 30, 2003.

Uncollected taxes that were billed during this period are shown as a receivable on the financial statements. Those taxes for vehicles registered from March 1 through the Fiscal Year end apply to the Fiscal Year 2002-2003 and are not shown as receivables at June 30, 2003. For those motor vehicles registered under the annual system, taxes are due on May 1 of each year. Taxes for vehicles registered annually that have already been collected as of year end are reflected as deferred revenues at June 30, 2003 because they will be used to fund City operations during the 2003-2004 Fiscal Year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid sick pay which is not accrued and debt service on general long-term debt and claims and judgments which are recognized when the liability is normally expected to be liquidated with available financial resources.

Only current assets and current liabilities are generally included on the balance sheets of the governmental funds. Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, the reported fund balance presents a summary of sources and uses of "available spendable resources" during a period. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental column in the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund-based financial statements into the governmental column of the government-wide presentation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. It is the City's policy that operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the government's Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, claims payments, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As permitted by accounting principles generally accepted in the United States of America, the City has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices in the government-wide financial statements as well as for its proprietary operations and Pension Trust Fund.

The government reports the following major governmental funds:

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Housing Partnership Revolving Fund - The Housing Partnership Revolving Fund is used to provide resources to low and moderate income housing initiatives, approved by City Council, including grant/loan programs, construction/renovation projects, and cooperative efforts with private and not-for-profit organizations. General Fund support to this fund is one cent of the property tax rate.

The government reports the following major proprietary funds:

Enterprise Funds - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the 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 governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Water Resources Fund provides services to over 92,000 customers and is designed to be self-supporting. This fund also provides for principal and interest on all water and sewer debt. Combined Enterprise System Revenue bonds as well as General Obligation bonds outstanding are recorded in this fund.

The War Memorial Coliseum Fund administers monies necessary for the operation of the complex responsible for bringing top artists in the entertainment, educational and sports fields to the City.

The Solid Waste Management Fund accounts for waste collection, disposal and recycling operations of the City, as well as solid waste landfill improvements.

Additionally, the government reports the following fund types:

INTERNAL SERVICE FUNDS - Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City also accounts for its self-insurance transactions and major equipment purchases financed with lease-purchase agreements or certificates of participation in the Internal Service Funds.

Internal Service Funds of the City government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the Internal Service Funds are the City's governmental activities, financial statements of Internal Service Funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

PENSION TRUST FUND – The Pension Trust Fund accounts for assets held by the City in a trustee capacity and accumulates funds to provide pension benefit payments to qualified law enforcement officers. This fund uses the accrual basis of accounting and has a capital maintenance measurement focus. It is accounted for in essentially the same manner as Proprietary Funds.

The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (Pension Benefit Trust). Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the rule are payments between the water resources function and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Cash Equivalents/Investments

The City maintains a cash and investment pool that is used by all funds except the following, which maintain separate deposits and investments: Water Resources Bond Fund and Solid Waste Landfill

Expansion Project Fund. The City is directly responsible for managing cash and cash equivalents/ investments of all funds except for certain cash and cash equivalents/ investments of the Capital Leasing Fund managed by a third party trustee for the Greensboro Center City Corporation. Each fund type's equity in cash and cash equivalents/ investments is displayed separately on the combined balance sheet. Interest earned is distributed to the various funds on the basis of equity in the cash and cash equivalents/ investments pool and individual fund investments. For purposes of the statement of cash flows, investments (including restricted assets) are considered to be cash equivalents, since they represent highly liquid deposits of the cash and investment pool.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the Fiscal Year are referred to as either "internal receivables/internal payables" (i.e., the current portion of interfund loans) or "internal receivables/internal payables, long-term" (i.e., the non-current portion of interfund loans) and are reported "net". Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements.

City ad valorem taxes are billed by the Guilford County Tax Collector after July 1, the beginning of the Fiscal Year, and are due on September 1. No penalties or interest are assessed until the following January 6. The taxes levied are based on the assessed values as of January 1, which is the statutory lien date on real property. Liens against personal property are coincident with action taken to levy or garnish. Collections of City taxes are made by the County and remitted to the City as collected. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes receivable amount for the General Fund is reduced by an allowance for uncollectibles of $65,340. The net receivable of $3,215,678 is shown as a deferred revenue on the Balance Sheet.

3. Inventories

Inventories consist primarily of materials and supplies held for consumption. They are stated at cost, determined principally by a moving average method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Inventories of the Greensboro ABC Board are valued at the lower of cost (FIFO) or market.

4. Restricted Assets

Certain proceeds of the City's revenue bonds and certificates of participation, as well as certain grant and tax receipts, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by applicable bond covenants, grantor or enabling legislative restrictions.

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000. General infrastructure assets were acquired or received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical cost using deflated replacement cost.

All purchased capital assets of the City and GTA are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

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

General capital assets and the related accumulated depreciation are reported for the City and GTA using the straight-line method over the following estimated useful lives: Buildings, 40 years; Improvements, 20 years; and Equipment, 5-20 years and Infrastructure as follows: Streets, 50 years; Sidewalks, 40 years; Bridges 50 years; Water/Sewer 40 years and Stormwater Improvements 30-75 years. Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations.

Property and equipment of the Greensboro ABC Board are stated at cost and are depreciated over their useful lives on a straight-line basis as follows: Buildings, 50 years; Equipment, 3-5 years. Leasehold improvements of the Greensboro ABC Board are depreciated over the term of the lease agreement.

Property, furniture and equipment of the GHDP are stated at cost and are depreciated over their useful lives on a straight-line basis as follows: Buildings, 27 years; Furniture and Equipment, 3-5 years.

6. Deferred/Unearned Revenues

The City reports deferred revenue on its government-wide and fund financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period (fund financial statements). Deferred revenues also arise when resources are unearned by the City and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). 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/unearned revenue is removed from the applicable financial statement and revenue is recognized.

Deferred/unearned revenues in the fund and basic financial statements at June 30, 2003 are composed of the following:

	Fund Financial Statements		
	General Fund	Housing Partnership Revolving Fund	Other Non-Major Special Revenue Funds
Deferred Revenue:			
Taxes Receivable	$ 3,215,678	$	$ 2,700
Prepaid Taxes Not Yet Earned	1,173,419		78,162
Prepaid Assessments Not Yet Earned	1,200		94,262
Prepaid Privilege Licenses Not Yet Earned	1,477,830		
Other Prepaid Deferred Revenues	222,115		2,102,864
Notes and Mortgages Receivable	211,756	16,452,206	9,404,040
Other Deferred Revenues	3,763,259		149,338
	$ 10,065,257	$ 16,452,206	$ 11,831,366

	Basic Financial Statements	
	Governmental Activities	Business-Type Activities
Unearned Revenue:		
Prepaid Taxes Not Yet Earned	$ 1,251,581	$
Prepaid Assessments Not Yet Earned	95,462	
Prepaid Privilege Licenses Not Yet Earned	1,477,830	
Other Prepaid Deferred Revenues	2,250,626	3,326,534
	$ 5,075,499	$ 3,326,534

7. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund-types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported at par, with a separate line shown for the applicable bond premium or discount.

In the fund financial statements, governmental fund-types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an Other Financing Source. Premiums received on debt issuances are reported as Other Financing Sources while discounts on debt issuances are reported as Other Financing Uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Fund balances are segregated into the following classifications:

a. Reserved by State Statute - This represents the amount of fund balance, which cannot be appropriated by the governing board. North Carolina General Statutes limit the amount that each local government may commit for purposes of future expenditures to the sum of cash and cash investments, less the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the Fiscal Year.

b. Reserved for Encumbrances - This represents commitments outstanding at June 30, 2003 related to purchase orders and unperformed contracts.

c. Reserved for Inventories - This represents that portion of fund balance segregated for inventories of supplies; these are current assets which do not represent available spendable resources.

d. Reserved for Assets Held for Resale - This represents a portion of fund balance segregated for an inventory of properties that will be resold and does not represent spendable resources.

e. RESERVED FOR 911 WIRELESS - This represents a portion of fund balance segregated for enhancements to the 911 wireless system.

f. RESERVED FOR CAPITAL PROJECTS - This represents the proceeds of bond sales used to finance major capital improvements not yet completed and funds accumulated for future capital projects.

g. RESERVED FOR PERPETUAL CARE - This represents a portion of fund balance segregated for maintenance of the city's cemeteries.

h. DESIGNATED FOR SUBSEQUENT YEAR'S EXPENDITURES - This represents the amount of fund balance appropriated by the City Council to the budget for the year ending June 30, 2004.

i. DESIGNATED FOR SPECIFIC PURPOSES - This represents that portion of fund balance which has been specifically set aside by the City for use in future periods.

j. DESIGNATED FOR DEBT SERVICE - This represents amounts held for the future payment of general long-term debt principal and interest.

k. UNDESIGNATED - This represents the amount of fund balance which is available for future appropriations.

9. Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets (net of related debt) is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Assets are liquid assets (typically generated from certain revenues and bond proceeds) which have third-party (statutory, bond covenant or granting agency) limitations on their use. Restrictions may also be imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets represent net assets that do not meet the definitions of "restricted" or "invested in capital assets net of related debt". Unrestricted net assets may be designated for management's specific internal purposes.

10. Accounting Changes and Reclassifications

Effective, July 1, 2002, the City adopted GASB Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets.* Accordingly, disclosures of the City's interest rate swap and swaption transactions have been included as of June 30, 2003.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the governmental-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $212,207,777 difference are as follows:

Bonds and Notes Payable (including Deferred Issuance Costs of $933,443)	$	171,272,281
Intergovernmental Payable		36,946
Accrued Interest Payable		1,177,611
Certificate of Participation Payable		27,532,256
Compensated Absences		8,328,683
Lease Purchase & Other Financing Payable		3,860,000
Combined Adjustment	$	212,207,777

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense".

The details of this $13,054,951 difference are as follows:

Capital Outlay	$	20,906,378
Disposals		(1,831,340)
Depreciation Expense		(6,020,087)
Combined Adjustment	$	13,054,951

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $28,311,886 difference are as follows:

Issuance of Debt	$	(41,272,117)
Principal Expenditure		13,455,927
Salary Expense – General Government		(885,474)
Other Issuance Costs		389,778
Combined Adjustment	$	(28,311,886)

III. Stewardship, Compliance and Accountability

A. Budgetary Information

In accordance with the General Statutes of the State of North Carolina, the City prepares and adopts its budgets on the modified accrual basis. The General Statutes also require balanced budgets for all funds for which a budget is required. The City adopts annual budgets for all funds except Capital Projects Funds, Grant Project Funds included in the Special Revenue Funds, and a Trust Fund. Capital and Grant Project budgets are adopted for the duration of the project which may encompass several years. Appropriations for funds that adopt annual budgets lapse at the end of the budget year. Capital and Grant Project budget appropriations do not lapse until the completion of the project.

Budgets are adopted at the fund level and are amended as necessary during the Fiscal Year in one of two ways. First, the City Manager, as delegated by City Council, may make line-item transfers within individual fund budgets with subsequent monthly notice to City Council. Such transfers can neither increase nor decrease the overall budget at the fund level. Secondly, the budget may be increased or decreased at the fund level as changing circumstances dictate, subject to City Council approval. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

The City Council officially adopts the annual budget ordinance and all project ordinances in June and amends such ordinances as necessary to recognize changes in resources or reallocations of budgets. As required by North Carolina General Statutes, appropriations in Governmental Funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. Even though goods and services have not been received, the transactions are accounted for as a reservation of fund balance in the year that the commitment is made. While appropriations lapse at the end of the Fiscal Year, the succeeding year's budget ordinance specifically provides for the reappropriation of year-end encumbrances. Supplemental budgetary amendments increased the General Fund appropriations by $3,115,044. No expenditures exceeded appropriations at the legal level of control during Fiscal Year 2002-2003.

B. Deficit Fund Equity

The Hope VI Program Fund reported a deficit fund balance of $86,145 as of June 30, 2003. This deficit will be eliminated with future reimbursements of federal grant funds.

IV. Detailed Notes on all Funds

A. Deposits and Investments

1. Deposits

All deposits of the City are made in designated official depositories and are secured as required by North Carolina General Statute 159-31. The City may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. The City may also establish time deposits in the form of money market accounts and certificates of deposit. At year end, the carrying amount of the deposit portion of pooled cash and cash equivalents/ investments was $299,388 and the bank balance was $2,524,898. These amounts include deposits for the GTA, a discretely presented component unit, because the GTA owns a percentage of the City's pooled cash and cash equivalents/ investments funds.

State statute allows depositories to collateralize excess deposits above federal depository insurance coverage by selecting one of the following two options. Under the Dedicated Method, all deposits over the federal depository insurance coverage are collateralized with securities held by the City's agent in the City's name. Under the Pooling Method, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name.

Sufficient collateral was maintained at June 30, 2003 by banks to secure the City's deposits. At June 30, 2003, the City had no deposits in financial institutions which collateralize deposits in excess of the allowable federal depository insurance coverage of $100,000 by the Dedicated Method. At June 30, 2003, all City deposits were maintained with financial institutions which collateralize excess deposits by the Pooling Method. Of the deposits maintained under the Pooling Method at June 30, 2003, $200,000 in interest-bearing deposits was covered by federal depository insurance, and $2,324,898 in interest-bearing deposits was collateralized by each depository with the State Treasurer.

The Greensboro ABC Board, a discretely presented component unit, held deposits in Pooling Method banks only. At June 30, 2003, the carrying amount of deposits was $1,413,123 and the bank balance was $2,187,109. All of the bank balances were covered by federal depository insurance.

2. Investments

North Carolina General Statute 159-30 (c) authorizes the City to invest in obligations of the U. S. Treasury and obligations of certain federal agencies; prime quality commercial paper and bankers' acceptances bearing the highest rating of a nationally recognized rating service; repurchase agreements with respect to either direct obligations of the United States or obligations of which the principal and interest are guaranteed by the United States; and SEC-registered mutual funds certified by the N. C. Local Government Commission. In accordance with state law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. It is the policy of the City to hold investments to maturity in order to realize full book value and interest earnings. As required for periods beginning after June 15, 1997 by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City's investments with a maturity of more than one year at

acquisition and non-money market investments are carried at fair value determined annually by quoted market prices, using the specific identification method. The North Carolina Capital Management Trust (NCCMT) Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. Money market instruments that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Interest income earned in the Capital Projects Funds, amounting to $1,765,527 was assigned to the Debt Service Fund.

In accordance with financial reporting requirements of the Governmental Accounting Standards Board, the City's investments at year end are categorized into one of three categories of credit risk. Category 1 includes investments that are insured, registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department or agent, but not in the City's name. At June 30, 2003, all of the City's investments are categorized under Category 1, as shown in the table below. Investments in the Money Market Mutual Funds are exempt because the City does not own any identifiable securities but is a shareholder of a percentage of the funds.

The GTA owns a percentage of the City's total investment pool. Accordingly, investment balances for the GTA are included in the following table:

Category	1	2	3	Reported Value	Fair Value
U.S. Government Agencies	$193,767,304	$	$	$193,767,304	$193,767,304
Investment in Money Market Mutual Funds				60,256,738	60,256,738
Total Investments				$254,024,042	$254,024,042

The City invests in callable, step-up securities to hedge against a rise in interest rates. These securities pay interest at a level that increases in specified increments on stated dates. The issuer will be required to pay a call premium on the redemption based on the call date at which the issuer elects to redeem the securities.

a. Interest Rate Swap

Objective of the Interest Rate Swap

As a means to convert variable rate obligations to synthetic fixed rate obligations to reduce the overall variable rate exposure of the City, the City entered into two interest rate swap agreements with Bank of America, N.A. in October 2002, in connection with its $13,600,000 Series 1994B Variable Rate General Obligation Bonds (Swap 1) and $5,700,000 Series 1998 Variable Rate General Obligation Bonds (Swap 2). The intention of the swaps was to effectively change the City's interest rate on the bonds to a synthetic fixed rate of 2.92% and 3.46% respectively.

Swap Terms

The bonds and the related swap agreements mature on April 1, 2014 (Swap 1) and April 1, 2020 (Swap 2) and the combined swaps' notional amount of $19,300,000 matches the $19,300,000 variable- rate bonds outstanding. Starting in Fiscal Year 2007 (Swap 1) and Fiscal Year 2019 (Swap 2) the notional value of the swaps and the principal amount of the associated debt decline. Under the swaps, the City pays the counterparty a fixed payment of 2.92% (Swap 1) and 3.46% (Swap 2) and receives a variable payment computed as 67% of 1 Month London Interbank Offered Rate (LIBOR). The bonds' variable rate coupons are closely associated with the Bond Market Association Municipal Swap Index (BMA).

Fair Value

Because interest rates were lower on June 30, 2003 than at the date of the execution of the swaps, the swaps had negative fair values of $(598,397) (Swap 1) and $(354,450) (Swap 2) as of June 30, 2003. The swaps' negative fair value may be countered by a reduction in total interest payments required under the variable rate bonds, creating a lower synthetic interest rate. Because the coupons on the City's variable-rate bonds are adjusted every 7 days to changing interest rates, the bonds do not have a corresponding fair value increase. The mark-to-market valuations were established by market quotations from the counterparty representing estimates of the amounts that would be paid for replacement transactions.

Credit Risk

As of June 30, 2003, the City was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, the City would be exposed to credit risk in the amount of the derivatives' fair values. The swaps' counterparty was rated Aa1 by Moody's Investors Service (Moody's), AA- by Standard and Poor's (S&P) and AA by Fitch Ratings (Fitch).

Basis Risk

As noted above, the swaps expose the City to basis risk should the relationship between 67% of 1 Month LIBOR and BMA diverge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rates of 2.92% and 3.46% and the synthetic rates as of June 30, 2003 of 3.17% (Swap 1) and 3.71% (Swap 2). As of June 30, 2003, the rate on the City's bonds was 1.00%, whereas 67% of 1 Month LIBOR was .75%.

Termination Risk

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The City will have the right to terminate the swaps at any time over the life of the swaps at the current market value on short-term notice. The Schedule to the Master Agreement includes an "additional termination event." That is, the swaps may be terminated by the counterparty if the outstanding debt of the City, secured by its faith, credit and taxing power, ceases to be rated at least A3 by Moody's or any successor thereto, A- by S&P or any successor thereto, or A- by Fitch, or any successor thereto or shall fail to be rated by at least one of Moody's, S&P, and Fitch. The City or the counterparty may terminate the swaps if the other party fails to perform under the terms of the contract. If the swaps are terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Termination will result in the City either making or receiving a termination payment based upon the market value on the date of termination.

Market Access Risk/Roll Over Risk

The City's swaps are for the term (maturity) of the bonds and therefore there is no market-access risk or rollover risk.

b. Swaption

Objective of the Swaption

The City entered into a swaption contract with Bank of America, N.A. that provided the City an up-front payment of $2,904,000. As a synthetic refunding of its Series 1995A Combined Enterprise System Revenue Bonds, this payment represents the risk-adjusted, present-value savings of a refunding as of June 1, 2005, without issuing refunding bonds in June 2003. The swaption gave the counterparty the option to make the City enter into a pay-fixed, receive-variable interest rate swap. If the option is exercised, the City would then expect to issue variable-rate refunding bonds.

Swaption Terms

The swaption was entered into on June 11, 2003. The $2.9 million payment was based on a notional amount of $31,070,000. The counterparty has the option to exercise the agreement on any semi-annual date starting on June 1, 2005 (the City's 1995A bonds' first call date) and ending on June 1, 2007. The fixed swap rate of 4.99% payable by the City was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the average coupon of 5.33% on the "refunded" bonds. The swap's variable payment to the City would be 72% of the 1 Month London Interbank Offered Rate (LIBOR).

Fair Value

As of June 30, 2003, the swaption had a negative fair value of $(2,902,095), established by market quotations from the counterparty representing estimates of the amount that would be paid for replacement transactions.

Market-Access Risk

If the option is exercised and the City is not able to issue variable-rate refunding bonds, the 1995A bonds would not be refunded and the City would make net swap payments as required by the terms of the contract, that is, making a fixed payment to the counterparty for the term of the swap at 4.99% and receiving a variable payment of 72% of 1 Month LIBOR. If the option is exercised and the variable-rate refunding bonds are issued, the actual savings ultimately recognized by the transaction will be affected by the relationship between the interest rates on the variable-rate refunding bonds paid by the City versus the variable payments on the swap (72% of 1 Month LIBOR) to be received by the City.

Swap Notional Schedule	Amount
6/1/2005	$31,070,000
6/1/2006	29,600,000
6/1/2007	27,975,000
6/1/2008	26,225,000
6/1/2009	24,425,000
6/1/2010	22,405,000
6/1/2011	20,400,000
6/1/2012	18,290,000
6/1/2013	16,065,000
6/1/2014	13,720,000
6/1/2015	11,250,000
6/1/2016	8,650,000
6/1/2017	5,915,000
6/1/2018	3,035,000
6/1/2019	-

B. Long-Term Note Receivable

The City entered into an agreement with Duke Power Company, effective July 1, 1991, which authorizes the discontinuance of transit services provided by Duke Transit in Greensboro, pursuant to a franchise agreement scheduled to expire on July 1, 2028. In exchange, the City is to receive $55,500,000 in 37 equal annual installments of $1,500,000 from Duke Power Company with the first installment on July 1, 1991 and the final installment on July 1, 2027. The annual payment is secured by a First and Refunding Mortgage Bond issued by Duke Power Company to the City. The present value of the note receivable as of June 30, 2003 is $14,793,759. Interest income of $21,382,199 will be recognized by the effective yield method over the remaining 24-year term of the note, based on an imputed interest rate of 8.95%.

C. Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Non-depreciable:				
Land	$ 46,793,731	$ 1,226,814	$ (12,200)	$ 48,008,345
Construction in Progress	36,371,428	13,504,784	(4,304,162)	45,572,050
Total Capital Assets, Non-depreciable	83,165,159	14,731,598	(4,316,362)	93,580,395
Capital Assets, Depreciable:				
Buildings	76,739,922	7,966,280	(26,729)	84,679,473
Improvements Other Than Buildings	6,771,803	292,355		7,064,158
Furniture, Fixtures, Machinery and Equipment	94,646,170	11,005,147	(3,537,762)	102,113,555
Infrastructure	283,228,435	1,823,687		285,052,122
Total Capital Assets, Depreciable	461,386,330	21,087,469	(3,564,491)	478,909,308
Less Accumulated Depreciation for:				
Buildings	(31,541,777)	(569,594)		(32,111,371)
Improvements Other Than Buildings	(4,608,207)	(22,903)		(4,631,110)
Furniture, Fixtures, Machinery and Equip	(54,274,046)	(10,667,598)	3,135,157	(61,806,487)
Infrastructure	(115,192,199)	(5,353,903)		(120,546,102)
Total Accumulated Depreciation	(205,616,229)	(16,613,998)	3,135,157	(219,095,070)
Total Capital Assets, Depreciable, Net Governmental Activities	255,770,101	4,473,471	(429,334)	259,814,238
Capital Assets, Net	$ 338,935,260	$ 19,205,069	$ (4,745,696)	$ 353,394,633

Business-Type Activities:

Capital Assets, Non-depreciable:				
Land	$ 34,371,266	$ 311,323	$	$ 34,682,589
Construction in Progress	48,693,020	20,420,030		69,113,050
Total Capital Assets, Non-depreciable	83,064,286	20,731,353		103,795,639
Capital Assets, Depreciable:				
Buildings	181,433,121	55,616		181,488,737
Improvements Other Than Buildings	25,575,289	63,994	(6,690)	25,632,593
Furniture, Fixtures, Machinery and Equipment	38,174,306	596,297	(5,474)	38,765,129
Infrastructure	270,223,627	3,091,652		273,315,279
Total Capital Assets, Depreciable	515,406,343	3,807,559	(12,164)	519,201,738
Less Accumulated Depreciation for:				
Buildings	(48,231,756)	(4,324,223)		(52,555,979)
Improvements Other Than Buildings	(12,349,724)	(1,384,354)		(13,734,078)
Furniture, Fixtures, Machinery and Equip	(28,819,060)	(1,270,655)	5,474	(30,084,241)
Infrastructure	(96,084,554)	(6,269,035)		(102,353,589)
Total Accumulated Depreciation	(185,485,094)	(13,248,267)	5,474	(198,727,887)
Total Capital Assets, Depreciable, Net Business-Type Activities	329,921,249	(9,440,708)	(6,690)	320,473,851
Capital Assets, Net	$ 412,985,535	$ 11,290,645	$ (6,690)	$ 424,269,490

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

Governmental Activities:	
General Government	$ 436,193
Public Safety	594,007
Transportation, including depreciation of general infrastructure assets	4,115,853
Engineering and Inspections	75,888
Environmental Services	1,656,426
Culture and Recreation	917,973
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	8,817,658
Total depreciation expense - Governmental Activities	$ 16,613,998
Business-Type Activities:	
Water Resources Fund, including depreciation of infrastructure assets	$ 9,308,564
War Memorial Coliseum Fund	2,064,833
Bryan Park Fund	414,186
Parking Facilities Fund	440,712
Solid Waste Management Fund	1,019,972
Total depreciation expense - Business-Type Activities	$ 13,248,267

Construction Commitments

The City has construction contract commitments on capital projects at June 30, 2003 as follows:

Governmental Funds:	
Special Revenue	$ 254,380
Capital Projects	20,926,523
Total Governmental Funds	$ 21,180,903
Enterprise Funds:	
Water Resources	$ 12,635,899
Parking Facility	78,000
Solid Waste Management	1,769,748
Total Enterprise Funds	$ 14,483,647
	$ 35,664,550

Discretely Presented Component Units:

Activity for GHDP for the year ended June 30, 2003, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-Depreciable:				
Construction in Progress	$ 1,032,202	$ 8	$ (833,576)	$ 198,634
Capital Assets, Depreciable:				
Buildings	121,287			121,287
Less Accumulated Depreciation For:				
Buildings	(55,025)	(7,419)		(62,444)
Total Capital Assets, Depreciable-Net	66,262	(7,419)		58,843
GHDP Capital Assets, Net	$ 1,098,464	$ (7,411)	$ (833,576)	$ 257,477

Activity for GTA for the year ended June 30, 2003, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-Depreciable:				
Land	$ 235,000	$	$	$ 235,000
Construction in Progress	9,375,621	7,472,449	(534,922)	16,313,148
Total Capital Assets, Non-Depreciable	9,610,621	7,472,449	(534,922)	16,548,148
Capital Assets, Depreciable:				
Buildings	2,477,571	384,067		2,861,638
Improvements Other Than Buildings	5,829			5,829
Furniture, Fixtures, Machinery and Equipment	5,646,462	431,797	(199,489)	5,878,770
Total Capital Assets, Depreciable	8,129,862	815,864	(199,489)	8,746,237
Less Accumulated Depreciation For:				
Buildings	(334,785)	(71,541)		(406,326)
Improvements Other Than Buildings	(684)	(197)		(881)
Furniture, Fixtures, Machinery and Equipment	(2,625,042)	(491,654)	128,012	(2,988,684)
Total Accumulated Depreciation	(2,960,511)	(563,392)	128,012	(3,395,891)
Total Capital Assets, Depreciable-Net	5,169,351	252,472	(71,477)	5,350,346
GTA Capital Assets, Net	$ 14,779,972	$ 7,724,921	$ (606,399)	$ 21,898,494

Activity for ABC Board for the year ended June 30, 2003, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-Depreciable:				
Land	$ 339,855	$	$	$ 339,855
Capital Assets, Depreciable:				
Buildings	1,630,726	16,678		1,647,404
Improvements Other Than Buildings	196,512		(16,678)	179,834
Furniture, Fixtures, Machinery and Equipment	844,857	75,537		920,394
Total Capital Assets, Depreciable	2,672,095	92,215	(16,678)	2,747,632
Less Accumulated Depreciation For:				
Buildings	(569,947)	(32,607)		(602,554)
Improvements Other Than Buildings	(161,183)	(8,339)		(169,522)
Furniture, Fixtures, Machinery and Equipment	(607,185)	(77,682)		(684,867)
Total Accumulated Depreciation	(1,338,315)	(118,628)		(1,456,943)
Total Capital Assets, Depreciable-Net	1,333,780	(26,413)	(16,678)	1,290,689
ABC Board Capital Assets, Net	$ 1,673,635	$ (26,413)	$ (16,678)	$ 1,630,544

D. Closure and Postclosure Care Costs - White Street Landfill

The City owns and operates a regional landfill site located in the northeast portion of the City. State and federal laws require the City to place a final cover on its White Street landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each June 30. The $9,819,361 reported as landfill closure and post closure care liability at June 30, 2003 is based on the use 100% of the estimated capacity of Phase II and Phase III, Cell 1. Phase III, Cell 2 is estimated at 54.3% filled.

These amounts are based on what it would cost to perform all closure and post closure care in the current year. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. At June 30, 2003, the City had expended $3,876,035 to complete closure for the White Street facility, Phase II. The balance of closure costs, estimated at $5,994,313 for Phase III, Cells 1 and 2 will be funded over the remaining life of the landfill.

E. Interfund Receivables, Payables and Transfers

The following is a schedule of interfund receivables and payables and due to/from primary government and component unit at June 30, 2003:

1. Internal Receivables/Payables:

Current	Receivable By: Non-major Governmental Funds
Payable From: Non-major Governmental Funds	$ 81,750

Long-Term	Receivable By: Internal Service Funds
Payable From: Solid Waste	$ 20,045
Internal Service Funds	2,470,346
	$2,490,391

2. Due To/From Primary Government and Component Unit:

	Receivable By: General Fund
Payable From: Component Unit – ABC Board	$512,562

Current internal balances represent grant expenditures which are on a reimbursement basis. These items should be paid back to the respective funds during the next year upon receipt of funding from grantor agencies.

Long-term balances represent amounts paid to the Capital Leasing Fund for financing of equipment purchases over a five year period.

Internal balances of $1,819,161 payable from the Governmental Activities to the Business-Type Activities represent activity of the Internal Service Funds.

3. Interfund Transfers:

	General Fund	Non-major Governmental Funds	Water Resources Fund
Transfers From:	$(25,623,647)	$ (3,901,355)	$ (50,950)
Transfers To:			
General Fund	$	$ 3,291,970	$
Housing Partnership Revolving	1,789,880		
Debt Service	13,057,060		
Non-Major Governmental Funds	609,607	565,315	
Enterprise Funds:			
War Memorial Coliseum	1,546,800		
Solid Waste	6,978,045		
Other Non-major Funds	1,507,785		
Internal Service Funds	134,470		50,950
Fiduciary Funds		44,070	
Total	$ 25,623,647	$ 3,901,355	$ 50,950

	Component Unit Greensboro ABC Board	Total
Transfers From:	$ (2,214,504)	$(31,790,456)
Transfers To:		
General Fund	2,214,504	5,506,474
Housing Partnership Revolving		1,789,880
Debt Service Fund		13,057,060
Non-Major Governmental Funds		1,174,922
Enterprise Funds:		
War Memorial Coliseum		1,546,800
Solid Waste		6,978,045
Other Non-major Funds		1,507,785
Internal Service Funds		185,420
Fiduciary Funds		44,070
Total	$ 2,214,504	$ 31,790,456

Transfers were made to use unrestricted revenues in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Long-Term Debt

Long-Term Bonded Debt of the City consists of General Obligation Bonds, which are collateralized by the full faith, credit and taxing power of the City and are issued for both general governmental improvements and for Proprietary Fund purposes. The City's Legal Debt Margin as of June 30, 2003 is $1,018,534,881. In February 2003, the City issued $50,000,000 in tax-exempt General Obligation Public Improvement Bonds for several capital projects including street improvements, public transportation system improvements, fire stations, law enforcement facilities and library facilities. These fixed and variable rate bonds bear an average coupon rate of 3.4% to 3.8% with maturity dates ranging from 2020 to 2023. The $10,000,000 Public Improvement Bond Anticipation Notes issued in June 2002 matured and the corresponding debt was issued in February 2003. Long-Term Bonded Debt consists of the following:

1. General Governmental Improvement General Obligation Bonds

These outstanding tax-exempt and taxable bonds bear interest, payable monthly, at variable rates along with interest payable semi-annually at fixed rates from 2.25% to 6.0%. The outstanding tax-exempt and taxable variable rate bonds are reported at 1.0% and 1.05%, respectively as of June 30, 2003. Principal is payable annually in varying amounts through 2023. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

$171,255,639

2. Internal Service Improvement General Obligation Bonds

This obligation, issued in 1998, relates to a public safety communications system and is recorded in the Technical Services Fund. Debt service will be covered by fees charged to other internal departments.

5,516,563

3. Enterprise Improvement General Obligation Bonds

These General Obligation Bonds were issued for water and sewer improvements. It is expected that the revenues produced by this enterprise will meet the debt service required for bond retirement. Outstanding tax-exempt bonds bear interest, payable semi-annually, at rates varying from 2.25% to 5.5%. Principal is payable annually in varying amounts through 2010. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

4,857,798

$181,630,000

4. Defeased Bonds

In prior years, the City defeased General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2003, $66,915,000 of General Obligation Bonds outstanding are considered defeased.

On February 19, 2003, the City issued $22,820,000 Refunding General Obligation Bonds to defease $22,510,000 of all or a portion of Series 1993 and Series 1994A Water and Sewer and Public Improvement General Obligation Bonds. The net proceeds of $23,688,245 (after payment of $128,621 in underwriting fees, accrued interest and other issuance costs) were placed in escrow in an irrevocable trust to provide for all future debt service payments on the old bonds. As a result, the liability for the

1993 and the 1994A Series Bonds has been removed from the City's financial statements. Aggregate debt service payments over the next eleven years was decreased by an estimated $1,829,526, resulting in an economic savings of $1,650,617.

5. General Obligation Bonds Debt Service Requirements to Maturity are:

	Governmental Activities Annual Requirements		Business-Type Activities Annual Requirements		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2003-04	$ 10,666,421	$ 5,652,635	$ 1,178,577	$ 246,803	$ 17,744,436
2004-05	12,619,698	5,561,519	1,110,302	147,697	19,439,216
2005-06	12,625,191	5,132,888	1,089,809	113,167	18,961,055
2006-07	13,147,124	4,687,295	602,877	62,006	18,499,302
2007-08	13,168,768	4,222,715	591,232	40,569	18,023,284
2008-13	58,830,000	13,958,547	285,001	17,930	73,091,478
2013-18	29,015,000	5,605,167			34,620,167
2018-23	26,700,000	1,006,848			27,706,848
	$ 176,772,202	$ 45,827,614	$ 4,857,798	$ 628,172	$ 228,085,786

6. Special Obligation Bonds

In 1997, the City issued $16,000,000 in tax-exempt Special Obligation Bonds. Outstanding bonds bear interest payable semi-annually at fixed rates from 4.75% to 5.2%. Principal is payable annually in varying amounts from the years 2000 through 2013. These bonds were issued to finance construction of Phase III of the existing solid waste landfill and to purchase adjacent land for the project. A portion of the Local Options Sales Tax is pledged for payment of debt service on the Bonds. Certain financial covenants are contained in the bond order, among the most restrictive of which provide that the City maintain a long-term debt service coverage ratio, as defined, of not less than 2.0. The coverage ratio at June 30, 2003 is 7.04. The City demonstrated compliance with bond covenants during Fiscal Year 2002-03.

Special Obligation Bonds Debt Service Requirements to Maturity are:

	Business-Type Activities Annual Requirements		
Fiscal Year	Principal	Interest	Total
2003-04	$ 995,000	$ 626,144	$ 1,621,144
2004-05	1,040,000	578,881	1,618,881
2005-06	1,090,000	528,961	1,618,961
2006-07	1,145,000	475,551	1,620,551
2007-08	1,200,000	419,446	1,619,446
2008-13	6,980,000	1,120,772	8,100,772
	$ 12,450,000	$ 3,749,755	$ 16,199,755

7. Combined Enterprise System Revenue Bonds

On May 31, 2001, the City issued $35,740,000 Fixed Rate 2001A bearing interest rates from 4.25% to 5.50% and $20,190,000 Variable Rate 2001B Series tax-exempt Combined Enterprise System Revenue Bonds. A portion of the 2001B bonds was issued to defease $10,000,000 Variable Rate 1995B tax-exempt bonds. Outstanding Series 2001 Revenue Bonds amount to $54,880,000 as of June 30, 2003, with final maturity in 2026.

The City has $25,975,000 in outstanding tax-exempt 1998A Revenue Bonds bearing interest payable semi-annually at fixed rates from 4.3% to 5.5%. In addition, $10,000,000 in tax-exempt variable rate 1998B Revenue Bonds are outstanding. Principal is payable annually in varying amounts through 2024. The City has $33,575,000 outstanding in tax-exempt 1995A Revenue Bonds bearing interest payable semi-annually at fixed rates from 5.0% to 6.5%. Principal is payable annually in varying amounts through 2019. The Combined Enterprise System is currently comprised of the City's water and sanitary sewer system. Net receipts of the Combined Enterprise System are pledged to the payment of and as security for the Revenue Bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due. The outstanding tax-exempt variable rate bonds are reported at 1% as of June 30, 2003.

Certain financial covenants are contained in the revenue bond order, among the most restrictive of which provide that the City maintain a long-term debt service coverage ratio, as defined, of not less than 1.20. The coverage ratio at June 30, 2003 is 1.76. The City was in compliance with all such covenants during Fiscal Year 2002-03.

Revenue Bonds Debt Service Requirements to maturity are:

	Business-Type Activities Annual Requirements		
Fiscal Year	Principal	Interest	Total
2003-04	$ 3,395,000	$ 5,135,041	$ 8,530,041
2004-05	3,630,000	4,955,879	8,585,879
2005-06	3,890,000	4,751,679	8,641,679
2006-07	4,175,000	4,543,744	8,718,744
2007-08	4,405,000	4,352,132	8,757,132
2008-13	30,025,000	18,205,208	48,230,208
2013-18	32,590,000	11,005,808	43,595,808
2018-23	32,226,000	3,159,074	35,385,074
2023-26	10,094,000	202,302	10,296,302
	$ 124,430,000	$ 56,310,867	$ 180,740,867

8. Certificates of Participation

In August 2002, the GCCC issued $13,275,000 in tax-exempt Certificates of Participation to refund the 1991 Parking Facilities Project Bonds. The certificates bear interest, payable semi-annually, at a variable rate.

Certificates of Participation of the GCCC have been issued in prior years for parking facilities, expansion and improvements to the War Memorial Coliseum Complex, and equipment purchases. Outstanding certificates bear interest payable quarterly at variable rates and payable semi-annually at fixed rates on tax-exempt issues from 6.25% to 6.375% and on taxable issues from 6.50% to 7.25%. The outstanding tax-exempt and taxable variable rate bonds are reported at .83% and 1.05% respectively, as of the end of June 30, 2003. Principal is payable annually in varying amounts through 2016. Pursuant to installment purchase agreements, the City will make installment payments sufficient to pay the scheduled debt service on all certificates. Principal and interest requirements will be provided by appropriation in the year in which they become due. These payments will be appropriated in the Parking Facilities Enterprise Fund for the debt service attributable to parking facilities; in the Hotel/Motel Occupancy Tax Special Revenue Fund and War Memorial Coliseum Enterprise Fund for the portion of the debt service attributable to the Coliseum expansion and improvements; and in the Capital Leasing Internal Service Fund for the debt service attributable to equipment purchases.

In prior years, the City defeased Certificates of Participation by placing the proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the old certificates. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the City's financial statements. At June 30, 2003, $32,420,000 of outstanding certificates are considered defeased.

On September 18, 2002, the City issued $11,770,000 in Refunding Certificates of Participation and paid $1,945,490 in cash to defease $13,105,000 Series 1991 Parking Facilities Certificates. The net proceeds of $13,910,007 (after payment of $208,396 in underwriting fees, accrued interest and other issuance costs) were placed in escrow in an irrevocable trust to provide for all future debt service payments on the old certificates. As a result, the liability for the 1991 Series Certificates has been removed from the City's financial statements. Aggregate debt service payments over the next five years was decreased by an estimated $1,108,400 resulting in an economic savings of $1,012,388.

Debt Service Requirements to Maturity are presented in the following table:

	Governmental Activities Annual Requirements		Business-Type Activities Annual Requirements		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2003-04	$ 5,283,896	$ 1,040,575	$ 1,971,104	$ 343,176	$ 8,638,751
2004-05	5,514,000	916,829	2,031,000	284,854	8,746,683
2005-06	5,673,640	812,566	2,091,360	225,074	8,802,640
2006-07	5,849,672	670,222	2,160,328	163,593	8,843,815
2007-08	2,540,240	518,691	2,094,760	100,307	5,253,998
2008-13	12,525,808	1,009,248	2,569,192	36,858	16,141,106
2013-16	4,145,000	126,975			4,271,975
	$ 41,532,256	$ 5,095,106	$ 12,917,744	$ 1,153,862	$ 60,698,968

9. Lease-Purchase and Other Financing Agreements

The City has entered into lease-purchase and other financing agreements for certain equipment, land and infrastructure that bear interest at fixed rates from 2.6% to 6.7% and redevelopment projects that bear interest at an approximate rate of 1.5%. Interest and principal are payable monthly and quarterly through 2022. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

Debt Service Requirements to Maturity are presented in the following table:

	Governmental Activities Annual Requirements		Business-Type Activities Annual Requirements		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2003-04	$ 1,720,923	$ 311,714	$ 696,558	$ 227,036	$ 2,956,231
2004-05	1,213,822	218,993	682,619	203,832	2,319,266
2005-06	525,490	153,822	698,895	182,062	1,560,269
2006-07	185,976	133,001	669,471	158,851	1,147,299
2007-08	145,000	126,497	678,469	136,463	1,086,429
2008-13	1,589,000	519,842	2,596,785	370,994	5,076,621
2013-18	966,000	278,861	840,539	42,867	2,128,267
2018-22	580,000	69,695			649,695
	$ 6,926,211	$ 1,812,425	$ 6,863,336	$ 1,322,105	$ 16,924,077

The Federal Clean Water Act Amendments of 1987 provide federal funds through the North Carolina Clean Water Revolving Loan and Grant Act of 1987 to supplement the cost of wastewater improvements. The City loan was approved in May 2000 for $4,202,675 for such improvements. The above amounts include $3,642,319 for the outstanding Federal Wastewater Loan obligation that is passed through the State of North Carolina to the City beginning in August 2000 and maturing in June 2016, at an interest rate of 2.55%. The City has outstanding $2,755,000 in a HUD Section 108 variable-rate note bearing interest at the 3 month LIBOR rate plus 20 basis points, which approximated 1.5% at June 30, 2003. The City received an additional $1,105,000 in funds from HUD Section 108 variable rate note beginning in August 2003 and maturing in August 2021, at an interest rate of 3 month LIBOR plus 20 basis points. Total commitment for HUD funding is $7,461,000.

10. Changes in Long-Term Debt are as follows:

Long-term liability activity for the year ended June 30, 2003, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	$148,730,000	$69,654,599	$(41,612,397)	$176,772,202	$10,441,594
Certificates of Participation	46,633,430	1,272,797	(6,373,971)	41,532,256	5,363,896
Section 108 HUD Loan	3,078,000	1,105,000	(323,000)	3,860,000	145,000
Deferred Amounts:					
For Issuance Premium	32,100	950,085	(32,100)	950,085	86,371
Total Debt Payable	198,473,530	72,982,481	(48,341,468)	223,114,543	16,036,861
Other Liabilities:					
Capital Leases	2,716,522	1,779,273	(1,429,584)	3,066,211	1,575,923
Compensated Absences	7,687,356	6,636,274	(5,703,180)	8,620,450	5,253,551
Governmental Activity Long-Term Liability	$208,877,408	$81,398,028	$(55,474,232)	$234,801,204	$22,866,335

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	$ 5,835,000	$ 3,165,401	$ (4,142,603)	$ 4,857,798	$ 1,178,578
Special Obligation Bonds	13,400,000		(950,000)	12,450,000	995,000
Revenue Bonds	127,600,000		(3,170,000)	124,430,000	3,395,000
Certificates of Participation	12,736,570	13,947,693	(13,766,519)	12,917,744	1,971,104
State Water Revolving Loan	3,922,497		(280,178)		280,178
Watershed	3,592,429		(371,412)	3,221,017	416,380
Deferred Amounts:					
For Issuance Discounts	(307,340)		244,554	(62,786)	14,353
For Issuance Premium	311,149	223,107	(28,129)	506,127	(40,482)
Total Debt Payable	167,090,305	17,336,201	(22,464,287)	161,962,219	8,210,111
Other Liabilities:					
Accrued Landfill Liability	8,686,487	1,632,874	(500,000)	9,819,361	500,000
Compensated Absences	1,371,762	1,507,115	(1,382,693)	1,496,184	1,161,151
Business-Type Activity Long-Term Liability	$177,148,554	$20,476,190	$(24,346,980)	$173,277,764	$ 9,871,262

Internal service funds predominately serve the governmental funds. Accordingly, the related long term liabilities are included as part of the above totals for governmental activities.

Swap Payments and Associated Debt

Using rates as of June 30, 2003, debt service requirements of the variable-rate debt and net swap payments *assuming current interest rates remain the same for their term,* were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary. For further description of the transactions, see Derivative disclosure in Note IV. A, Deposits and Investments.

Fiscal Year Ending June 30	Variable Rate Bonds Principal	Variable Rate Bonds Interest (1)	Interest Rate Swaps, Net (2)	Total
2004	$	$ 193,000	$ 449,590	$ 642,590
2005		193,000	449,590	642,590
2006		193,000	449,590	642,590
2007	1,400,000	193,000	449,590	2,042,590
2008	1,450,000	179,000	419,210	2,048,210
2009	1,550,000	164,500	387,745	2,102,245
2010	1,650,000	149,000	354,110	2,153,110
2011	1,750,000	132,500	318,305	2,200,805
2012	1,850,000	115,000	280,330	2,245,330
2013	1,950,000	96,500	240,185	2,286,685
2014	2,000,000	77,000	197,870	2,274,870
2015		57,000	154,470	211,470
2016		57,000	154,470	211,470
2017		57,000	154,470	211,470
2018		57,000	154,470	211,470
2019	2,740,000	57,000	154,470	2,951,470
2020	2,960,000	29,600	80,216	3,069,816
Total	$ 19,300,000	$ 2,000,100	$ 4,848,681	$ 26,148,781

(1) Computed at 1% at June 30, 2003
(2) Computed at (2.92% less 67% of 1 Month LIBOR at June 30, 2003-Swap 1) and (3.46% less 67% of 1 Month LIBOR at June 30, 2003-Swap 2)

G. Annual Leave and Sick Leave

The City's policy permits employees to accumulate up to 30 days of earned but unused annual leave, which would be paid to employees upon separation from the City. Accumulated annual leave at June 30, 2003 amounted to $10,116,634 of which $8,620,450 relates to Governmental Activities and $1,496,184 relates to Business-Type Activities.

Changes in accumulated annual leave are as follows:

Fund Type	Balance 7/1/02	Current Year Increase	Current Year Decrease	Balance 6/30/03
Governmental Activities	$ 7,687,356	$ 6,636,274	$ (5,703,180)	$ 8,620,450
Business-Type Activities	1,371,762	1,507,115	(1,382,693)	1,496,184
	$ 9,059,118	$ 8,143,389	$ (7,085,873)	$ 10,116,634

Greensboro ABC Board employees may accumulate up to 20 days earned leave. The balance of the accumulated leave liability is not considered to be material. Operations of the GHDP are performed by employees of the City. Accordingly, there is no recorded liability for employee leave amounts for GHDP at June 30, 2003. GTA leave liability is $23,503.

City employees had accumulated sick leave benefits of $37,146,159 at June 30, 2003, based on compensation rates in effect on that date. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual has been made for sick leave. The same policy is followed by the Greensboro ABC Board.

V. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through a combination of risk-sharing participation, purchase of commercial insurance for primary and/or excess liability coverage and self-funded risk retention. Self-funded risks are primarily for health, employee workers' compensation, general, professional, law enforcement, vehicle and underground storage tank liabilities.

All operating funds of the City participate in the risk management program and make payments to the Employee Insurance Fund and the General Insurance Fund based on the insured funds' historical claims experience. Payments are for prior and current year claims and to establish a reserve for catastrophic losses.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but are not reported (IBNRs), based on actuarial computations. Settled claims have not exceeded self-retained or purchased insurance coverage in any of the past three Fiscal Years.

1. Employee Insurance

The City provides for health, dental, life and workers' compensation benefits in its Employee Insurance Fund.

The City's health plan currently offers two plan options through a self funded program. The City administers a dental plan for employees and their covered dependents, supplemented by employee contributions, which is still accounted for in the self-funded program.

Term life insurance for employees is provided by the City for the term of employment, at no cost to the employee. The amount of coverage is based on salary. For those dependents covered by health insurance, the City also provides a reduced coverage term life insurance policy at no cost to the employee. For the life plan, the City pays its contribution and the employees' portion of insurance premiums directly to the insurer.

The City is self-funded for workers compensation for claims up to $500,000 per occurrence. Claims in excess of the retention are covered through a combination of purchased insurance and self-funding participation.

The City's contributions toward employee costs are accounted for as expenditures when the funds are contributed to the Employee Insurance Fund.

2. General Insurance

The City's General Insurance Fund covers the first $100,000 in liability claims. A purchased insurance policy pays claims in excess of $3,000,000 per occurrence, a limit of $5,000,000 per occurrence thereafter, with an aggregate of $5,000,000 for public official liability claims.

The City currently participates in four separate funds in the Excess Liability Fund, Inc. (ELF) to self-fund certain types of liability claims in conjunction with the purchased excess policy. As of December 31, 1999, the ELF was structured to provide varying tiers of funding, with pre-determined contribution rates, limits of coverage, repayment schedules and certain levels of transfer of risk from the five local governments and school members represented by the ELF. Annual contributions by members are actuarially determined and periodically reviewed by the Board of Directors and the Executive Director of the ELF.

Effective January 1, 2000, the ELF was reorganized and the resulting structure provides for no transfer of risk from any of the member units to the ELF Corporation. Fund balances are segregated by member and in the event of loss, those amounts are available for claims payment by the respective member, on either a loan or withdrawal basis. The new structure of the ELF is considered to be similar to a claims-servicing arrangement. The Revolving Fund – Primary Liability Coverage pays amounts in excess of $100,000 up to $3,400,000 per occurrence, with an aggregate available for the City of $7,958,200 as of June 30, 2003. Additional amounts of $2,604,225 are recorded in the Excess Liability Fund – Tier I for payment of City claims. Accordingly, a total of $10,562,425 is recorded in the City's General Insurance Fund as insurance deposits. A portion of the Excess Liability Fund – Tier I, $923,645, is also available to be used as a "run-off" account for any unsettled claims which occurred as of December 31, 1999 and were reported by January 7, 2000. This amount will be handled under the old fund structure and will be shared by members in accordance with the original bylaws. In addition, the City recorded $969,187 in insurance deposits in the Employee Insurance Fund to reflect amounts held by the ELF to pay employer's liability and workers' compensation claims. Amounts paid by the Revolving Fund – Employer's Liability/Worker's Compensation Fund are to be repaid in subsequent years by the member incurring the loss.

The City is also a member of the Local Government Property Insurance Deductible Fund, Inc. This Fund provides excess property insurance coverage through a purchased insurance policy. Property losses up to $100,000 per occurrence (limited to an annual aggregate retention of $300,000) are paid by the Fund after application of a $5,000 deductible requirement for each member agency. These claims are shared jointly by all members of the Fund.

Property insurance coverage above the annual retention provides for up to 100% replacement cost, limited to $250,000,000 per occurrence. As of June 30, 2003, the City's contributions to the Property Deductible Fund totaled $555,750. At June 30, 2003, the total retained earnings of the Local Government Property Insurance Deductible Fund, Inc. is $1,353,525.

The City has the right to withdraw its contributions in the Revolving Fund - Primary Liability Coverage, the Excess Liability Fund - Tier I, and the Revolving Fund – Employers' Liability/Workers' Compensation of the Local Government Excess Liability Fund, Inc. and the Local Government Property Insurance Deductible Fund, Inc. when all claims against the Funds have been settled and all legal obligations have been paid for each claim year.

3. Reconciliation of Claims Liability

Changes in the City's claims liability balance during Fiscal Years 2003 and 2002 are as follows:

	Employee Insurance	General Insurance	Total 2002-03	Total 2001-02
Balance - July 1	$ 2,230,411	$ 1,248,845	$ 3,479,256	$ 3,230,826
Add Incurred Claims (including IBNRs) and Changes in Estimates	16,154,673	941,044	17,095,717	9,001,453
Deduct Claims Payments	15,884,089	857,418	16,741,507	8,753,023
Balance - June 30	$ 2,500,995	$ 1,332,471	$ 3,833,466	$ 3,479,256

[1] Increase in incurred claims for the Employee Insurance Fund is a result of changing from a premium-based plan to a self -insured plan.

B. Subsequent Events

On August 26, 2003, the City issued $33,435,000 in 2003A Combined Enterprise System Revenue Bonds payable semiannually at a fixed rate ranging from 2.00% to 5.25 % on June 1 and December 1, with final maturity in 2025. The City also issued $10,000,000 in 2003B variable-rate Combined Enterprise System Revenue Bonds with interest payable monthly through 2028. The original issue premium amounted to $1,164,513. The proceeds of these bonds, along with $2,904,000 received from the origination of a swaption agreement in connection with the variable-rate bond portion of the issue, will be used for improvements to the City's water system and sanitary sewer system as well as capitalized interest and cost of issuance.

C. Commitments and Contingencies

1. Legalities

The City is party to a number of civil lawsuits and other legal actions. In the opinion of the City's attorney and management, the ultimate outcome of these suits is not expected to have a significant impact upon the City's financial position. The City just recently had a judgment by a jury for $1.5 million in a personal injury suit. The case is being appealed to the North Carolina Court of Appeals and we are informed by outside counsel that we have grounds for appeal and reversal. Our insurance fund has sufficient reserves to cover this judgment.

2. Authorized capital projects at June 30, 2003 are comprised of the following:

Project Expended	Project Authorization	Expended Through June 30, 2003	Unexpended Authorization
Governmental Funds:			
Special Revenue	$ 26,965,541	$ 11,023,702	$ 15,941,839
Capital Projects	326,367,912	175,391,257	150,976,655
	$ 353,333,453	$ 186,414,959	166,918,494
Enterprise Funds:			
Water Resources	$ 156,709,619	$ 100,901,757	$ 55,807,862
Parking Facilities	1,522,000	32,000	1,490,000
Solid Waste Management	17,893,454	15,908,627	1,984,827
	$ 176,125,073	$ 116,842,384	$ 59,282,689

3. Financial Assistance Programs

The City participates in a number of Federal and State financial assistance programs. For the Fiscal Year ended June 30, 2002, these programs were subject to audit in accordance with the Single Audit Act Amendments of 1996, the provisions of OMB Circular A-133, and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from this and other audits cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

4. Operating Lease Agreement - ABC Board

The Greensboro ABC Board has operating lease agreements for various store and office properties. Rental expense for the year ended June 30, 2003 totaled $198,407. Future lease payments less payments under sublease agreement are as follows:

Fiscal Year	Lease Payment
2003-04	$ 162,861
2004-05	95,748
2005-06	97,324
2006-07	74,264
2007-08	44,790
	$ 474,987

5. Operating Lease Payments

The City has operating lease payments for computers, printers, software/licenses, maintenance and workstations. Lease payments for the year ended June 30, 2003 totaled $862,064. Future lease payments are as follows:

Fiscal Year	Lease Payment
2003-04	$ 1,046,294
2004-05	668,432
2005-06	193,403
2006-07	4,253
	$ 1,912,382

6. Contingencies

During 1996, the City entered into a line of credit loan guarantee agreement with a financial institution to guarantee obligations up to $150,000 for GHDP for housing rehabilitation in the Asheboro Target Area. In August 1999 the amount was increased to $300,000 for additional rehab work. In May 2001, the agreement was re-negotiated and the amount of the City's guarantee was increased to $650,000 to allow for new construction in the Bingham Street neighborhood. In August 2002, the City Council authorized an additional loan guarantee in the amount of $215,000 in conjunction with the development of the Southside neighborhood. The guaranteed portion of the outstanding loan would be paid by GHDP with a pledge of 25% of the proceeds from the sale of each newly constructed home unit.

D. Joint Venture

Piedmont Triad Regional Water Authority (Authority)

The City, in conjunction with five other governmental entities, formed the Authority in September 1987 to develop a regional water supply. The Authority's board is composed of ten members, three of which are appointed by City Council. The joint venture agreement provides that each participant will annually contribute funds to acquire land, a reservoir and to construct the Randleman Dam. The City's funding share is 59.4%, or $33,858,000, based on a percentage of raw water allocation. City contributions, funded from the Water and Sewer Capital Reserve Fund, total $34,063,761, including $205,761 for staff administration and equipment fees paid from City operations as of June 30, 2003.

The Authority began construction of the Dam in August 2001 and will also construct a Water Treatment Plant to be financed from revenue bonds, expected to be issued by the Authority in FY 2003-2004. The City contributed $5,940,000 of an additional approximately $14 million in March 2003 for reservoir and infrastructure improvements. Each participant has the right to purchase future treated water in agreed upon allotments, according to a uniform rate structure set by the Authority. The City's net investment and its share of the operating results of the Authority are reported in the Water Resources Enterprise Fund. At June 30, 2003, the City's equity interest in the Authority was $36,064,109. Complete financial statements for the Authority may be obtained from the Authority's administrative office at 2216 West Meadowview Road, Greensboro, North Carolina.

E. Jointly Governed Organization

Greensboro/Guilford County Tourism Development Authority (Authority)

The City, in conjunction with Guilford County, established the Authority to promote regional tourism. The City appoints five members of the Authority's thirteen member board. The Authority receives room occupancy taxes which are levied on gross receipts from rental accommodations within Guilford County. The tax is levied at 6% for establishments within the city limits of Greensboro, of which 3% is levied by

the City and 3% is levied by Guilford County. During 2002-03, the City levied $3,279,739 in room occupancy taxes, of which $655,948 was remitted to the Authority for travel and tourism promotion.

F. Related Organization

Greensboro Housing Authority (Authority)

The Authority was created to provide affordable housing for citizens with limited income. Although all of the members of the governing body of the Authority are appointed by the City Mayor, the City has no decision in selecting the management of the Authority. Financial transactions between the City and the Authority reflect contractual agreements between the parties for the provision of services by the City. The City is not responsible for any deficits nor is it entitled to any surpluses of the Authority. The City does not significantly influence the operations of the Authority, and the Authority is not accountable to the City for its fiscal matters. In 1998, the City issued $1.5 million in General Obligation Bonds on behalf of the Authority to fund certain housing projects. The amount will be repaid by the Authority with payments in lieu of taxes, as principal and interest payments become due.

G. Post-employment Benefits

In addition to the pension benefits described in Note I, the City Council has authorized the City to provide health care benefits to retirees until age 65. As of June 30, 2003, 457 retirees are participating in one or more health, dental and life insurance programs. The City's contribution is determined by the number of years of service prior to retirement. For retirees with 30 or more years of service, the City funds the benefit at the active employees' benefit rate. Retirees with 25 years and 20 years of service are funded at 75 percent and 50 percent of the active employees' benefit rate, respectively. The City does not fund any portion of the cost for retirees with less than 20 years of service. Retirees are required to pay a portion of the premium for health and all of the premium for dental coverage and dependent health coverage. Those retirees who were employed at least 20 years receive reduced term life insurance coverage until age 65.

Post employment health care benefits are accounted for in the City's Employee Insurance Fund and payments are made on a pay-as-you-go basis. The City's portion of retiree benefits (net of retiree contributions) totaled $1,496,087 for the Fiscal Year ended June 30, 2003.

H. Deferred Compensation

The City offers all of its employees a Deferred Compensation Plan (Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to permanent City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City has complied with changes in the laws which govern the City's Plan, requiring all assets of the Plan to be held in trust, custodial accounts or in annuity contracts for the exclusive benefit of participants and their beneficiaries. Effective January 1, 1999, the City entered in a trust and is also holding annuity contracts in compliance with GASB Statement 32*, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. All transactions are administered by third party administrators and accordingly, Plan assets are not included in the City's financial statements.

The City contributes 2% of salary, less FICA, if applicable, to the Plan for participating full time employees. The City contributes an additional 3% of salary, less FICA, if applicable, for those engaged in firefighting, if firefighters choose to defer at least 3% of their salary, as well. Those employees

engaged in law enforcement may participate in the Plan, however, no City contributions are made on their behalf, but instead are contributed to the 401(k) Defined Contribution Pension Plan. All employees may defer amounts up to the maximum allowed by the Internal Revenue Service each year. The employee receives credit for his contribution as well as the City's, and benefits are based on the total assets owned in the employee's individual accounts. The fair market value of the deferred compensation accounts of employees through the year ended June 30, 2003 was $47,320,958.

In addition, the City is in the process of terminating a Deferred Money Purchase Pension Plan for City firefighters in accordance with Internal Revenue Code Sections 401 (a). The assets remaining in this plan as of June 30, 2003 were $244,331. Participants are selecting the manner of disbursement of their individual accounts, which should be completed within the next Fiscal Year.

I. Pension Plan Obligations

1. Local Governmental Employees' Retirement System

a. Plan Description

All permanent full-time City of Greensboro employees participate in the statewide Local Governmental Employees' Retirement System (System), a multiple-employer, cost-sharing, defined benefit pension plan, administered by the State of North Carolina.

The City's payroll for employees covered by the System for the Fiscal Year ended June 30, 2003 was $110,981,463 and the City's total payroll was $117,670,064.

All employees may retire with unreduced retirement benefits after 30 years of creditable service, at age 60 with 25 years of creditable service, or at age 65 with 5 years of creditable service. Law enforcement officers may retire at age 55 with 5 years of creditable service. Employees retiring under one of the above conditions are entitled to annual retirement benefits, payable monthly for life, equal to 1.85% of average final compensation times years of creditable service. Average final compensation is defined as the average of an employee's salary during the employee's four consecutive highest-paid years. Benefits fully vest on reaching 5 years of service. The retirement system also provides death and disability benefits. Employees qualify for a vested deferred benefit after one year (death) and five years (disability) of creditable service. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Employees may retire with reduced benefits under the following conditions: law enforcement officers who have reached age 50 with 15 years of creditable service as an officer, or firefighters who have reached age 55 with 5 years of creditable service, or employees not engaged in public safety who have reached age 50 with 20 years of creditable service or age 60 with 5 years of creditable service.

b. Funding Policy

Covered employees are required by State statute to contribute 6% of their salary to the System. The City is required by State statute to contribute the remaining amounts necessary to pay benefits when due. The actuarially determined contribution requirements of the City for the years ended June 30, 2003, 2002, and 2001 were $4,226,384, $4,107,332, and $3,842,247, respectively. The contributions made by the City equaled 100% of the required contributions in each year. The City's current required contributions for employees not engaged in law enforcement and for law enforcement officers represented 4.91% and 4.78% of covered payroll, respectively.

The System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Office of the State Controller, 3512 Bush Street, Raleigh, North Carolina 27609.

The System also provides retirement benefits to permanent Greensboro ABC Board employees. The employee members contribute 6% of their individual salaries. Effective July 1, 1998, the Board's mandatory contribution was 4.99%. The employer contributions to the System for the years ended June 30, 2003, 2002 and 2001 were $313,413, $319,103, and $302,618, respectively. There is no unfunded accrued pension liability as of June 30, 2003. The contribution requirements of members and of the City and the ABC Board employers are established and may be amended by the North Carolina General Assembly.

2. Law Enforcement Officers Special Separation Allowance

a. Plan Description

The City is the administrator of a single-employer, defined benefit, retirement system (System) established by the City to provide special separation benefits to its law enforcement officers.

The payroll for employees covered by the System for the Fiscal Year ended June 30, 2003 was $24,728,728. The City's total payroll was $117,670,064.

All full-time City law enforcement officers are covered by the System. At December 31, 2002, the date of the latest actuarial valuation, the System's membership consisted of:

Retirees currently receiving benefits	114
Active plan members	500
Total	614

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

(1) Have (i) completed 30 or more years of creditable service or, (ii) 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.

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.

Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

b. Summary of Significant Accounting Policies

Basis of Accounting - Financial transactions for the System are recorded using the accrual basis of accounting and are reflected as a Pension Trust Fund in the City's financial statements. The System is not included in the report of another entity and a stand-alone financial statement is not issued. Employer contributions to the plan are recognized when due and when the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. Short-term obligations with a maturity of less than one year at acquisition are reported at amortized cost. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Investment balances are concentrated in federal agencies as follows:

Agency	% of Plan Net Assets
Federal National Mortgage Corporation	40.0
Federal Home Loan Mortgage Corporation	34.6
Federal Home Loan Bank Bonds	19.3

c. Contributions

The City is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the City contributed $1,531,886 or 6.19% of annual covered payroll. Current contributions equaled 122% of the actuarially required amounts in Fiscal Year 2002-03. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the System are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2002 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 6.0% investment rate of return and (b) projected salary increases of 4.0%. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2002 was 28 years.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/01	$ 1,072,726	145.67%	$ (783,228)
6/30/02	1,232,401	122.64%	(1,062,262)
6/30/03	1,257,899	121.78%	(1,336,249)

The City's annual pension cost and net pension obligation to the System for the current year were as follows:

Annual Required Contribution	$ 1,258,964
Interest on Net Pension Obligation	(77,014)
Adjustment to Annual Required Contribution	75,949
Annual Pension Cost	1,257,899
Contributions Made	(1,531,886)
Decrease in Net Pension Obligation	(273,987)
Net Pension Obligation- Beginning of Year	(1,062,262)
Net Pension Obligation- End of Year	$ (1,336,249)

3. Supplemental Retirement Income Plan For Law Enforcement Officers

All law enforcement officers employed by the City participate in the State of North Carolina Supplemental Retirement Income Plan, a 401(k) defined contribution pension plan, administered by the Department of State Treasurer and a Board of Trustees. Participation begins on the first day of the quarter upon reaching sworn status. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Article 12E of G. S. Chapter 143 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 for the year ended June 30, 2003 were calculated using a covered payroll (base salary) in the amount of $21,843,512. The City's total payroll was $117,670,064. Total contributions were $2,175,064, which consisted of $1,092,176 from the City and $1,082,888 from the law enforcement officers. The City's required contributions and the officer's voluntary contributions represented 5.0% and 4.95% of the covered payroll amount, respectively.

Schedule of Funding Progress

Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Years Ended December 31, 1993 - 2002

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability - Projected Unit Credit (b)	Funded Ratio (a) / (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b - a) / c)
12/31/1993		$2,479,192	$6,159,850	40.2%	$3,680,658	$15,312,854	24.0%
12/31/1994		2,327,183	6,671,788	34.9%	4,344,605	16,188,840	26.8%
12/31/1995		2,406,842	7,657,871	31.4%	5,251,029	17,210,802	30.5%
12/31/1996		2,407,134	8,329,669	28.9%	5,922,535	18,085,582	32.7%
12/31/1997		2,530,925	9,511,422	26.6%	6,980,497	19,065,240	36.6%
12/31/1998		2,617,828	10,512,393	24.9%	7,894,565	19,370,384	40.8%
12/31/1999		2,700,772	11,397,369	23.7%	8,696,597	20,497,436	42.4%
12/31/2000	*	3,244,197	14,006,640	23.2%	10,762,443	21,823,165	49.3%
12/31/2001		3,980,402	14,890,819	26.7%	10,910,417	22,633,569	48.2%
12/31/2002		4,428,099	15,831,856	28.0%	11,403,757	23,199,431	49.2%

* Reflects changes in actuarial assumptions.

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of PERS funding status is a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of PERS progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

Schedule of Employer Contributions

Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Fiscal Years Ended June 30, 1994 - 2003

Year Ended 6/30		Annual Required Contribution	Percentage Contributed
1994		$ 469,482	105.8 %
1995		516,043	94.3
1996	(2)	592,512	92.7
1997		722,853	100.0
1998		791,389	100.0
1999		876,382	100.0
2000		976,812	100.0
2001		1,072,726	145.7
2002		1,232,401	122.6
2003		1,257,899	121.8

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2002
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Closed
Remaining Amortization Period	28 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return (1)	6.0%
Projected Salary Increases (1)	4.0%
(1) Includes inflation at	3.75%
Cost of Living Adjustments	None

(2) The active service and mortality tables and assumed rates of salary were revised to reflect the results of the most recent study of the experience under the program.

COMBINING BALANCE SHEET

Nonmajor Governmental Funds
June 30, 2003

ASSETS	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUND PERPETUAL CARE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Cash and Cash Equivalents/Investments	$ 10,975,414	$ 4,974,455	$	$ 15,949,869
Receivables:				
Taxes	2,700			2,700
Accounts, Notes and Mortgages	9,830,558			9,830,558
Assessments	100,911			100,911
Intergovernmental	1,509,618	154		1,509,772
Assets Held for Resale	95,335			95,335
Restricted Assets:				
Cash and Cash Equivalents/Investments	11,430,273	58,587,519	1,910,211	71,928,003
Receivables:				
Accounts, Notes and Mortgages	50,630			50,630
Assessments	46,548			46,548
Intergovernmental	54,537			54,537
Total Assets	$ 34,096,524	$ 63,562,128	$ 1,910,211	$ 99,568,863
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 599,250	$	$	$ 599,250
Contracts/Retainage Payable	902,208	76,906		979,114
Internal Payable	81,750			81,750
Miscellaneous	56,969			56,969
Deferred Revenues	11,831,366			11,831,366
Liabilities Payable From Restricted Assets:				
Accounts Payable		50,683		50,683
Contracts/Retainage Payable		1,841,201		1,841,201
Miscellaneous		956		956
Total Liabilities	13,471,543	1,969,746		15,441,289
Fund Balances:				
Reserved by State Statute	2,321,726			2,321,726
Reserved for Encumbrances	3,710,359			3,710,359
Reserved for Assets Held for Resale	95,335			95,335
Reserved for Perpetual Care			1,910,211	1,910,211
Total Reserved Fund Balance	6,127,420		1,910,211	8,037,631
Unreserved, Reported In:				
Designated for Subsequent Year's Expenditures:				
Special Revenue Funds	2,901,990			2,901,990
Designated for Specific Purposes :				
Special Revenue Funds	985,074			985,074
Capital Projects Funds		61,592,382		61,592,382
Total Unreserved-Specific Purposes	985,074	61,592,382		62,577,456
Undesignated:				
Special Revenue Funds	10,610,497			10,610,497
Total Fund Balances	20,624,981	61,592,382	1,910,211	84,127,574
Total Liabilities and Fund Balances	$ 34,096,524	$ 63,562,128	$ 1,910,211	$ 99,568,863

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds
June 30, 2003

ASSETS	STREET AND SIDEWALK REVOLVING	STATE HIGHWAY ALLOCATION	CEMETERY	HOTEL/MOTEL OCCUPANCY TAX	SPECIAL TAX DISTRICTS
Cash and Cash Equivalents/Investments	$ 5,371,455	$	$ 282,415	$ 432,778	$ 488,253
Receivables:					
Taxes					2,700
Accounts, Notes and Mortgages			17,870		
Assessments	100,269				
Intergovernmental	89,138		75	214,181	203
Assets Held for Resale	95,335				
Restricted Assets:					
Cash and Cash Equivalents/Investments		9,327,409			
Receivables:					
Accounts, Notes and Mortgages					
Assessments		46,548			
Intergovernmental		54,537			
Total Assets	$ 5,656,197	$ 9,428,494	$ 300,360	$ 646,959	$ 491,156
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$	$	$	$ 3,311	$
Contracts/Retainage Payable	61,309	518,967			
Internal Payable					
Miscellaneous	2,318				
Deferred Revenues	272,415	46,547	1,790		2,978
Total Liabilities	336,042	565,514	1,790	3,311	2,978
Fund Balances:					
Reserved by State Statute	371,441	54,537	16,155	214,181	203
Reserved for Encumbrances	276,624	2,462,022	3,996		464
Reserved for Assets Held for Resale	95,335				
Unreserved Fund Balance:					
Designated for Subsequent Year's Expenditures	1,104,000	1,639,325	111,665	6,000	41,000
Designated for Debt Service				423,467	
Designated for Specific Purposes	561,607				
Undesignated	2,911,148	4,707,096	166,754		446,511
Total Fund Balances	5,320,155	8,862,980	298,570	643,648	488,178
Total Liabilities and Fund Balances	$ 5,656,197	$ 9,428,494	$ 300,360	$ 646,959	$ 491,156

STORMWATER QUALITY CONTROL	COMMUNITY DEVELOPMENT	HOME PROGRAM	HOPE VI	WORKFORCE INVESTMENT ACT	JOB TRAINING CONSORTIUM	STATE AND FEDERAL GRANTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
$ 2,612,123	$ 118,658	$ 201,633	$ 92	$ 44,855	$ 6,514	$ 1,416,638	$ 10,975,414
							2,700
174,353	6,063,550	3,289,860				284,925	9,830,558
642							100,911
5,055	329,048	491,055		101		380,762	1,509,618
							95,335
						2,102,864	11,430,273
						50,630	50,630
							46,548
							54,537
$ 2,792,173	$ 6,511,256	$ 3,982,548	$ 92	$ 44,956	$ 6,514	$ 4,235,819	$ 34,096,524
$ 256	$ 19,425	$ 462,438	$ 4,487	$ 28,803	$ 3,169	$ 77,361	$ 599,250
	228,668	10,901				82,363	902,208
			81,750				81,750
	52,946					1,705	56,969
732	6,063,550	3,289,860				2,153,494	11,831,366
988	6,364,589	3,763,199	86,237	28,803	3,169	2,314,923	13,471,543
179,318	329,048	491,055		101		665,687	2,321,726
967,253							3,710,359
							95,335
							2,901,990
							423,467
							561,607
1,644,614	(182,381)	(271,706)	(86,145)	16,052	3,345	1,255,209	10,610,497
2,791,185	146,667	219,349	(86,145)	16,153	3,345	1,920,896	20,624,981
$ 2,792,173	$ 6,511,256	$ 3,982,548	$ 92	$ 44,956	$ 6,514	$ 4,235,819	$ 34,096,524

COMBINING BALANCE SHEET

Nonmajor Capital Projects Funds
June 30, 2003

ASSETS	STREET AND SIDEWALK	STATE HIGHWAY ALLOCATION	STORMWATER CAPITAL IMPROVEMENTS	GENERAL CAPITAL IMPROVEMENTS
Cash and Cash Equivalents/Investments	$ 2,445,524	$	$ 1,214,893	$ 1,314,038
Receivables:				
Intergovernmental			154	
Restricted Assets:				
Cash and Cash Equivalents/Investments		14,873,543		
Total Assets	$ 2,445,524	$ 14,873,543	$ 1,215,047	$ 1,314,038
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts/Retainage Payable	$ 60,228	$	$ 16,225	$ 453
Liabilities Payable From Restricted Assets:				
Accounts Payable				
Contracts/Retainage Payable		51,642		
Miscellaneous				
Total Liabilities Payable From Restricted Assets		51,642		
Total Liabilities	60,228	51,642	16,225	453
Fund Balances:				
Unreserved Fund Balance:				
Designated for Capital Projects	2,385,296	14,821,901	1,198,822	1,313,585
Total Fund Balances	2,385,296	14,821,901	1,198,822	1,313,585
Total Liabilities and Fund Balances	$ 2,445,524	$ 14,873,543	$ 1,215,047	$ 1,314,038

PUBLIC IMPROVEMENTS SERIES 1990, 1992 1994 and 1998	REDEVELOPMENT SERIES 1994	PUBLIC IMPROVEMENT SERIES 1998A	PUBLIC IMPROVEMENT SERIES 1998B	HOUSING/ REDEVELOPMENT SERIES 1998	STREET IMPROVEMENT SERIES 2003
$	$	$	$	$	$
3,908,305	1,002,758	5,447,118	34,026	526,597	14,171,242
$ 3,908,305	$ 1,002,758	$ 5,447,118	$ 34,026	$ 526,597	$ 14,171,242
$	$	$	$	$	$
136,263	2,583	399,218			252,943
				956	
136,263	2,583	399,218		956	252,943
136,263	2,583	399,218		956	252,943
3,772,042	1,000,175	5,047,900	34,026	525,641	13,918,299
3,772,042	1,000,175	5,047,900	34,026	525,641	13,918,299
$ 3,908,305	$ 1,002,758	$ 5,447,118	$ 34,026	$ 526,597	$ 14,171,242

(continued)

COMBINING BALANCE SHEET(continued)

Nonmajor Capital Projects Funds
June 30, 2003

ASSETS	PARKS & RECREATION SERIES 2003	FIRE STATION SERIES 2003	PUBLIC TRANSPORTATION SERIES 2003	NATURAL SCIENCE CENTER SERIES 2003
Cash and Cash Equivalents/Investments	$	$	$	$
Receivables:				
Intergovernmental				
Restricted Assets:				
Cash and Cash Equivalents/Investments	8,845,113	3,457,650	332,048	
Total Assets	$ 8,845,113	$ 3,457,650	$ 332,048	$
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts/Retainage Payable	$	$	$	$
Liabilities Payable From Restricted Assets:				
Accounts Payable	50,528	155		
Contracts/Retainage Payable	339,324	305,251		
Miscellaneous				
Total Liabilities Payable From Restricted Assets	389,852	305,406		
Total Liabilities	389,852	305,406		
Fund Balances:				
Unreserved Fund Balance:				
Designated for Capital Projects	8,455,261	3,152,244	332,048	
Total Fund Balances	8,455,261	3,152,244	332,048	
Total Liabilities and Fund Balances	$ 8,845,113	$ 3,457,650	$ 332,048	$

LAW ENFORCEMENT SERIES 2003	LIBRARY FACILITIES SERIES 2003	NEIGHBORHOOD REDEVELOPMENT SERIES 2003	COLISEUM CAPITAL IMPROVEMENT	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
$	$	$	$	$ 4,974,455
				154
3,585,967	2,398,652		4,500	58,587,519
$ 3,585,967	$ 2,398,652	$	$ 4,500	$ 63,562,128
$	$	$	$	$ 76,906
				50,683
248,827	100,650		4,500	1,841,201
				956
248,827	100,650		4,500	1,892,840
248,827	100,650		4,500	1,969,746
3,337,140	2,298,002			61,592,382
3,337,140	2,298,002			61,592,382
$ 3,585,967	$ 2,398,652	$	$ 4,500	$ 63,562,128

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUND PERPETUAL CARE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes	$ 2,664,106	$	$	$ 2,664,106
Assessments	94,922			94,922
Intergovernmental	16,853,699			16,853,699
Charges for Current Services	8,816,261			8,816,261
Investment Income	1,553,483			1,553,483
Miscellaneous	590,929	1,111,205		1,702,134
Total Revenues	30,573,400	1,111,205		31,684,605
Expenditures:				
Current:				
General Government	160,326	835		161,161
Public Safety	1,030,061	4,735,184		5,765,245
Transportation	8,983,267	665,407		9,648,674
Engineering and Inspections	364,103	4,660,043		5,024,146
Environmental Services	40,087			40,087
Culture and Recreation	714,291	9,921,670		10,635,961
Community Development and Housing	6,885,033	970,814		7,855,847
Economic Opportunity	2,556,693			2,556,693
Water Resources	1,995,056			1,995,056
Debt Service:				
Principal Retirement	1,620,542			1,620,542
Interest	1,056,526			1,056,526
Fees and Other	85,205			85,205
Total Expenditures	25,491,190	20,953,953		46,445,143
Excess of Revenues Over (Under) Expenditures	5,082,210	(19,842,748)		(14,760,538)
Other Financing Sources (Uses):				
Transfers In	568,740	606,182	44,070	1,218,992
Transfers Out	(3,474,222)	(427,133)		(3,901,355)
Debt Issuances:				
General Obligation Bonds Issued		40,000,000		40,000,000
Refunding Certificates Issued	1,092,256			1,092,256
Federal Loan Program	1,105,000			1,105,000
Premium, (Discount) on Debt	16,504	162,391		178,895
Payment to Escrow Agent	(1,072,408)			(1,072,408)
Total Other Financing Sources (Uses)	(1,764,130)	40,341,440	44,070	38,621,380
Net Change in Fund Balances	3,318,080	20,498,692	44,070	23,860,842
Fund Balances - July 1	17,306,901	41,093,690	1,866,141	60,266,732
Fund Balances - June 30	$ 20,624,981	$ 61,592,382	$ 1,910,211	$ 84,127,574

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	STREET AND SIDEWALK REVOLVING	STATE HIGHWAY ALLOCATION	CEMETERY	HOTEL/MOTEL OCCUPANCY TAX	SPECIAL TAX DISTRICTS
Revenues:					
Taxes	$	$	$	$ 2,623,791	$ 40,315
Assessments	48,114	44,819			
Intergovernmental		6,826,430			
Charges for Current Services	1,039,678		397,843		
Investment Income	274,244	900,089	72,526	13,014	15,572
Miscellaneous	6,568	45,362	205	250,000	
Total Revenues	1,368,604	7,816,700	470,574	2,886,805	55,887
Expenditures:					
Current:					
General Government					
Public Safety					
Transportation	1,109,037	4,013,566			
Engineering and Inspections					
Environmental Services					
Culture and Recreation			604,342		
Community Development and Housing					24,281
Economic Opportunity					
Water Resources					
Debt Service:					
Principal Retirement				1,620,542	
Interest				1,056,526	
Fees and Other				85,205	
Total Expenditures	1,109,037	4,013,566	604,342	2,762,273	24,281
Excess of Revenues Over (Under) Expenditures	259,567	3,803,134	(133,768)	124,532	31,606
Other Financing Sources (Uses):					
Transfers In			127,665		
Transfers Out		(3,291,970)	(44,070)		
Debt Issuances:					
Refunding Certificates Issued				1,092,256	
Federal Loan Program					
Premium (Discount) on Debt				16,504	
Payment to Escrow Agent				(1,072,408)	
Total Other Financing Sources (Uses)		(3,291,970)	83,595	36,352	
Net Change in Fund Balances	259,567	511,164	(50,173)	160,884	31,606
Fund Balances - July 1	5,060,588	8,351,816	348,743	482,764	456,572
Fund Balances - June 30	$ 5,320,155	$ 8,862,980	$ 298,570	$ 643,648	$ 488,178

STORMWATER QUALITY CONTROL	COMMUNITY DEVELOPMENT	HOME PROGRAM	HOPE VI	WORKFORCE INVESTMENT ACT	JOB TRAINING CONSORTIUM
$	$	$	$	$	$
1,989					
	2,752,395	1,486,889		2,243,752	373,099
6,641,454	737,286				
140,539	110,389	23,282	(3,526)	(746)	
1,924		78,557	2,680		(126)
6,785,906	3,600,070	1,588,728	(846)	2,243,006	372,973
3,388,275					
40,087					
	3,346,453	1,678,368	1,216,819		
				2,303,503	253,190
1,995,056					
5,423,418	3,346,453	1,678,368	1,216,819	2,303,503	253,190
1,362,488	253,617	(89,640)	(1,217,665)	(60,497)	119,783
			1,105,000		
			1,105,000		
1,362,488	253,617	(89,640)	(112,665)	(60,497)	119,783
1,428,697	(106,950)	308,989	26,520	76,650	(116,438)
$ 2,791,185	$ 146,667	$ 219,349	$ (86,145)	$ 16,153	$ 3,345

(continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

(continued)	STATE AND FEDERAL GRANTS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:		
Taxes	$	$ 2,664,106
Assessments		94,922
Intergovernmental	3,171,134	16,853,699
Charges for Current Services		8,816,261
Investment Income	8,100	1,553,483
Miscellaneous	205,759	590,929
Total Revenues	3,384,993	30,573,400
Expenditures:		
Current:		
General Government	160,326	160,326
Public Safety	1,030,061	1,030,061
Transportation	472,389	8,983,267
Engineering and Inspections	364,103	364,103
Environmental Services		40,087
Culture and Recreation	109,949	714,291
Community Development and Housing	619,112	6,885,033
Economic Opportunity		2,556,693
Water Resources		1,995,056
Debt Service:		
Principal Retirement		1,620,542
Interest		1,056,526
Fees and Other		85,205
Total Expenditures	2,755,940	25,491,190
Excess of Revenues Over (Under) Expenditures	629,053	5,082,210
Other Financing Sources (Uses):		
Transfers In	441,075	568,740
Transfers Out	(138,182)	(3,474,222)
Debt Issuances:		
Refunding Certificates Issued		1,092,256
Federal Loan Program		1,105,000
Premium (Discount) on Debt		16,504
Payment to Escrow Agent		(1,072,408)
Total Other Financing Sources (Uses)	302,893	(1,764,130)
Net Change in Fund Balances	931,946	3,318,080
Fund Balances - July 1	988,950	17,306,901
Fund Balances - June 30	$ 1,920,896	$ 20,624,981

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	STREET AND SIDEWALK	STATE HIGHWAY ALLOCATION	STORMWATER CAPITAL IMPROVEMENTS	GENERAL CAPITAL IMPROVEMENTS	PUBLIC IMPROVEMENT SERIES 1990, 1992 1994 and 1998
Revenues:					
Miscellaneous	$	$	$	$	$
Total Revenues					
Expenditures:					
Current:					
General Government				835	
Public Safety					
Transportation		639,316			
Engineering and Inspections	343,394	253,084	615,736		1,902,181
Culture and Recreation				383,199	
Community Development and Housing					
Total Expenditures	343,394	892,400	615,736	384,034	1,902,181
Excess of Revenues Under Expenditures	(343,394)	(892,400)	(615,736)	(384,034)	(1,902,181)
Other Financing Sources (Uses):					
Transfers In		138,182		468,000	
Transfers Out		(125,000)	(300,000)		
Debt Issuances:					
General Obligation Bonds Issued					
Premium, (Discount) on Debt					
Total Other Financing Sources (Uses)		13,182	(300,000)	468,000	
Net Change in Fund Balances	(343,394)	(879,218)	(915,736)	83,966	(1,902,181)
Fund Balances - July 1	2,728,690	15,701,119	2,114,558	1,229,619	5,674,223
Fund Balances - June 30	$ 2,385,296	$ 14,821,901	$ 1,198,822	$ 1,313,585	$ 3,772,042

REDEVELOPMENT SERIES 1994	PUBLIC IMPROVEMENT SERIES 1998A	PUBLIC IMPROVEMENT SERIES 1998B	HOUSING REDEVELOPMENT SERIES 1998	STREET IMPROVEMENTS SERIES 2003	PARKS & RECREATION SERIES 2003
$ 39,474	$	$	$	$	$
39,474					
	2,785,689				
				1,545,648	
					8,096,073
680,140		2,748	287,926		
680,140	2,785,689	2,748	287,926	1,545,648	8,096,073
(640,666)	(2,785,689)	(2,748)	(287,926)	(1,545,648)	(8,096,073)
		(2,133)			
				14,330,000	16,600,000
				56,284	53,914
		(2,133)		14,386,284	16,653,914
(640,666)	(2,785,689)	(4,881)	(287,926)	12,840,636	8,557,841
1,640,841	7,833,589	38,907	813,567	1,077,663	(102,580)
$ 1,000,175	$ 5,047,900	$ 34,026	$ 525,641	$ 13,918,299	$ 8,455,261

(continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

(Continued)	FIRE STATION SERIES 2003	PUBLIC TRANSPORTATION SERIES 2003	NATURAL SCIENCE CENTER SERIES 2003	LAW ENFORCEMENT SERIES 2003	LIBRARY FACILITIES SERIES 2003
Revenues:					
Miscellaneous	$ 121,731	$	$	$	$
Total Revenues	121,731				
Expenditures:					
Current:					
General Government					
Public Safety	545,447			1,404,048	
Transportation		26,091			
Engineering and Inspections					
Culture and Recreation					492,398
Community Development and Housing					
Total Expenditures	545,447	26,091		1,404,048	492,398
Excess of Revenues Under Expenditures	(423,716)	(26,091)		(1,404,048)	(492,398)
Other Financing Sources (Uses):					
Transfers In					
Transfers Out					
Debt Issuances:					
General Obligation Bonds Issued	2,170,000	500,000		4,080,000	2,320,000
Premium, (Discount) on Debt	16,791	1,624		22,995	10,783
Total Other Financing Sources (Uses)	2,186,791	501,624		4,102,995	2,330,783
Net Change in Fund Balances	1,763,075	475,533		2,698,947	1,838,385
Fund Balances - July 1	1,389,169	(143,485)		638,193	459,617
Fund Balances - June 30	$ 3,152,244	$ 332,048	$	$ 3,337,140	$ 2,298,002

NEIGHBORHOOD REDEVELOPMENT SERIES 2003	COLISEUM CAPITAL IMPROVEMENTS	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
$	$ 950,000	$ 1,111,205
	950,000	1,111,205
		835
		4,735,184
		665,407
		4,660,043
	950,000	9,921,670
		970,814
	950,000	20,953,953
		(19,842,748)
		606,182
		(427,133)
		40,000,000
		162,391
		40,341,440
		20,498,692
		41,093,690
$	$	$ 61,592,382

Combining Statement of Net Assets

Other Enterprise Funds
June 30, 2003

	Business-Type Activities - Other Enterprise Funds		
	Parking Facilities	Bryan Park	Total Other Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents/Investments	$ 2,492,411	$ 11,325	$ 2,503,736
Receivables (Net):			
Accounts, Notes and Mortgages	7,026		7,026
Intergovernmental	11,864	27	11,891
Interest	4,145		4,145
Miscellaneous	804,012		804,012
Total Current Assets	3,319,458	11,352	3,330,810
Noncurrent Assets:			
Capital Assets:			
Non-Depreciable:			
Land	3,973,388	2,262,005	6,235,393
Construction in Progress	964,275		964,275
Depreciable:			
Land Improvements	56,940	4,357,796	4,414,736
Buildings	17,495,949	24,306	17,520,255
Improvements Other than Buildings	165,221	67,851	233,072
Furniture, Fixtures, Machinery and Equipment	342,443	905,318	1,247,761
Less Accumulated Depreciation	(6,747,213)	(2,844,824)	(9,592,037)
Total Noncurrent Assets	16,251,003	4,772,452	21,023,455
Total Assets	$ 19,570,461	$ 4,783,804	$ 24,354,265

Combining Statement of Net Assets

Other Enterprise Funds
June 30, 2003

	Business-Type Activities - Other Enterprise Funds		
	Parking Facilities	Bryan Park	Total Other Enterprise Funds
LIABILITIES			
Current Liabilities:			
Contracts/Retainage Payable	$ 24,030	$	$ 24,030
Intergovernmental Payable		50	50
Certificates of Participation Payable	1,891,104		1,891,104
Interest Payable	32,975	88	33,063
Compensated Absences Payable	18,104	13,996	32,100
Miscellaneous	39,340	2,724	42,064
Total Current Liabilities	2,005,553	16,858	2,022,411
Noncurrent Liabilities:			
Certificates of Participation Payable	10,206,640		10,206,640
Premium-Certificates of Participation	147,482		147,482
Compensated Absences Payable	10,317		10,317
Total Noncurrent Liabilities	10,364,439		10,364,439
Total Liabilities	12,369,992	16,858	12,386,850
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	6,425,393	4,772,453	11,197,846
Unrestricted	775,076	(5,507)	769,569
Total Net Assets	$ 7,200,469	$ 4,766,946	$ 11,967,415

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Other Enterprise Funds

For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Other Enterprise Funds		
	Parking Facilities	Bryan Park	Total Other Enterprise Funds
Revenues:			
Charges for Current Services	$ 1,945,922	$ 1,294,130	$ 3,240,052
Miscellaneous	11,796	4,544	16,340
Total Operating Revenues	1,957,718	1,298,674	3,256,392
Operating Expenses:			
Personal Services	319,273	866,790	1,186,063
Fringe Benefits	91,598	211,480	303,078
Maintenance and Operations	491,833	786,085	1,277,918
Depreciation	440,712	414,186	854,898
Total Operating Expenses	1,343,416	2,278,541	3,621,957
Operating Income (Loss)	614,302	(979,867)	(365,565)
Nonoperating Revenues (Expenses):			
Investment Income	42,354	226	42,580
Interest Expense	(426,990)		(426,990)
Amortization of Underwriters' Expense	(21,657)		(21,657)
Miscellaneous Expense	(31,066)		(31,066)
Total Nonoperating Revenues (Expenses)	(437,359)	226	(437,133)
Income (Loss) Before Transfers	176,943	(979,641)	(802,698)
Transfers In	900,455	607,330	1,507,785
Change in Net Assets	1,077,398	(372,311)	705,087
Net Assets - July 1	6,123,071	5,139,257	11,262,328
Net Assets - June 30	$ 7,200,469	$ 4,766,946	$ 11,967,415

Combining Statement of Cash Flows

Other Enterprise Funds
For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Other Enterprise Funds		
	Parking Facilities	Bryan Park	Total Other Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	$ 1,954,474	$ 1,302,052	$ 3,256,526
Payments to Suppliers	(575,721)	(798,110)	(1,373,831)
Payments to Employees	(437,106)	(1,178,253)	(1,615,359)
Other Receipts	11,796	4,544	16,340
Net Cash Provided by (Used for) Operating Activities	953,443	(669,767)	283,676
Cash Flows from Noncapital Financing Activities:			
Subsidies and Transfers In	900,455	607,330	1,507,785
Net Cash Provided by Noncapital Financing Activities	900,455	607,330	1,507,785
Cash Flows from Capital and Related Financing Activities:			
Capital Debt Issued	1,601,634		1,601,634
Acquisition and Construction of Capital Assets	(182,629)	(46,829)	(229,458)
Principal Paid on Capital Debt	(1,849,949)		(1,849,949)
Interest and Fiscal Charges Paid on Capital Debt	(295,292)		(295,292)
Net Cash Used for Capital and Related Financing Activities	(726,236)	(46,829)	(773,065)
Cash Flows from Investing Activities:			
Interest	42,246	226	42,472
Net Increase (Decrease) in Cash and Cash Equivalents	1,169,908	(109,040)	1,060,868
Balances - July 1	1,322,503	120,365	1,442,868
Balances - June 30	$ 2,492,411	$ 11,325	$ 2,503,736
Reconciliation of Cash and Cash Equivalents/Investments:			
Cash and Cash Equivalents/Investments - Current	$ 2,492,411	$ 11,325	$ 2,503,736
Cash and Cash Equivalents/Investments - Restricted			
Total Cash and Cash Equivalents/Investments - June 30	$ 2,492,411	$ 11,325	$ 2,503,736

Combining Statement of Cash Flows

Other Enterprise Funds
For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Other Enterprise Funds		
	Parking Facilities	Bryan Park	Total Other Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	$ 614,302	$ (979,867)	$ (365,565)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	440,712	414,186	854,898
Change in Assets and Liabilities:			
Decrease in Receivables	8,889	7,922	16,811
(Increase) Decrease in Intergovernmental Receivables	(7,418)	277	(7,141)
Decrease in Accounts Payable	(8,055)	(12,302)	(20,357)
Decrease in Compensated Absences Payable	(10,343)	(81,290)	(91,633)
Decrease in Intergovernmental Payable	(1,201)	(3,721)	(4,922)
Decrease in Miscellaneous Payable	(83,443)	(14,972)	(98,415)
Total Adjustments	339,141	310,100	649,241
Net Cash Provided by (Used for) Operating Activities	$ 953,443	$ (669,767)	$ 283,676
Noncash Investing, Capital and Financing Activities:			
Lease-Purchase and Other Capital Financing Agreements	$	$	$

Enterprise Funds

Schedule of Changes in Long-Term Debt
For the Fiscal Year Ended June 30, 2003

	Debt Outstanding July 1, 2002	Additions	Retirements	Debt Outstanding June 30, 2003
Water Resources:				
General Obligation Bonds Payable	$ 5,835,000	$ 3,165,401	$ 4,142,603	$ 4,857,798
Revenue Bonds Payable	127,600,000		3,170,000	124,430,000
Federal Loan Obligation	3,922,497		280,178	3,642,319
Other Financing Agreements	3,592,429		371,412	3,221,017
Compensated Absences Payable	756,740	926,808	798,382	885,166
Total Water Resources	141,706,666	4,092,209	8,762,575	137,036,300
War Memorial Coliseum:				
Certificates of Participation	885,000		65,000	820,000
Compensated Absences Payable	197,633	216,990	171,835	242,788
Total War Memorial Coliseum	1,082,633	216,990	236,835	1,062,788
Bryan Park:				
Compensated Absences Payable	95,286		81,290	13,996
Due to Other Funds - Long Term	28,042		28,042	
Total Bryan Park	123,328		109,332	13,996
Parking Facilities:				
Certificates of Participation	11,851,570	13,947,693	13,701,519	12,097,744
Compensated Absences Payable	19,259	25,547	16,385	28,421
Due to Other Funds - Long Term	30,776		30,776	
Total Parking Facilities	11,901,605	13,973,240	13,748,680	12,126,165
Solid Waste Management:				
Special Obligation Bonds	13,400,000		950,000	12,450,000
Accrued Landfill Liability	8,686,487	1,132,874		9,819,361
Compensated Absences Payable	302,844	337,770	314,801	325,813
Due to Other Funds - Long Term	58,670		38,625	20,045
Total Solid Waste Management	22,448,001	1,470,644	1,303,426	22,615,219
Total Enterprise Funds	$177,262,233	$ 19,753,083	$24,160,848	$ 172,854,468

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Component Unit

For the Fiscal Year Ended June 30, 2003

	GREENSBORO TRANSIT AUTHORITY
Revenues:	
Charges for Current Services	$ 1,094,694
Miscellaneous	101,097
Total Operating Revenues	1,195,791
Operating Expenses:	
Personal Services	335,649
Fringe Benefits	74,088
Maintenance and Operations	8,733,231
Depreciation	563,390
Total Operating Expenses	9,706,358
Operating Loss	(8,510,567)
Nonoperating Revenues (Expenses):	
Investment Income	1,414,750
Property Taxes	3,322,165
Grants	7,160,745
In-Kind Services	179,380
Gain on Sale of Capital Assets	6,382
Loss on Disposal of Capital Assets	(133,950)
Total Nonoperating Revenues (Expenses)	11,949,472
Change in Net Assets	3,438,905
Net Assets - July 1	33,403,964
Net Assets - June 30	$ 36,842,869

Statement of Cash Flows

Component Unit

For the Fiscal Year Ended June 30, 2003

	GREENSBORO TRANSIT AUTHORITY
Cash Flows from Operating Activities:	
Receipts from Customers	$ 2,978,937
Payments to Suppliers	(8,289,544)
Payments to Employees	(393,267)
Other Receipts	101,097
Net Cash Used for Operating Activities	(5,602,777)
Cash Flows from Noncapital Financing Activities:	
Property Tax Collections	3,322,165
Grants Received	7,340,125
Net Cash Provided by Noncapital Financing Activities	10,662,290
Cash Flows from Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	(5,615,137)
Proceeds from Sale of Capital Assets	6,382
Net Cash Used for Capital and Related Financing Activities	(5,608,755)
Financing Activities	
Cash Flows from Investing Activities:	
Interest	1,426,498
Net Increase in Cash and Cash Equivalents	877,256
Cash and Cash Equivalents/ Investments - July 1	535,879
Cash and Cash Equivalents/ Investments - June 30	$ 1,413,135
Balances - June 30	
Reconciliation of Cash and Cash Equivalents/ Investments:	
Cash and Cash Equivalents/ Investments - Current	$ 1,413,135
Cash and Cash Equivalents/ Investments - Restricted	
Cash and Cash Equivalents/Investments - Restricted	$ 1,413,135

Statement of Cash Flows

Component Unit
For the Fiscal Year Ended June 30, 2003

(continued)	GREENSBORO TRANSIT AUTHORITY
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	$ (8,510,567)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	563,390
Change in Assets and Liabilities:	
Increase in Receivables	(522,845)
Decrease in Inventories	5,460
Decrease in Intergovernmental Receivables	375,314
Increase in Accounts Payable	62,913
Increase in Annual Leave Accrual	17,523
Decrease in Intergovernmental Payable	(1,053)
Increase in Miscellaneous Payable	2,407,088
Total Adjustments	2,907,790
Net Cash Used for Operating Activities	$ (5,602,777)
Noncash Investing, Capital and Financing Activities:	
Lease-Purchase and Other Capital Financing Agreements	$

The notes to the financial statements are an integral part of this statement.

Greensboro Transit Authority

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over
Operating Revenues:			
Charges for Current Services	$ 1,059,700	$ 1,094,694	$ 34,994
Other Operating Revenues		101,097	101,097
Total Operating Revenues	1,059,700	1,195,791	136,091
Operating Expenses:			
Personal Services	286,575	335,649	49,074
Fringe Benefits	62,730	74,088	11,358
Maintenance and Operations	9,207,662	8,591,770	(615,892)
Capital Outlay	107,975		(107,975)
Total Operating Expenses	9,664,942	9,001,507	(663,435)
Operating Loss	(8,605,242)	(7,805,716)	799,526
Nonoperating Revenues:			
Investment Income	1,500,495	1,414,751	(85,744)
Property Tax Collections	3,371,990	3,322,165	(49,825)
State and Federal Grants	2,606,577	2,606,579	2
Intangibles Tax Reimbursement	85,745		(85,745)
Mortgage Note Principal Payment	148,240	161,505	13,265
Gain on Sale of Capital Assets		6,382	6,382
Total Nonoperating Revenues	7,713,047	7,511,382	(201,665)
Excess of Revenues Under Expenses Before Other Financing Uses	(892,195)	(294,334)	597,861
Other Financing Uses:			
Transfers Out	(375,000)	(73,790)	301,210
Excess of Revenues Under Expenses and Other Financing Uses	(1,267,195)	(368,124)	899,071
Appropriated Fund Balance	1,267,195		(1,267,195)
Excess of Revenues Under Expenses and Other Financing Uses	$	$ (368,124)	$ (368,124)

Greensboro Transit Authority

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 8,707,173
Total Expenses	9,001,507
Excess of Revenues Under Expenses Before Other Financing Uses	(294,334)
Adjustment to Full Accrual Basis:	
Depreciation	(473,950)
Mortgage Note Principal Payment	(161,505)
Loss on Disposal of Capital Assets	(26,791)
Transit Grant Project Funds Revenues and Expenses	4,395,485
Income Before Transfers	$ 3,438,905

Greensboro Transit Planning and Grant Project Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Revenues:				
Federal Grants	$ 4,376,807	$1,294,874	$ 299,175	$1,594,049
State Grants	610,639	104,249	21,666	125,915
Total Revenues	4,987,446	1,399,123	320,841	1,719,964
Expenses:				
Capital Improvements:				
Section 5307 Capital Program	439,159	399,050		399,050
Section 5309 Capital Program	3,164,554	48,409		48,409
Multi Modal Transportation Center	1,200,000	1,200,000		1,200,000
Technology Assistance	70,600		9,100	9,100
Planning and Capital Assistance	667,296		378,350	378,350
Total Expenses	5,541,609	1,647,459	387,450	2,034,909
Excess of Revenues Under Expenses Before Other Financing Sources	(554,163)	(248,336)	(66,609)	(314,945)
Other Financing Sources:				
Transfers In	554,163	480,373	73,790	554,163
Excess of Revenues and Other Financing Sources Over Expenses	$	$ 232,037	$ 7,181	$ 239,218

Greensboro Transit Authority Multi Modal Transportation Center

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Federal Grants	$ 13,998,165	$ 7,343,317	$ 4,133,921	$ 11,477,238
State Grants	1,749,770		99,404	99,404
Local Grants/ In Kind Services	1,449,998	1,120,618	179,380	1,299,998
Interest Earned		(21,560)		(21,560)
Total Revenues	17,197,933	8,442,375	4,412,705	12,855,080
Expenses:				
Capital Improvements:				
Multi Modal Transportation Center	17,497,706	9,462,563	7,641,009	17,103,572
Total Capital Improvements	17,497,706	9,462,563	7,641,009	17,103,572
Excess of Revenues Under Expenses Before Other Financing Sources	(299,773)	(1,020,188)	(3,228,304)	(4,248,492)
Other Financing Sources:				
Transfers In	299,773	449,773		449,773
Excess of Revenues and Other Financing Sources Under Expenses	$	$ (570,415)	$ (3,228,304)	$ (3,798,719)

General Fund

The General Fund is the principal fund of the City from which the major portion of the City's operations are financed. This fund finances the regular operation of all departments except Enterprise Fund and Internal Service Fund departments.

A summary of revenues and other financing sources and expenditures and other financing uses for the fiscal year ended June 30, 2003 is presented below:

	Amount	Percent of Total
Revenues and Other Financing Sources		
Taxes	$ 129,581,903	71.7%
Intergovernmental	17,133,452	9.5%
Licenses and Permits	8,844,568	4.9%
Fines and Forfeitures	723,536	0.4%
Charges for Current Services	19,521,775	10.8%
Miscellaneous	1,705,633	0.9%
Other Financing Sources	3,291,970	1.8%
Total Revenues and Other Financing Sources	$ 180,802,837	100.0%

Expenditures and Other Financing Uses		
General Government	$ 29,241,457	16.2%
Public Safety	76,052,556	42.1%
Transportation	13,553,822	7.5%
Engineering and Inspections	8,378,502	4.6%
Environmental Services	419,090	0.2%
Culture and Recreation	26,038,247	14.4%
Economic Opportunity	319,496	0.2%
Intergovernmental	1,149,260	0.6%
Other Financing Uses	25,623,647	14.2%
Total Expenditures and Other Financing Uses	$ 180,776,077	100.0%

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
Ad Valorem Taxes-Current Year	$ 100,393,380	$ 98,176,047	$(2,217,333)
Ad Valorem Taxes-Prior Year	754,000	696,500	(57,500)
Penalties and Interest	355,000	338,133	(16,867)
Local Option Sales Tax	29,114,040	30,023,807	909,767
Vehicle Gross Receipts Tax	414,000	347,416	(66,584)
Total Taxes	131,030,420	129,581,903	(1,448,517)
Intergovernmental:			
Federal Grants:			
Emergency Management Assistance	37,000	37,533	533
State Grants:			
Libraries	311,875	305,984	(5,891)
State-Shared:			
Utility Taxes:			
Utility Franchise Tax	9,275,000	6,394,861	(2,880,139)
Piped Natural Gas Excise Tax	1,083,000	2,123,673	1,040,673
Telecommunications Sales Tax	1,321,000	3,566,496	2,245,496
Beer and Wine Tax	948,300	955,526	7,226
State Reimbursements/Other:			
Payment In Lieu of Taxes	225,650	225,648	(2)
Court Fees	96,140	103,837	7,697
Local Grants:			
Emergency Management Assistance	112,630	74,909	(37,721)
Parks and Recreation	5,150		(5,150)
Libraries	333,300	327,768	(5,532)
School Safety Programs	744,780	744,778	(2)
Environmental Programs	65,000	57,935	(7,065)
ABC Board Profit Distribution	2,165,620	2,214,504	48,884
Total Intergovernmental	16,724,445	17,133,452	409,007
Licenses and Permits:			
Privilege Licenses:			
Privilege Licenses-Current Year	3,130,000	2,917,624	(212,376)
Penalties on Privilege Licenses	60,000	47,150	(12,850)
Privilege Licenses-Prior Years	40,000	29,607	(10,393)
Penalties on Prior Years' Licenses	10,000	6,147	(3,853)
Motor Vehicle Licenses	1,750,000	1,719,016	(30,984)
Cable TV Access Licenses	2,208,000	2,046,266	(161,734)
Other Licenses and Permits	644,100	531,291	(112,809)
Construction Permits:			
Building Permits	760,000	741,775	(18,225)
Electrical Permits	400,000	347,407	(52,593)
Plumbing Permits	270,000	211,590	(58,410)
Heating Permits	285,000	246,695	(38,305)
Total Licenses and Permits	9,557,100	8,844,568	(712,532)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Fines and Forfeitures:			
Parking Violations	$ 475,250	$ 348,714	$ (126,536)
Library Fines	92,430	112,148	19,718
City Code Violations	26,000	18,761	(7,239)
False Burglar Alarm Fines	275,080	243,913	(31,167)
Total Fines and Forfeitures	868,760	723,536	(145,224)
Charges for Current Services:			
Planning:			
Preliminary Plan Reviews	62,000	43,178	(18,822)
Final Plats/Declarations	5,000	5,090	90
Rezoning Applications	40,000	43,710	3,710
Other Planning Fees	16,500	14,845	(1,655)
Police Department:			
Police Department Services	19,700	34,109	14,409
Tow-In Services	13,380	21,629	8,249
Off-Duty Employment	1,850,000	1,781,939	(68,061)
Contracted Services	402,870	678,547	275,677
Communications Reimbursement	219,040	49,830	(169,210)
911 Wireless Telephone	187,535	252,337	64,802
Fire Department:			
Hazardous Material Fees	20,000	17,880	(2,120)
Fire Department Plan Reviews	64,000	51,545	(12,455)
Fire Code Reinspections	25,000	22,582	(2,418)
Disaster Recovery		2,435,053	2,435,053
Miscellaneous Permits	29,200	38,160	8,960
Transportation:			
State Highway System:			
Signals, Signs and Lights	525,000	546,998	21,998
Maintenance to Highways	300,000	800,401	500,401
Ridesharing Revenue	90,000	95,602	5,602
Van Pool Revenue	5,000	5,028	28
Monthly Parking Fees	13,780	11,277	(2,503)
Engineering and Inspections:			
Plan Review/Water and Sewer/Roadways	175,000	204,081	29,081
Vacant Lot Cleaning Fees	79,210	105,693	26,483
Junked Auto Fees	109,150	161,670	52,520
Boarding Vacant Houses		970	970
Environmental Services:			
Hazardous Waste Disposal Fees	360,000	378,157	18,157
Parks and Recreation:			
Maintenance Service-Local Agencies	32,000	51,768	19,768
Admissions and Charges	1,791,860	1,460,029	(331,831)
Rental and Lease	724,250	755,022	30,772
Catering Services	135,135	48,173	(86,962)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Charges for Current Services (Continued):			
Concessions	$ 78,800	$ 77,016	$ (1,784)
Concessions-Alcoholic Beverages	10,000	8,383	(1,617)
Bur-Mil Reimbursement	306,620	274,636	(31,984)
Mowing Services-State Highways	88,000	47,925	(40,075)
Fishing, Hunting and Boating Fees	36,555	20,498	(16,057)
Other Parks and Recreation Revenue	57,800	20,256	(37,544)
Library Fees	9,315	13,472	4,157
Interdepartmental Charges:			
Information Systems Services	4,050,000	4,251,744	201,744
Administrative Charges	2,839,790	2,843,805	4,015
Engineering Services	1,370,000	1,370,000	
Rents	542,870	478,737	(64,133)
Total Charges for Current Services	16,684,360	19,521,775	2,837,415
Miscellaneous:			
Sale of Assets	103,600	201,619	98,019
Miscellaneous Receivables Revenue	26,000	11,929	(14,071)
Donations and Private Contributions	85,220	73,635	(11,585)
Contracted Construction Projects	802,710	914,623	111,913
Service Charges	6,450	4,551	(1,899)
Other Revenue	397,805	499,276	101,471
Total Miscellaneous	1,421,785	1,705,633	283,848
Appropriated Fund Balance	14,409,290		(14,409,290)
Total Revenues	190,696,160	177,510,867	(13,185,293)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Expenditures:			
General Government:			
Legislative:			
Governing Body	$ 195,190	$ 163,127	$ (32,063)
Clerk of Governing Body	324,985	281,049	(43,936)
Elections	107,705		(107,705)
Total Legislative	627,880	444,176	(183,704)
Executive:			
City Manager	908,450	796,609	(111,841)
Enterprise Resource Planning	186,260	215,594	29,334
Economic Development	1,489,525	1,131,910	(357,615)
Internal Audit	317,690	258,395	(59,295)
Minority and Women's Business Enterprises	266,095	268,596	2,501
Total Executive	3,168,020	2,671,104	(496,916)
Organizational Development and Communications	2,099,250	1,322,539	(776,711)
Human Relations	527,985	496,257	(31,728)
Human Resources:			
Administration	493,290	377,547	(115,743)
Compensation and Employment	490,695	409,775	(80,920)
HRIS and Benefits	394,950	362,848	(32,102)
Employee Safety and Health	455,715	395,142	(60,573)
Total Human Resources	1,834,650	1,545,312	(289,338)
Budget and Evaluation	553,835	523,522	(30,313)
Planning	1,690,800	1,603,052	(87,748)
Finance:			
Administration	748,050	670,775	(77,275)
Accounting	711,570	693,011	(18,559)
Purchasing and Supply	1,007,665	907,098	(100,567)
Collections	1,335,560	1,171,760	(163,800)
Total Finance	3,802,845	3,442,644	(360,201)
Legal	876,500	862,898	(13,602)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Management Information Systems:			
Administration	$ 337,640	$ 334,756	$ (2,884)
Desktop Services	3,769,865	3,131,817	(638,048)
Geographic Information Services	542,220	431,620	(110,600)
Application Services	2,865,235	1,970,724	(894,511)
Total Management Information Systems	7,514,960	5,868,917	(1,646,043)
Support Services:			
Administration	256,740	199,981	(56,759)
Franchise Administration	153,720	57,359	(96,361)
Service Center	634,290	542,278	(92,012)
Central City Maintenance	3,783,800	3,380,931	(402,869)
Building Maintenance	3,168,970	2,542,689	(626,281)
Total Support Services	7,997,520	6,723,238	(1,274,282)
Other General Government:			
Chamber of Commerce	137,000	137,000	0
NC Metropolitan Coalition	8,000	8,000	
Piedmont Triad Partnership	47,020	37,200	
Greensboro Housing Coalition	4,680		(4,680)
Downtown Greensboro, Inc.	85,000	85,000	
East Market Street Development Corporation	55,000	40,000	(15,000)
Architectural Salvage	22,000	22,000	0
Downtown Development	357,485	42,501	(314,984)
Productivity Improvement Program	8,000		(8,000)
FEMA Response	3,100,000	2,087,331	(1,012,669)
Nondepartmental	1,360,980	1,278,766	(82,214)
Total Other General Government	5,185,165	3,737,798	(1,447,367)
Total General Government	35,879,410	29,241,457	(6,637,953)
Public Safety:			
Police:			
Administration	1,735,875	2,429,300	693,425
Field Operations	24,809,725	24,036,714	(773,011)
Vice/Narcotics	1,543,570	1,575,987	32,417
Criminal Investigations	1,721,615	1,683,428	(38,187)
Special Operations	3,873,055	3,674,215	(198,840)
Administrative Services	4,975,370	3,340,780	(1,634,590)
Personnel Services	2,098,840	2,861,136	762,296
Communications	3,995,565	3,926,615	(68,950)
911 Program	126,500	30,288	(96,212)
Staff Services	3,710,605	3,696,996	(13,609)
Professional Standards	870,780	889,369	18,589
Total Police	49,461,500	48,144,828	(1,316,672)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Fire:			
Administration	$ 1,933,640	$ 1,782,696	$ (150,944)
Training	813,160	704,862	(108,298)
Fire Prevention	1,262,550	1,254,217	(8,333)
Emergency Services	19,688,555	20,151,109	462,554
Regulatory/Fleet Repair Service	3,283,095	2,674,500	(608,595)
Stations and Buildings	1,215,450	1,154,258	(61,192)
Total Fire	28,196,450	27,721,642	(474,808)
Emergency Management Assistance Agency	261,480	186,086	(75,394)
Total Public Safety	77,919,430	76,052,556	(1,866,874)
Transportation:			
Administration	1,909,320	1,643,831	(265,489)
Street Cleaning	349,150	476,834	127,684
Street Administration	4,270,800	4,126,431	(144,369)
Paved Streets	29,050	1,111	(27,939)
Traffic Operations	2,885,540	2,879,987	(5,553)
Storm Sewer Construction	1,455,690	1,326,026	(129,664)
Traffic Engineering	2,895,485	2,850,611	(44,874)
Transportation Planning	268,735	248,991	(19,744)
Total Transportation	14,063,770	13,553,822	(509,948)
Engineering and Inspections:			
Administration	157,335	51,423	(105,912)
Facilities Engineering	672,285	660,396	(11,889)
Engineering	4,502,800	4,238,322	(264,478)
Building Inspections	2,738,610	2,642,442	(96,168)
Local Ordinance Enforcement	1,115,555	785,919	(329,636)
Total Engineering and Inspections	9,186,585	8,378,502	(808,083)
Environmental Services	736,395	419,090	(317,305)
Culture and Recreation:			
Parks and Recreation:			
Administration	1,610,600	1,427,966	(182,634)
Bryan Park at Guilford County	28,775		(28,775)
Bryan Park Administration	258,650	157,892	(100,758)
Bryan Park Enrichment Center	264,785	138,123	(126,662)
Bryan Park Operations	575,515	454,525	(120,990)
Gillespie Golf Course	527,755	552,292	24,537
Greensboro Sportsplex	321,315	178,123	(143,192)
City Arts	908,810	826,300	(82,510)
Program and Community Services	932,560	891,060	(41,500)
Neighborhood Playgrounds and Centers	1,986,520	1,825,965	(160,555)
Swimming Pools	387,960	421,136	33,176

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Culture and Recreation (Continued):			
Parks and Recreation (Continued):			
Memorial Stadium	$ 232,985	$ 164,003	$ (68,982)
Hagan Stone Park	401,750	383,884	(17,866)
Hester Park	319,160	317,532	(1,628)
Country Park	396,055	361,713	(34,342)
Jaycee Park	86,325	55,936	(30,389)
Regional Parks	19,010	15,470	(3,540)
Athletics	948,475	846,275	(102,200)
Bur-Mil Club	751,565	645,143	(106,422)
Lake Wardens	776,590	677,944	(98,646)
Barber Park	388,015	368,501	(19,514)
Development and Maintenance	5,081,435	4,580,057	(501,378)
Equipment Maintenance	253,215	238,388	(14,827)
Landscape and Beautification	2,065,955	1,943,641	(122,314)
Tannenbaum Park	296,370	260,827	(35,543)
Total Parks and Recreation	19,820,150	17,732,696	(2,087,454)
Library:			
Administration	2,311,105	1,932,296	(378,809)
Main Library	1,508,135	1,478,204	(29,931)
Extension Services	259,820	75,120	(184,700)
Collection Inventory	691,080	561,628	(129,452)
Historical Museum	753,260	675,763	(77,497)
Benjamin Branch Library	369,215	313,081	(56,134)
Northeast Branch Library	7,870	5,009	(2,861)
Vance H. Chavis Branch Library	267,520	285,178	17,658
Southwest Branch Library	342,705	416,859	74,154
Glenwood Branch Library	396,395	342,684	(53,711)
Guilford College Branch Library	543,385	581,939	38,554
Benchmark Square Branch Library	33,010	28,824	(4,186)
McGirt-Horton Branch Library	325,695	365,641	39,946
Total Library	7,809,195	7,062,226	(746,969)
Other Culture and Recreation:			
United Arts Council	20,000	20,000	
Historic Preservation Commission	3,000	3,000	
Natural Science Center of Greensboro	1,085,000	1,085,000	
Greensboro Sports Commission	75,000	75,000	
Eastern Music Festival	10,000	10,000	
Fun Fourth - Grassroots	10,000	9,325	(675)
Downtown Banners/Grassroots	11,000	11,000	
Blandwood Mansion	10,000	10,000	
Greensboro Jaycees	20,000	20,000	
Total Other Culture and Recreation	1,244,000	1,243,325	(675)
Total Culture and Recreation	28,873,345	26,038,247	(2,835,098)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Economic Opportunity:			
Human Service Agencies:			
Advanced Services	$ 5,025	$ 5,025	$
Claremont Educational Program	14,800	14,800	
Family Life Council	6,000	6,000	
Guilford Native American Association	15,000	15,000	
Greensboro NAACP Tutorial Program	12,000	12,000	
One Step Further Program	10,000	10,000	
Greensboro Housing Coalition	19,270	19,270	
United Services for Older Adults	24,500	24,500	
Youth Focus Counseling	10,000	10,000	
African American Atelier	11,000	11,000	
Women's Resource Center	66,000	66,000	
Black Child Development Institute	9,000	9,000	
YWCA Teen Parent Mentor Program	10,000	10,000	
Alcohol and Drug Services of Guilford	12,000	12,000	
Faith Matters	8,000	8,000	
Program Administration	33,605	16,401	(17,204)
The Servant Center	15,000	15,000	
Greensboro Urban Ministry	15,000	15,000	
Salvation Army Boys & Girls	9,000	9,000	
Greensboro Life Skills Center	14,500	14,500	
PCC Community Nursing	3,000	3,000	
Seeds	7,000	7,000	
Communication for the Deaf	7,000	7,000	
Total Economic Opportunity	336,700	319,496	(17,204)
Intergovernmental:			
Guilford County:			
Animal Shelter	759,530	758,314	(1,216)
Tax Collections	348,750	340,706	(8,044)
Environmental Health Control	7,500		(7,500)
National Guard Armory	3,000	3,000	
Piedmont Council of Governments	47,240	47,240	
Total Intergovernmental	1,166,020	1,149,260	(16,760)
Total Expenditures	168,161,655	155,152,430	(13,009,225)

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Excess of Revenues Over Expenditures	$ 22,534,505	$ 22,358,437	$ (176,068)
Other Financing Sources (Uses):			
Transfers In:			
State Highway Allocation Fund	3,500,000	3,291,970	(208,030)
Transfers Out:			
Cemetery Operating Fund	127,665	127,665	
Housing Partnership Revolving Fund	1,789,880	1,789,880	
State and Federal Grants Fund	87,500	13,942	(73,558)
Debt Service Fund	13,057,060	13,057,060	
General Capital Improvements Fund	500,000	468,000	(32,000)
War Memorial Coliseum Fund	1,546,800	1,546,800	
Bryan Park Fund	262,630	607,330	
Parking Facilities Fund	1,150,455	900,455	(250,000)
Solid Waste Management Fund	7,378,045	6,978,045	(400,000)
Equipment Services Fund	91,270	91,270	
Employee Health Insurance Fund	14,400	14,400	
Technical Services Fund	28,800	28,800	
Total Transfers Out	26,034,505	25,623,647	(410,858)
Total Other Financing Sources (Uses)	(22,534,505)	(22,331,677)	202,828
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	$	26,760	26,760
Fund Balance - July 1		53,743,659	53,743,659
Fund Balance - June 30		$ 53,770,419	$ 53,770,419

Special Revenue Funds

Street and Sidewalk Revolving Fund

The primary purpose of this fund is to finance the repair and or construction of streets and sidewalks. Revenues are derived primarily from a motor vehicle license tax and payment of street and sidewalk assessments levied on abutting property.

State Highway Allocation Fund

This fund was established to account for Powell Bill Funds which are derived from a one and three-fourths cents per gallon motor fuel tax. The State of North Carolina collects these monies and returns a proportionate share to local governments based on local street mileage and population. Expenditures from this fund are restricted to specific highway construction and maintenance costs.

Cemetery Fund

The Cemetery Fund is responsible for the operation and maintenance of three cemeteries. The cemeteries are perpetually endowed by the Perpetual Care Fund which receives one-fourth of all cemetery lot sales. All interest earned by the Perpetual Care Fund is restricted for operations of the Cemetery Fund.

Hotel/Motel Occupancy Tax Fund

This fund was established to account for a 3% room occupancy tax levied on hotels and motels located within the city limits. This tax revenue is dedicated for debt service on certificates of participation issued by the Greensboro Center City Corporation to finance improvements at the Greensboro War Memorial Coliseum Complex.

Special Tax Districts Fund

This fund was established to account for a special tax on property in the College Hill and Charles B. Aycock Historic Districts, as authorized by voter referendum.

Stormwater Quality Control Fund

This fund was established to account for the federally mandated program of stormwater system management, which is supported by a citywide stormwater fee.

Housing Partnership Revolving Fund

In FY 2001-02, City Council increased its General Fund support to the Housing Partnership Revolving Fund from one cent to one and one-third cent of the property tax rate. This revenue provides resources to fund low and moderate income housing initiatives approved by City Council, including grant/loan programs, construction/renovation projects, and cooperative efforts with private and not-for-profit organizations.

Community Development Fund

The purpose of the Community Development Fund is to account for projects financed primarily with Community Development Block Grant funds which are used for revitalization of low and moderate income areas.

HOME Program Fund

The purpose of the HOME Program Fund is to account for projects financed with Housing and Urban Development funds which are used for revitalization of low and moderate income areas.

HOPE VI Fund

The purpose of the HOPE VI Fund is to account for projects financed primarily with the proceeds of Greensboro's Community Development Block Grant Section 108 Loan which are used for revitalization of low and moderate income housing areas.

Workforce Investment Act

The purpose of the Workforce Investment Act is to account for Department of Labor grant funds used to establish programs for employment and classroom training activities. The Workforce Investment Act became effective January 2000 and will replace many of the Job Training Consortium Fund activities.

Job Training Consortium Fund

The purpose of the Job Training Consortium Fund is to account for Job Training Partnership Act grant funds used to establish programs for public service employment jobs, on-the-job-training programs and classroom training.

State and Federal Grants Fund

The purpose of the State and Federal Grants Fund is to account for various projects financed primarily with State or Federal aid.

Street and Sidewalk Revolving Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Assessments	$ 150,000	$ 48,114	$ (101,886)
Charges for Current Services:			
Red Light Camera Violations	1,600,000	1,034,278	(565,722)
Rents	6,000	5,400	(600)
Total Charges for Current Services	1,606,000	1,039,678	(566,322)
Investment Income	315,000	274,244	(40,756)
Miscellaneous:			
Sales and Use Tax Refund	5,000	6,568	1,568
Appropriated Fund Balance	1,254,040		(1,254,040)
Total Revenues	3,330,040	1,368,604	(1,961,436)
Expenditures:			
Transportation:			
Street Construction	2,352,040	1,106,037	(1,246,003)
Bridge Construction and Maintenance	28,000	3,000	(25,000)
Total Expenditures	2,380,040	1,109,037	(1,271,003)
Excess of Revenues Over Expenditures	950,000	259,567	(690,433)
Other Financing Uses:			
Transfers Out	(950,000)		950,000
Excess of Revenues Over Expenditures and Other Financing Uses	$	259,567	259,567
Fund Balance - July 1		5,060,588	5,060,588
Fund Balance - June 30		$5,320,155	$5,320,155

State Highway Allocation Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
State Powell Bill	$7,195,475	$6,826,430	$ (369,045)
Assessments	65,000	44,819	(20,181)
Investment Income	909,000	900,089	(8,911)
Miscellaneous:			
Sales and Use Tax Refund	16,200	45,362	29,162
Appropriated Fund Balance	3,919,210		(3,919,210)
Total Revenues	12,104,885	7,816,700	(4,288,185)
Expenditures:			
Transportation:			
Transportation Improvements	7,500	1,050	(6,450)
Streets and Structures	6,697,385	4,012,516	(2,684,869)
Total Expenditures	6,704,885	4,013,566	(2,691,319)
Excess of Revenues Over Expenditures	5,400,000	3,803,134	(1,596,866)
Other Financing Uses:			
Transfers Out	(5,400,000)	(3,291,970)	
Excess of Revenues Over Expenditures and Other Financing Uses	$	511,164	511,164
Fund Balance - July 1		8,351,816	8,351,816
Fund Balance - June 30		$8,862,980	$8,862,980

Cemetery Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Charges for Current Services:			
Forest Lawn Cemetery	$ 312,450	$ 283,941	$ (28,509)
Maplewood Cemetery	81,440	69,190	(12,250)
Greenhill Cemetery	53,000	44,712	(8,288)
Total Charges for Current Services	446,890	397,843	(49,047)
Investment Income	90,860	72,526	(18,334)
Miscellaneous		205	205
Appropriated Fund Balance	25,755		(25,755)
Total Revenues	563,505	470,574	(92,931)
Expenditures:			
Culture and Recreation:			
Cemeteries:			
Administration	244,190	245,136	946
Forest Lawn Cemetery	147,115	133,481	(13,634)
Maplewood Cemetery	99,620	87,202	(12,418)
Greenhill Cemetery	153,235	138,523	(14,712)
Total Expenditures	644,160	604,342	(39,818)
Excess of Revenues Under Expenditures	(80,655)	(133,768)	(53,113)
Other Financing Sources (Uses):			
Transfers In	127,665	127,665	
Transfers Out	(47,010)	(44,070)	2,940
Total Other Financing Sources (Uses)	80,655	83,595	2,940
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	$	(50,173)	(50,173)
Fund Balance - July 1		348,743	348,743
Fund Balance - June 30		$ 298,570	$ 298,570

Hotel/Motel Occupancy Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
Room Occupancy Tax	$ 2,668,400	$ 2,623,791	$ (44,609)
Investment Income	5,400	13,014	7,614
Miscellaneous	250,000	250,000	0
Appropriated Fund Balance	138,290		(138,290)
Total Revenues	3,062,090	2,886,805	(175,285)
Expenditures:			
Culture and Recreation	25,000		(25,000)
Debt Service:			
Principal Retirement	1,587,205	1,620,542	33,337
Interest	1,733,160	1,056,526	(676,634)
Fees and Other	62,325	85,205	22,880
Total Expenditures	3,407,690	2,762,273	(645,417)
Excess of Revenues Over (Under) Expenditures	(345,600)	124,532	470,132
Other Financing Sources (Uses):			
Debt Issuances:			
Refunding Certificates Issued	1,113,600	1,092,256	(21,344)
Premium (Discount) on Debt		16,504	16,504
Payment to Escrow Agent for Refunded Debt	(1,093,000)	(1,072,408)	20,592
Transfers In	325,000		(325,000)
Total Other Financing Sources (Uses)	345,600	36,352	(309,248)
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	$	160,884	160,884
Fund Balance - July 1		482,764	482,764
Fund Balance - June 30		$ 643,648	$ 643,648

Special Tax Districts Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
Ad Valorem Taxes	$ 36,500	$ 40,315	$ 3,815
Investment Income		15,572	15,572
Appropriated Fund Balance	75,465		(75,465)
Total Revenues	111,965	55,887	(56,078)
Expenditures:			
Community Development:			
Aycock Historic District	88,000	24,281	(63,719)
College Hill Historic District	23,965		(23,965)
Total Expenditures	111,965	24,281	(87,684)
Excess of Revenues Over Expenditures	$	31,606	31,606
Fund Balance - July 1		456,572	456,572
Fund Balance - June 30		$ 488,178	$ 488,178

Stormwater Quality Control Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Assessments	$ 4,000	$ 1,989	$ (2,011)
Charges for Current Services:			
Stormwater Fees	6,436,725	6,636,531	199,806
City Code Violations		1,563	1,563
Waste/Trash Collections	2,500	785	(1,715)
Other Reimbursements		995	
Service Charges	7,750	1,580	(6,170)
Total Charges for Current Services	6,446,975	6,641,454	194,479
Investment Income	200,000	140,539	(59,461)
Miscellaneous:			
Sales and Use Tax Refund	5,500	1,924	(3,576)
Miscellaneous Receivables Revenue	2,360		(2,360)
Total Miscellaneous	7,860	1,924	(5,936)
Appropriated Fund Balance	685,935		(685,935)
Total Revenues	7,344,770	6,785,906	(558,864)
Expenditures:			
Transportation:			
Street Cleaning	1,604,240	1,405,694	(198,546)
Storm Sewer Construction	2,027,500	1,982,581	(44,919)
Environmental Services:			
Stormwater Services	133,960	40,087	(93,873)
Water Resources:			
Stormwater Services	3,579,070	1,995,056	(1,584,014)
Total Expenditures	7,344,770	5,423,418	(1,921,352)
Excess of Revenues Over Expenditures	$	1,362,488	1,362,488
Fund Balance - July 1		1,428,697	1,428,697
Fund Balance - June 30		$2,791,185	$2,791,185

Housing Partnership Revolving Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Investment Income	$ 7,020	$ 40,564	$ 33,544
Miscellaneous:			
Mortgage Collections	340,000	523,032	183,032
Rents	3,000	4,030	1,030
Sale of Materials		295	295
Sale of Vehicles		1,700	1,700
Other Revenue		3,011	3,011
Total Miscellaneous	343,000	532,068	189,068
Appropriated Fund Balance	472,800		(472,800)
Total Revenues	822,820	572,632	(250,188)
Expenditures:			
Housing:			
Administration	1,115,260	988,509	(126,751)
Housing Programs	1,497,440	1,048,986	(448,454)
Total Expenditures	2,612,700	2,037,495	(575,205)
Excess of Revenues Under Expenditures	(1,789,880)	(1,464,863)	325,017
Other Financing Sources:			
Transfers In	1,789,880	1,789,880	
Excess of Revenues and Other Financing Sources Over Expenditures	$	325,017	325,017
Fund Balance - July 1		878,561	878,561
Fund Balance - June 30		$1,203,578	$1,203,578

Community Development Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Intergovernmental:				
Federal Grants	$ 24,885,594	$ 19,670,715	$ 2,752,395	$22,423,110
Local Grants	85,637	85,637		85,637
Total Intergovernmental	24,971,231	19,756,352	2,752,395	22,508,747
Investment Income	812,275	888,095	110,389	998,484
Charges for Current Services:				
Program Income	209,239			
Rent	160,470	132,170	23,785	155,955
Mortgage Collections	3,104,345	3,182,586	556,876	3,739,462
Sale of Real Estate	51,460	51,464	131,368	182,832
Other Revenue	12,040	17,263	25,257	42,520
Total Charges for Current Services	3,537,554	3,383,483	737,286	4,120,769
Total Revenues	29,321,060	24,027,930	3,600,070	27,628,000
Expenditures:				
Community Development:				
Block Grant:				
Administration	2,017,460	1,441,129	379,004	1,820,133
Community Planning	475,380	596,484	16,326	612,810
Fair Housing	120,500	98,472	18,500	116,972
Rental Rehabilitation	230,000	83,051	38,088	121,139
Citywide Housing Repair	3,217,891	2,595,081	521,036	3,116,117
Target Area Personnel	467,778	467,775		467,775
MWBE Training Program	35,000	33,600		33,600
Emergency Shelter Assistance	43,350	43,350		43,350
Neighborhood Economic Development	266,825	266,825		266,825
Gate City CDV'D Partners	130,000	130,000		130,000
Greensboro Women's Club	62,000	57,000	5,000	62,000
Asheboro	1,842,084	1,350,329	283,455	1,633,784
Asheboro Resource Center	50,000	690	27,203	27,893
Arlington Park	941,321	602,275	81,120	683,395
Rosewood	869,218	532,964	108,339	641,303
Section 108 Loan Guarantee	1,985,905	1,586,364	399,540	1,985,904
Eastside Park	1,272,077	833,143	433,885	1,267,028
Best Street	330,051	317,994	10,508	328,502
Gorrell Street	28,596	18,308	4,280	22,588
Gideon's Army	12,500	12,500		12,500
Willow Oaks	444,417	253,962	17,732	271,694
Housing Coalition	42,500	42,500		42,500
Women's Resource Center	25,000	25,000		25,000
Greensboro Children's Museum	25,000	25,000		25,000
Hope VI Revitalization	30,020	22,539		22,539
Magnolia House Motel	110,600	45,828		45,828
Project Deadbolt	4,999	4,194		4,194
Project Homestead Construction Training	20,000		20,000	20,000
Episcopal Servant Center	33,630	33,630		33,630
Youth Focus	8,310	8,310		8,310
Warnersville Recreation Center	4,314	4,313		4,313

Community Development Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures (Continued):				
Lot Acquisition	$ 232,846	$ 232,845	$	$ 232,845
Family and Children's Services	35,100	27,916	6,796	34,712
Salvation Army	153,000	79,400	73,600	153,000
Jericho House	62,000	62,000		62,000
Southeast Economic Development	107,384	107,384		107,384
Central Carolina Legal Service	28,502	28,502		28,502
Downtown Greensboro	50,000			
Compass International	12,500	5,500	7,000	12,500
S/F Homeownership Opportunity	444,732	42,035	275,820	317,855
M/F Rental Housing Technical Assistance	12,000	9,521		9,521
Homeless Prevention Services & Shelter	376,220	148,720		148,720
Christian Counseling/Wellness	125,000	125,000		125,000
East Market Street Development Corporation	70,000	55,000	15,000	70,000
Interfaith Hospitality Network	15,000	15,000		15,000
Malachi House	56,000	30,000	26,000	56,000
Mary's House	26,000	10,000	15,012	25,012
Room at the Inn of the Triad	125,000	50,000	75,000	125,000
Prince of Peace Shelter	55,000		55,000	55,000
Guilford Native American Association	25,000		25,000	25,000
Elderly Housing	21,760	21,760		21,760
Public Service Funding	63,750	63,750		63,750
Greensboro Urban Ministry	119,600	119,600		119,600
Self Help Credit Union	21,609	21,609		21,609
Advocacy - Persons W/Disability	3,500	3,499		3,499
Section 108 Project	1,640,000	1,639,998		1,639,998
Other Community Development:				
Kids, Inc. Day Care	121,590	79,046	9,977	89,023
Home Grants 92	987,000	987,000		987,000
Home Grants 93	652,000	651,870		651,870
Home Grants 94	773,000	756,954		756,954
Home Grants 95	1,981,000	1,989,310		1,989,310
Home Grants 96	1,815,000	1,814,139	471	1,814,610
Home Grants 97	1,470,766	1,466,449	848	1,467,297
Home Grants 98	1,620,475	1,513,834	3,702	1,517,536
HOPWA	790,000	362,629	393,211	755,840
Federal Emergency Shelter Grant	82,000	82,000		82,000
Total Expenditures	29,321,060	24,134,880	3,346,453	27,481,333
Excess of Revenues Over (Under) Expenditures	$	(106,950)	253,617	146,667
Fund Balance - July 1			(106,950)	
Fund Balance - June 30		$ (106,950)	$ 146,667	$ 146,667

HOME Program

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Intergovernmental:				
Federal Grants				
Home Investment Partnership	$3,948,082	$ 1,772,974	$ 789,930	$2,562,904
Greensboro Home Program	917,360	917,360		917,360
Guilford County Home Program	452,754		9,600	9,600
High Point Home Program	1,361,649	490,576	372,898	863,474
Burlington Home Program	628,198	373,441	235,060	608,501
Alamance County Home Program	267,957	170,993	79,401	250,394
Local Grants	38,595			
Total Intergovernmental	7,614,595	3,725,344	1,486,889	5,212,233
Investment Income		7,093	23,282	30,375
Miscellaneous:				
Mortgage Collections	20,075	49,202	78,012	127,214
Other	10,295	10,295	545	10,840
Total Miscellaneous	30,370	59,497	78,557	138,054
Total Revenues	7,644,965	3,791,934	1,588,728	5,380,662
Expenditures:				
Greensboro Home Program	4,247,312	2,355,940	625,505	2,981,445
Guilford County Home Program	496,299	11,627	161,826	173,453
High Point Home Program	1,722,319	537,984	588,435	1,126,419
Burlington Home Program	822,678	413,930	233,901	647,831
Alamance County Home Program	356,357	163,464	68,701	232,165
Total Expenditures	7,644,965	3,482,945	1,678,368	5,161,313
Excess of Revenues Over (Under) Expenditures	$	308,989	(89,640)	219,349
Fund Balance - July 1			308,989	
Fund Balance - June 30		$ 308,989	$ 219,349	$ 219,349

Hope VI Program

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Investment Income	$ 43,180	$ 43,360	$ (3,526)	$ 39,834
Miscellaneous:				
Mortgage Collections	8,435	8,435		8,435
Other		690	2,680	3,370
Total Miscellaneous	8,435	9,125	2,680	11,805
Total Revenues	51,615	52,485	(846)	51,639
Expenditures:				
Section 108 Loans	7,461,000	3,102,409	1,216,819	4,319,228
Willow Oaks	51,615	51,556		51,556
Total Expenditures	7,512,615	3,153,965	1,216,819	4,370,784
Excess of Revenues Under Expenditures	(7,461,000)	(3,101,480)	(1,217,665)	(4,319,145)
Other Financing Sources:				
Debt Issuances:				
Federal Loan Program	7,461,000	3,128,000	1,105,000	4,233,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	$	26,520	(112,665)	(86,145)
Fund Balance - July 1			26,520	
Fund Balance - June 30		$ 26,520	$ (86,145)	$ (86,145)

Workforce Investment Act

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Intergovernmental:				
Federal Grants				
WIA Administration	$ 494,947	$ 231,391	$ 94,136	$ 325,527
WIA Adult	1,457,514	950,829	353,755	1,304,584
WIA Dislocated Worker	1,689,974	690,413	448,946	1,139,359
WIA Youth	1,307,026	448,493	543,928	992,421
WIA Ten Percent/Incentive	318,047	118,135	151,316	269,451
Joblink Enhancement	147,942	30,204		30,204
H-1B Technical Skills Training	2,721,000	425,239	632,291	1,057,530
Total Federal Grants	8,136,450	2,894,704	2,224,372	5,119,076
State Grants				
NCETGP Grant	208,123	188,743	19,380	208,123
Total Intergovernmental	8,344,573	3,083,447	2,243,752	5,327,199
Investment Income		432	(746)	(314)
Miscellaneous:				
Sale of Materials		1,241		1,241
Sale of Equipment		93		93
Other		2,272		2,272
Total Miscellaneous		3,606		3,606
Total Revenues	8,344,573	3,087,485	2,243,006	5,330,491
Expenditures:				
WIA Administration	494,947	169,738	137,311	307,049
WIA Adult	1,546,782	840,510	453,956	1,294,466
WIA Dislocated Worker	1,600,706	679,801	417,311	1,097,112
WIA Youth	1,307,026	495,715	527,852	1,023,567
WIA Ten Percent/Incentive	318,047	118,135	90,466	208,601
Joblink Enhancement	148,342	30,204	60,850	91,054
NCETGP Grant	208,123	190,196	17,927	208,123
H-1B Technical Skills Training	2,720,600	486,536	597,830	1,084,366
Total Expenditures	8,344,573	3,010,835	2,303,503	5,314,338
Excess of Revenues Over (Under) Expenditures	$	76,650	(60,497)	16,153
Fund Balance - July 1			76,650	
Fund Balance - June 30		$ 76,650	$ 16,153	$ 16,153

Job Training Consortium Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Intergovernmental:				
Federal Grants:				
Welfare to Work 98-3751	$ 964,293	$ 964,293	$	$ 964,293
Welfare to Work PY 99	1,043,923	76,296	373,099	449,395
Total Intergovernmental	2,008,216	1,040,589	373,099	1,413,688
Miscellaneous				
Other Revenue		3,471	(126)	3,345
Total Revenues	2,008,216	1,044,060	372,973	1,417,033
Expenditures:				
Economic Opportunity:				
Federal Grants:				
Welfare to Work 98-3751	964,293	964,292		964,292
Welfare to Work 99-3751	1,043,923	196,206	253,190	449,396
Total Expenditures	2,008,216	1,160,498	253,190	1,413,688
Excess of Revenues Over (Under) Expenditures	$	(116,438)	119,783	3,345
Fund Balance - July 1			(116,438)	
Fund Balance - June 30		$ (116,438)	$ 3,345	$ 3,345

State and Federal Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Total To Date
Revenues:				
Intergovernmental:				
Federal Grants	$ 9,529,208	$ 1,108,710	$ 1,794,719	$ 2,903,429
State Grants	9,321,593	861,459	1,032,087	1,893,546
Local Grants	934,146	159,495	344,328	503,823
Total Intergovernmental	19,784,947	2,129,664	3,171,134	5,300,798
Investment Income	6,895	3,408	8,100	11,508
Miscellaneous:				
In-Kind and Matching Revenues	1,329,699	802,411	205,759	1,008,170
Total Revenues	21,121,541	2,935,483	3,384,993	6,320,476
Expenditures:				
General Government:				
Union Cemetery Restoration	16,700	6,100	10,600	16,700
Scattered Site Rehab 01-02	396,500		149,726	149,726
GIS Data Clearinghouse	2,120	629		629
Public Access Channel	576,750	425,831		425,831
Total General Government	992,070	432,560	160,326	592,886
Public Safety:				
Law Enforcement Block Grant 00	418,114	377,882	1,624	379,506
Local Law Enforcement Block Grant 01-02	395,110		109,969	109,969
Local Law Enforcement Block Grant 02-03	333,007		275,306	275,306
Weed and Seed Operation 99-00	50,000	49,195	(2,440)	46,755
Weed and Seed Operation 00-01	50,000	49,453	(13,263)	36,190
Drug Suppression 01	9,250	1,778	(1,778)	
Forfeiture Funds 99-00	69,000	26,602		26,602
Forfeiture Funds 01-02	100,000			
Forfeiture Funds 02-03	710,000		50,534	50,534
Clayton County Forfeiture Funds	12,670	11,445	1,225	12,670
Violent Crime Task Force	227,027	107,891	82,682	190,573
Violent Crime Task Force 01-02	130,000	1,654	10,816	12,470
Financial Crimes Task Force 01-02	5,000		1,486	1,486
Financial Crimes Task Force 02-03	4,000			
State Drug Excise Tax	191,124		52,194	52,194
Joint Terrorism Task Force	10,570		2,437	2,437
Treasury Law Enforcement	40,000	24,370	(411)	23,959
COPS More 00	267,853	261,639	(1,536)	260,103
COPS More 01	796,500		247,291	247,291
Triad Regional Info Sharing System	50,550	50,550		50,550
Fire Capital Equipment	280,000	266,214	6,165	272,379
Metro Medical Response System	600,557	95,079	40,877	135,956
Domestic Preparedness Grant 01	9,200	7,207	1,491	8,698
Structural Collapse Training	120,300		103,560	103,560
Hazardous Materials Response Team 01-02	52,000	29,003	14,284	43,287
Hazardous Materials Response Team 02-03	52,000		47,548	47,548
Hazardous Materials Response Team 03-04	52,000			
Hazardous Device Equipment 01	18,880	1,600		1,600
Total Public Safety	5,054,712	1,361,562	1,030,061	2,391,623
Transportation:				
Transportation Planning 01-02	397,768	133,066	(657)	132,409
Transportation Planning 02-03	606,363		422,380	422,380
Section 5303 Metro Planning - 01-02	46,780	46,780		46,780
Section 5303 Metro Planning - 02-03	51,350		50,666	50,666
NC 68/Triad Center Drive	401,550	242,106		242,106
East Market Street Landscape Project	50,000	50,000		50,000
NC SE Trail Connector - 02-03	66,000			
Total Transportation	1,619,811	471,952	472,389	944,341

State and Federal Grants Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures: (Continued)				
Engineering and Inspections:				
16th Street Bridge Replacement	2,476,850	42,197	47,155	89,352
Oka T. Hester Park Dam Construction	5,000,000	42,177	91,716	133,893
Ballinger Road Bridge Replacement	625,000			
Clean Water Management	960,000	29,204	107,439	136,643
Clean Water Management-03	1,020,000			
Flood Mitigation Grant 01-02	20,000			
North Buffalo Water Quality Investigation	87,896			
EPA Vulnerability Assessment	115,000		104,490	104,490
Bioretention Areas Grant	150,000		13,303	13,303
Coliform TMDL Grant	81,100			
Total Engineering and Inspections	10,535,846	113,578	364,103	477,681
Culture and Recreation:				
LSCA Enrichment Grant - 1997-98	59,535	43,313	5,400	48,713
TeleFacsimile Grant	125,000	110,697	14,303	125,000
Family Literacy Project	50,250	12,044		12,044
Glenwood Resource Center	91,100	21,752	34,832	56,584
EZ-LISA Hispanic Services - 01-02	39,850	32,367	797	33,164
Lila Wallace Reader's Digest	15,600	13,084	2,516	15,600
Curb Market Improvements	18,695	18,521	174	18,695
TYGR Paws Project - 00-01	7,950	5,005	2,268	7,273
TYGR Paws Project - 01-02	9,500		6,003	6,003
Crew Grant Project - 01-02	2,500		2,500	2,500
Tannenbaum-Sternberger 2001-02	30,000		2,500	2,500
Recreation Center Grants	13,809	11,910		11,910
Urban Forestry Projects - 01-02	17,758	15,662	2,096	17,758
Urban Forestry Projects - 02-03	7,900		2,100	2,100
Urban and Community Forestry 01-02	10,000	10,000		10,000
Tree Inventory Grant	10,000		10,000	10,000
Parks and Recreation Performance Project 01-02	37,190	31,190	6,000	37,190
Piedmont Triad Council of Governments-00-01	2,222	1,925		1,925
Piedmont Triad Council of Governments - 01-02	2,222	2,041		2,041
Youth Football Program	5,500		5,500	5,500
Healthy Carolinians	2,010		1,618	1,618
Senior Games Project-02-03	5,650		5,617	5,617
Senior Games Project	2,225		2,225	2,225
GYC Artistry Awards Grant-02-03	1,600		1,600	1,600
MUSEP Concert Series Program	20,000		1,900	1,900
Total Culture and Recreation	588,066	329,511	109,949	439,460
Community Development and Housing:				
Fair Housing Assistance 97-01	355,778	138,576	75,745	214,321
HOPE VI	87,550	40,900	45,166	86,066
NCHFA/Duke Power Energy Grant	150,000	28,127	64,612	92,739
NCHFA/Duke Power Energy Grant	150,000			
Lead Paint Grant	3,000,000		433,589	433,589
Total Community Development and Housing	3,743,328	207,603	619,112	826,715
Total Expenditures	22,533,833	2,916,766	2,755,940	5,672,706
Excess of Revenues Over (Under) Expenditures	(1,412,292)	18,717	629,053	647,770
Other Financing Sources (Uses):				
Transfers In	1,412,292	970,233	441,075	1,411,308
Transfers Out			(138,182)	(138,182)
Total Other Financing Sources (Uses)	1,412,292	970,233	302,893	1,273,126
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$	988,950	931,946	1,920,896
Fund Balance - July 1			988,950	
Fund Balance - June 30		$ 988,950	$ 1,920,896	$1,920,896

Debt Service Fund

This fund is used to account for the retirement of ad valorem tax-supported General Obligation Bonds. The retirement of all other General Obligation Bonds is accounted for in the Water Resources Enterprise Fund and the Technical Services Fund.

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Local Reimbursements:			
Payment In Lieu of Taxes	$ 130,000	$ 120,045	$ (9,955)
Investment Income	2,575,000	3,306,423	731,423
Miscellaneous:			
Sales and Use Tax Refund	50,000	100,353	50,353
Appropriated Fund Balance	2,108,760		(2,108,760)
Total Revenues	4,863,760	3,526,821	(1,336,939)
Expenditures:			
Debt Service:			
Principal Retirement	9,728,660	11,511,905	1,783,245
Interest	7,435,660	4,868,747	(2,566,913)
Arbitrage Rebates		462,304	462,304
Fees and Other	526,500	253,134	(273,366)
Total Expenditures	17,690,820	17,096,090	(594,730)
Excess of Revenues Under Expenditures	(12,827,060)	(13,569,269)	(742,209)
Other Financing Sources (Uses):			
Debt Issuances:			
Refunding Bonds Issued	22,820,000	19,654,599	(3,165,401)
Premium (Discount) on Debt	840,000	771,190	(68,810)
Payment to Escrow Agent for Refunded Debt	(23,565,000)	(20,457,415)	3,107,585
Transfers In	13,057,060	13,057,060	
Transfers Out	(325,000)		325,000
Total Other Financing Sources (Uses)	12,827,060	13,025,434	198,374
Excess of Revenues and Other Financing Sources (Uses) Under Expenditures	$	(543,835)	(543,835)
Fund Balance - July 1		16,775,399	16,775,399
Fund Balance - June 30		$ 16,231,564	$ 16,231,564

Capital Projects Fund

Capital Projects Funds are used to account for all major capital improvements primarily financed with the proceeds of bond sales. The funds presented in this section represent those which account for general improvements. Improvements associated with the proprietary operations are reported in the Enterprise Funds and Internal Service Funds sections.

Street and Sidewalk Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Total To Date
Revenues:				
Intergovernmental:				
State Grant	$ 1,388,000	$ 308,382	$	$ 308,382
Charges for Current Services:				
Contracted Construction Projects	410,000	80,000		80,000
Appropriated Fund Balance	267,000			
Total Revenues	2,065,000	388,382		388,382
Expenditures:				
Capital Improvements:				
Transportation:				
Transportation Improvements	3,532,537			
Engineering and Inspections:				
Street Construction	4,118,931	3,987,733	127,618	4,115,351
Sidewalk and Crosswalk Construction	835,651	835,521	128	835,649
Bridge Construction and Maintenance	652,881	480,032	164,271	644,303
City State Road Projects	1,335,000		51,377	51,377
Culture and Recreation:				
Bur-Mil Park Trail Improvements	167,600	167,595		167,595
Total Expenditures	10,642,600	5,470,881	343,394	5,814,275
Excess of Revenues Under Expenditures	(8,577,600)	(5,082,499)	(343,394)	(5,425,893)
Other Financing Sources:				
Debt Issuances:				
Certificates of Participation Issued		183,589		183,589
Transfers In	8,577,600	7,627,600		7,627,600
Total Other Financing Sources	8,577,600	7,811,189		7,811,189
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	$	2,728,690	(343,394)	2,385,296
Fund Balance - July 1			2,728,690	
Fund Balance - June 30		$ 2,728,690	$ 2,385,296	$ 2,385,296

State Highway Allocation Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Housing & Community Development:				
Streets and Structures	$ 700,000	$	$	$
Sidewalk and Crosswalk Construction	700,000			
Transportation:				
Transportation Improvements	21,991,117	6,303,630	639,316	6,942,946
Engineering and Inspections:				
Streets and Structures	4,717,970	4,614,478	103,491	4,717,969
Sidewalk and Crosswalk Construction	3,246,617	2,836,478	149,593	2,986,071
Bridge Construction and Maintenance	498,521	498,520		498,520
Total Expenditures	31,854,225	14,253,106	892,400	15,145,506
Other Financing Sources (Uses):				
Transfers In	32,601,145	30,701,145	138,182	30,839,327
Transfers Out	(746,920)	(746,920)	(125,000)	(871,920)
Total Other Financing Sources (Uses)	31,854,225	29,954,225	13,182	29,967,407
Excess of Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$	15,701,119	(879,218)	14,821,901
Fund Balance - July 1			15,701,119	
Fund Balance - June 30		$ 15,701,119	$ 14,821,901	$ 14,821,901

Stormwater Capital Improvements

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Engineering and Inspections:				
Stormwater Improvements	$ 3,705,700	$ 1,891,142	$ 615,736	$ 2,506,878
Other Financing Sources:				
Transfers In	4,005,700	4,005,700		4,005,700
Transfers Out	(300,000)		(300,000)	(300,000)
Total Other Financing Sources (Uses)	3,705,700	4,005,700	(300,000)	3,705,700
Excess of Other Financing Sources (Uses) Over (Under) Expenditures	$	2,114,558	(915,736)	1,198,822
Fund Balance - July 1			2,114,558	
Fund Balance - June 30		$ 2,114,558	$ 1,198,822	$ 1,198,822

General Capital Improvements Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Miscellaneous:				
Rent	$	$ 25,000	$	$ 25,000
Sale of Real Estate		4,600		4,600
Donations and Private Contributions	380,977	380,977		380,977
Total Revenues	380,977	410,577		410,577
Expenditures:				
Capital Improvements:				
Planning	64,149			
General Government	807,979	736,919	835	737,754
Public Safety	1,609,926	1,582,051		1,582,051
Culture and Recreation	6,358,468	4,819,341	383,199	5,202,540
Total Expenditures	8,840,522	7,138,311	384,034	7,522,345
Excess of Revenues Under Expenditures	(8,459,545)	(6,727,734)	(384,034)	(7,111,768)
Other Financing Sources:				
Transfers In	8,459,545	7,957,353	468,000	8,425,353
Excess of Revenues and Other Financing Sources Over Expenditures	$	1,229,619	83,966	1,313,585
Fund Balance - July 1			1,229,619	
Fund Balance - June 30		$ 1,229,619	$ 1,313,585	$ 1,313,585

Public Improvement Bond Fund - Series 1990, 1992, 1994 and 1998

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Total To Date
Revenues:				
Intergovernmental:				
State Grant	$ 562,445	$ 412,442	$	$ 412,442
Miscellaneous:				
Donations and Private Contributions	214,025	388,634		388,634
Construction Project Development	965,029	1,103,948		1,103,948
Other Revenue		3,162		3,162
Total Revenues	1,741,499	1,908,186		1,908,186
Expenditures:				
Capital Improvements:				
General Government:				
Public Buildings	2,131,350	2,128,071		2,128,071
Public Safety:				
Opticom System	204,310	204,308		204,308
Transportation:				
Transportation Improvements	1,884,954	1,879,719		1,879,719
Engineering and Inspections:				
Street Construction - 1985	2,034,320	1,984,294		1,984,294
Street Construction - 1988	71,003,600	65,751,427	1,902,181	67,653,608
Center City Improvements	3,040,635	2,927,687		2,927,687
Culture and Recreation:				
Recreation Centers	5,822,000	5,764,574		5,764,574
Community Development and Housing:				
Housing Program	4,000,000	4,000,009		4,000,009
Neighborhood Renewal	2,400,000	2,399,991		2,399,991
Total Expenditures	92,521,169	87,040,080	1,902,181	88,942,261
Excess of Revenues Under Expenditures	(90,779,670)	(85,131,894)	(1,902,181)	(87,034,075)
Other Financing Sources (Uses):				
Debt Issuances:				
General Obligation Bonds Issued	90,750,000	90,750,000		90,750,000
Transfers In	603,350	603,350		603,350
Transfers Out	(573,680)	(547,233)		(547,233)
Total Other Financing Sources (Uses)	90,779,670	90,806,117		90,806,117
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and and Other Financing (Uses)	$	5,674,223	(1,902,181)	3,772,042
Fund Balance - July 1			5,674,223	
Fund Balance - June 30		$ 5,674,223	$ 3,772,042	$ 3,772,042

Redevelopment Bond Fund - Series 1994

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Miscellaneous:				
Mortgage Collections - Rehabilitation	$	$	$ 38,597	$ 38,597
Interest Collected - Rehabilitation Mortgages			877	877
Rent	3,293	3,293		3,293
Sale of Real Estate	555,183	555,183		555,183
Donations & Private Contributions	20,000	20,000		20,000
All Other Revenue	1,060	22,403		22,403
Total Revenues	579,536	600,879	39,474	640,353
Expenditures:				
Capital Improvements:				
Community Development and Housing:				
Neighborhood Renewal	7,864,536	6,245,038	680,140	6,925,178
Excess of Revenues Under Expenditures	(7,285,000)	(5,644,159)	(640,666)	(6,284,825)
Other Financing Sources:				
Debt Issuances:				
General Obligation Bonds Issued	7,285,000	7,285,000		7,285,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	$	1,640,841	(640,666)	1,000,175
Fund Balance - July 1			1,640,841	
Fund Balance - June 30		$ 1,640,841	$ 1,000,175	$ 1,000,175

Public Improvement Bond Fund - Series 1998A

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Public Safety:				
Personnel Training Facilities	$ 14,500,000	$ 10,484,443	$ 2,451,832	$ 12,936,275
Fire Station	1,500,000	1,487,987	6,175	1,494,162
Police Department	498,435		149,585	149,585
Technology and Facilities:				
Municipal Buildings	5,501,565	2,193,981	178,097	2,372,078
Total Expenditures	22,000,000	14,166,411	2,785,689	16,952,100
Other Financing Sources:				
Debt Issuances:				
General Obligation Bonds Issued	22,000,000	22,000,000		22,000,000
Excess of Other Financing Sources Over (Under) Expenditures	$	7,833,589	(2,785,689)	5,047,900
Fund Balance - July 1			7,833,589	
Fund Balance - June 30		$ 7,833,589	$ 5,047,900	$ 5,047,900

Public Improvement Bond Fund - Series 1998B

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Community Development and Housing:				
Single Family Housing Programs	$ 2,156,966	$ 2,120,193	$ 2,748	$ 2,122,941
Greensboro Housing Authority Projects	1,500,000	1,500,000		1,500,000
Total Expenditures	3,656,966	3,620,193	2,748	3,622,941
Other Financing Sources (Uses):				
Debt Issuances:				
General Obligation Bonds Issued	3,700,000	3,700,000		3,700,000
Transfers Out	(43,034)	(40,900)	(2,133)	(43,033)
Total Other Financing Sources (Uses)	3,656,966	3,659,100	(2,133)	3,656,967
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and and Other Financing Uses	$	38,907	(4,881)	34,026
Fund Balance - July 1			38,907	
Fund Balance - June 30		$ 38,907	$ 34,026	$ 34,026

Housing/Redevelopment Bond Fund - Series 1998

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Community Development and Housing:				
Single Family Housing Program	$ 3,025,000	$ 2,746,558	$ 94,652	$ 2,841,210
Multi-family Housing Program	2,275,000	2,277,512	6,183	2,283,695
Neighborhood Renewal	1,000,000	462,363	187,091	649,454
Total Expenditures	6,300,000	5,486,433	287,926	5,774,359
Excess of Revenues Under Expenditures	(6,300,000)	(5,486,433)	(287,926)	(5,774,359)
Other Financing Sources:				
Debt Issuances:				
General Obligation Bonds Issued	6,300,000	6,300,000		6,300,000
Excess of Other Financing Sources Over (Under) Expenditures	$	813,567	(287,926)	525,641
Fund Balance - July 1			813,567	
Fund Balance - June 30		$ 813,567	$ 525,641	$ 525,641

Street Improvement Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Engineering and Inspections:				
Resurfacing and Signal Replacement	$ 5,950,000	$ 126,634	$ 73,961	$ 200,595
Roadway Improvements	46,500,000	498,266	388,012	886,278
Sidewalk and Bikeways Projects	5,300,000	158,643	101,362	260,005
Streetscape Projects	14,000,000	1,148,424	949,373	2,097,797
Bond Issuance Costs			32,940	32,940
Total Expenditures	71,750,000	1,931,967	1,545,648	3,477,615
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	71,750,000	3,009,630	14,330,000	17,330,000
Premium (Discount) on Debt			56,284	65,914
Total Other Financing Sources	71,750,000	3,009,630	14,386,284	17,395,914
Excess of Other Financing Sources Over Expenditures	$	1,077,663	12,840,636	13,918,299
Fund Balance - July 1			1,077,663	
Fund Balance - June 30		$ 1,077,663	$ 13,918,299	$ 13,918,299

Parks and Recreation Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Intergovernmental:				
State Grant	$ 250,000	$ 250,000	$	$ 250,000
Expenditures:				
Capital Improvements:				
Culture and Recreation:				
ADA Compliance for Park Restrooms	1,462,400		2,161	2,161
Barber Park Recreation Center	2,749,720		71,410	71,410
Barber Park Tennis Pavilion Roof	4,130,000	39,279	610,257	649,536
Carolyn Allen Community Park	3,177,670	86,990	705,412	792,402
Facility Floors and Bleacher Replacement	1,593,000		2,367	2,367
HVAC Installation in Recreation Centers	1,690,930	111,883	476,511	588,394
Keeley Park	6,590,000		9,828	9,828
Lake Facility Improvements	163,000	5,950	2,537	8,487
Playground Equipment and Bleachers	1,573,000	108,478	148,485	256,963
Southwest Greensboro Recreation Center	4,990,940		7,152	7,152
Northwest Walking Trail	200,000		618	618
Northeast Sports Center	6,059,340		6,059,335	6,059,335
Barber Park Master Plan	70,000			
Total Expenditures	34,450,000	352,580	8,096,073	8,448,653
Excess of Revenues Under Expenditures	(34,200,000)	(102,580)	(8,096,073)	(8,198,653)
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	34,200,000		16,600,000	16,600,000
Premium (Discount) on Debt			53,914	53,914
Total Other Financing Sources	34,200,000		16,653,914	16,653,914
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	$	(102,580)	8,557,841	8,455,261
Fund Balance - July 1			(102,580)	
Fund Balance - June 30		$ (102,580)	$ 8,455,261	$ 8,455,261

Fire Station Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Miscellaneous:				
Insurance Refunds and Claims	$ 218,560	$	$ 121,731	$ 121,731
Expenditures:				
Capital Improvements:				
Public Safety:				
Fire Station #11 Replacement	2,250,000	442,680	246,310	688,990
Grandover Fire Station	2,500,000	187	25,061	25,248
Horsepen Creek Fire Station	2,300,000	188	3,766	3,954
Lake Jeanette Fire Station	2,718,560	1,177,406	270,310	1,447,716
Total Expenditures	9,768,560	1,620,461	545,447	2,165,908
Excess of Revenues Under Expenditures	(9,550,000)	(1,620,461)	(423,716)	(2,044,177)
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	9,550,000	3,009,630	2,170,000	5,170,000
Premium (Discount) on Debt			16,791	26,421
Total Other Financing Sources	9,550,000	3,009,630	2,186,791	5,196,421
Excess of Revenues and Other Financing Sources Over Expenditures	$	1,389,169	1,763,075	3,152,244
Fund Balance - July 1			1,389,169	
Fund Balance - June 30		$ 1,389,169	$ 3,152,244	$ 3,152,244

Public Transportation Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Transportation	$ 2,000,000	$ 143,485	$ 26,091	$ 169,576
Other Financing Sources:				
Debt Issuances:				
General Obligation Bonds Issued	2,000,000		500,000	500,000
Premium (Discount) on Debt			1,624	1,624
Total Other Financing Sources	2,000,000		501,624	501,624
Excess of Other Financing Sources Over (Under) Expenditures	$	(143,485)	475,533	332,048
Fund Balance - July 1			(143,485)	
Fund Balance - June 30		$ (143,485)	$ 332,048	$ 332,048

Natural Science Center Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Culture and Recreation	$ 3,500,000	$	$	$
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	3,500,000			
Excess of Other Financing Sources Under Expenditures	$			
Fund Balance - July 1				
Fund Balance - June 30		$	$	$

Law Enforcement Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Public Safety:				
Police Building - Southeast District	$ 3,476,495	$ 21,286	$ 259,210	$ 280,496
Police Building - Western District	3,603,505	2,350,151	2,350,151	3,494,989
Total Expenditures	7,080,000	2,371,437	1,404,048	3,775,485
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	7,080,000	3,009,630	4,080,000	7,080,000
Premium (Discount) on Debt			22,995	32,625
Total Other Financing Sources	7,080,000	3,009,630	4,102,995	7,112,625
Excess of Other Financing Sources Over Expenditures	$	638,193	2,698,947	3,337,140
Fund Balance - July 1			638,193	
Fund Balance - June 30		$ 638,193	$ 3,337,140	$ 3,337,140

Library Facilities Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Culture and Recreation:				
Hemphill Square Branch	$ 2,429,875	$ 378,742	$ 214,052	$ 592,794
Edwards Branch	2,515,355	90,083	278,346	368,429
Lake Jeanette Branch	74,770	74,768		74,768
Total Expenditures	5,020,000	543,593	492,398	1,035,991
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	5,020,000	1,000,000	2,320,000	3,320,000
Premium (Discount) on Debt		3,210	10,783	13,993
Total Other Financing Sources	5,020,000	1,003,210	2,330,783	3,333,993
Excess of Other Financing Sources Over Expenditures	$	459,617	1,838,385	2,298,002
Fund Balance - July 1			459,617	
Fund Balance - June 30		$ 459,617	$ 2,298,002	$ 2,298,002

Neighborhood Redevelopment Bond Fund - Series 2003

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenditures:				
Capital Improvements:				
Community Development and Housing	$ 2,800,000	$	$	$
Other Financing Sources :				
Debt Issuances:				
General Obligation Bonds Issued	2,800,000			
Excess of Other Financing Sources Under Expenditures	$			
Fund Balance - July 1				
Fund Balance - June 30		$	$	$

Coliseum Capital Improvements Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Project Inception and For the Fiscal Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Miscellaneous:				
Donations and Private Contributions	$ 950,000	$	$ 950,000	$ 950,000
Expenditures:				
Capital Improvements:				
Culture and Recreation:				
Coliseum Improvements	950,000		950,000	950,000
Excess of Revenues Over Expeditures	$			
Fund Balance - July 1				
Fund Balance - June 30		$	$	$

Perpetual Care Fund

Perpetual Care Fund

The purpose of this fund is to account for monies to be used in the maintenance of the City's cemeteries. A contribution of one-fourth of all lot sales from the Cemetery Fund is the only funding source of this fund. Income earned from the investment of the assets of this fund is credited directly to the Cemetery Fund to partially defray the costs of cemetery operations under provisions of the City Charter. No part of the principal may be expended from this fund, which classifies this fund as a Nonexpendable Trust Fund. No expenses were recorded in this fund during the current year.

This fund can be found on the Combining Balance Sheet, page 33 and the Combining Statement of Revenues, Expenditures and Changes in Fund Balances, page 40.

Enterprise Funds

Water Resources Fund

The Water Resources Fund provides services to over 93,000 customers and is designed to be self-supporting. Revenues are sufficient to meet the operating expenditures and to provide funds for water and sewer line construction. These revenues are also used to provide for principal and interest on all water and sewer debt. Continued expansion of the water and sewer system has been necessary to provide for the increase in residential, commercial and industrial requirements. Combined Enterprise System Revenue bonds as well as General Obligation bonds outstanding are recorded in this fund.

War Memorial Coliseum Fund

This fund administers monies necessary for the operation of the complex responsible for bringing top artists in the entertainment, educational and sports fields to Greensboro. The Coliseum Complex consists of an arena with a seating capacity of 23,300, an auditorium with a seating capacity of 2,400 and meeting and exhibition facilities of 120,000 square feet.

Bryan Park Fund

This fund accounts for revenues and expenses of the two 18-hole golf courses and the pro shop. Accounting for the Bryan Enrichment Center, and other park facilities located at the Bryan Park Complex was transferred to the General Fund, effective July 1, 1999. Effective January 2003, operations of the golf courses and related services are performed by a private management company.

Parking Facilities Fund

This fund accounts for revenues and expenses related to City-owned parking garages, lots and curbside parking spaces. The City currently operates four parking garages providing over 2,800 parking spaces in the Center City area.

Solid Waste Management Fund

This fund accounts for waste collection, disposal and recycling operations of the City, as well as solid waste landfill improvements.

Enterprise Funds

Schedule of Revenues, Expenses and Changes in Fund Balance

Budget and Actual (Non-GAAP)

The following Schedules present the results of operation for all Enterprise Funds on the modified accrual basis for comparison to the legally adopted budget for each fund. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows each Schedule.

Water Resources Fund

Schedule of Revenues and Expenses Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$ 48,412,000	$ 47,616,329	$ (795,671)
Other Operating Revenues	573,740	777,911	204,171
Total Operating Revenues	48,985,740	48,394,240	(591,500)
Operating Expenses:			
Personal Services	10,695,670	10,497,334	(198,336)
Fringe Benefits	3,259,580	3,275,535	15,955
Maintenance and Operations	23,773,245	19,722,660	(4,050,585)
Capital Outlay	2,693,430	764,540	(1,928,890)
Total Operating Expenses	40,421,925	34,260,069	(6,161,856)
Operating Income	8,563,815	14,134,171	5,570,356
Nonoperating Revenues:			
Investment Income	950,200	1,014,518	64,318
Gain on Sale of Capital Assets	1,500	550	(950)
Miscellaneous Nonoperating Revenues	730,000	208,811	(521,189)
Total Nonoperating Revenues	1,681,700	1,223,879	(457,821)
Nonoperating Expenses:			
Principal Maturities	4,925,125	5,057,594	132,469
Interest Expense	6,928,155	5,867,257	(1,060,898)
Amortization of Underwriters' Expense		85,668	85,668
Net Loss from Joint Venture		190,356	190,356
Miscellaneous Nonoperating Expenses	160,000	134,274	(25,726)
Total Nonoperating Expenses	12,013,280	11,335,149	(678,131)
Excess of Revenues Over (Under) Expenses Before Contributions and Other Financing Sources (Uses)	(1,767,765)	4,022,901	5,790,666
Capital Contributions		3,248,478	3,248,478
Other Financing Sources (Uses):			
Transfers In		1,600,000	1,600,000
Transfers Out	(31,025,172)	(28,925,172)	2,100,000
Total Other Financing Sources (Uses)	(31,025,172)	(27,325,172)	3,700,000
Excess of Revenues, Contributions and Other Financing Sources Over Under Expenses and Other Financing Uses	(32,792,937)	(20,053,793)	12,739,144
Appropriated Fund Balance	32,792,937		(32,792,937)
Excess of Revenues Under Expenses	$	$ (20,053,793)	$ (20,053,793)

Water Resources Fund

Schedule of Revenues and Expenses Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 49,618,119
Total Expenses	45,595,218
Excess of Revenues Over Expenses Before Contributions and Other Financing Sources (Uses)	4,022,901
Adjustment to Full Accrual Basis:	
Depreciation	(9,308,565)
Principal Maturities	5,057,594
Capital Outlay	764,540
Project Operating Expenses	(16,398,215)
Project Cost Sharing and Other Reimbursements	441,296
Sales Tax Refund	117,167
Loss Before Contributions and Transfers	$ (15,303,282)

Water Resources Bond Fund - Series 2001

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenses:				
Capital Improvements:				
Steveco Building	$ 1,672,300	$ 1,210,745	$ 235,018	$ 1,445,763
Lake Daniel Reservoir	3,224,340	3,224,704		3,224,704
Osborne Treatment Plant	20,127,023	17,542,988	2,339,522	19,882,510
North Buffalo Plant	1,250,995	1,236,488		1,236,488
South Buffalo Extension	2,142,941	2,142,677		2,142,677
Reedy Fork Pumping and Lift Station	1,035,523	833,227	179,395	1,012,622
Bledsoe Drive Pumping Station	905,579	69,543	836,035	905,578
Peach Orchard Pumping Station	895,000		435,468	435,468
Randleman Feeder Main/Engineering	22,000	22,000		22,000
Northside Feeder Main	331,537	331,191		331,191
Guilford College Water Line Relocation	43,000			
Lake Brandt Dam Repair	1,288,975	12,000	302,114	314,114
Mitchell Water Plant	502,325	481,136	17,664	498,800
Mitchell Sediment Basin Improvements	2,670,145	2,670,140		2,670,140
Mitchell Pumping Station Drive	420,000		370,000	370,000
Mitchell Filter Rehabilitation	1,735,128	83,675	1,621,177	1,704,852
Reidsville Improvements	343,585	281,698		281,698
Burlington Water Interconnection	300,000			170,300
Muddy Branch Sewer Rehabilitation	1,340,428	1,340,425		1,340,425
Lawndale Lift Station	1,211,700	1,116,572	68,796	1,185,368
Townsend Plant Sediment Basin Improve	1,790,000	1,606,429	142,593	1,749,022
Total Capital Improvements	43,252,524	34,205,638	6,547,782	40,923,720
Nonoperating Expenses:				
Interest Expense	2,100,000	1,669,086	706,968	2,376,054
Bond Issue Expense	800,000	566,698		566,698
Miscellaneous Bond Expenses	50,000	63,874	62,386	126,260
Total Expenses	46,202,524	36,505,296	7,317,136	43,992,732
Nonoperating Revenues:				
Investment Income	462,524	872,687	26,138	898,825
Cost Sharing Reimbursements		17,602	2,740	20,342
Total Nonoperating Revenues	462,524	890,289	28,878	919,167
Excess of Revenues Under Expenses Before Other Financing Sources	(45,740,000)	(35,615,007)	(7,288,258)	(43,073,565)
Other Financing Sources:				
Debt Issuances:				
Revenue Bonds Issued	45,740,000	45,740,000		45,740,000
Excess of Revenues and Other Financing Sources Over (Under) Expenses	$	$ 10,124,993	$ (7,288,258)	$ 2,666,435

Water Resources Bond Fund - Series 2003

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenses:				
Capital Improvements:				
Mapping Project of Water/Sewer Syste	$ 2,545,000	$	$ 39,054	$ 39,054
Water Resouces Operations Center	7,900,000			
Water Mains and Tanks	3,500,000		10,898	10,898
Water Treatment Plants	2,280,000		46,160	46,160
Sewer Pumping Stations	13,950,000			
Fuel Oil Tanks	200,000			
Osborne Treatment Plant	2,200,000			
Haw River Project	9,000,000			
Sewer Mains	3,425,000		281,925	281,925
Total Capital Improvements	45,000,000		378,037	378,037
Nonoperating Expenses:				
Interest Expense	2,300,000			
Bond Issue Expense	700,000		38,596	38,596
Total Expenses	48,000,000		416,633	416,633
Nonoperating Revenues:				
Investment Income	1,000,000			
Miscellaneous Nonoperating Revenues			2,904,000	2,904,000
Total Revenues	1,000,000		2,904,000	2,904,000
Excess of Revenues Under Expenses Before Other Financing Sources	(47,000,000)		2,487,367	2,487,367
Other Financing Sources:				
Debt Issuances:				
Revenue Bonds Issued	47,000,000			
Excess of Revenues and Other Financing Sources Under Expenses	$	$	$ 2,487,367	$ 2,487,367

Guilford County Construction Project Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Revenues:				
Guilford County Construction:				
Reimbursements	$ 1,684,557	$ 37,935	$ 419,799	$ 457,734
Expenses:				
Capital Improvements:				
Sumner Elementary School	414,517	37,935	357,247	395,182
Bishop Road Sewer Outfall	250,000		34,137	34,137
Waldenbrook Water Line	130,000		30,614	30,614
Twilla Acres Water and Sewer Project	890,040			
Total Expenditures	1,684,557	37,935	421,998	459,933
Excess of Revenues Under Expenses	$	$	$ (2,199)	$ (2,199)

Water Resources Capital Improvement Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenses:				
Capital Improvements:				
Winston-Salem Water Line Project	$ 264,307	$ 264,307	$	$ 264,307
Water Line and Tank Construction	4,590,150	1,851,686	757,066	2,608,752
Randleman Dam Project	34,657,761	18,354,343	16,303,418	34,657,761
Osborne Improvements	4,202,675	3,645,461	22	3,645,483
Sewer Line Construction	9,107,645	5,560,760	1,827,679	7,388,439
Haw River Project	11,000,000		7,506,313	7,506,313
Total Capital Improvements	63,822,538	29,676,557	26,394,498	56,071,055
Other Operating Revenues:				
Cost Sharing Reimbursements			18,756	18,756
Sales Tax Refund		1,926,607	117,167	2,043,774
Total Other Operating Revenues		1,926,607	135,923	2,062,530
Excess of Revenues Under Expenses Before Other Financing Sources	(63,822,538)	(27,749,950)	(26,258,575)	(54,008,525)
Other Financing Sources:				
Transfers from Water Resources:				
Capital Reserve Fund	45,919,863	18,645,641	24,774,222	43,419,863
Water Resources Operating Fund	13,700,000	10,000,000	3,700,000	13,700,000
Debt Issuances:				
Federal Loan Program	4,202,675	4,202,675		4,202,675
Total Other Financing Sources	63,822,538	32,848,316	28,474,222	61,322,538
Excess of Revenues and Other Financing Sources Over Expenses	$	$ 5,098,366	$ 2,215,647	$ 7,314,013

War Memorial Coliseum Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June, 30, 2003

	Final Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$ 13,139,700	$12,897,136	$ (242,564)
Other Operating Revenues	135,000	489,280	354,280
Total Operating Revenues	13,274,700	13,386,416	111,716
Operating Expenses:			
Personal Services	4,909,090	4,793,518	(115,572)
Fringe Benefits	1,005,715	967,386	(38,329)
Maintenance and Operations	8,267,907	8,411,111	143,204
Capital Outlay	649,738	498,059	(151,679)
Total Operating Expenses	14,832,450	14,670,074	(162,376)
Operating Loss	(1,557,750)	(1,283,658)	274,092
Nonoperating Revenues:			
Investment Income	90,000	132,856	42,856
Nonoperating Expenses:			
Principal Maturities	60,000	65,000	5,000
Interest Expense	55,500	12,104	(43,396)
Miscellaneous Nonoperating Expenses	11,800	6,587	(5,213)
Total Nonoperating Expenses	127,300	83,691	(43,609)
Excess of Revenues Under Expenses Before Other Financing Sources	(1,595,050)	(1,234,493)	360,557
Other Financing Sources:			
Transfers In	1,546,800	1,546,800	
Excess of Revenues and Other Financing Sources Over (Under) Expenses	(48,250)	312,307	360,557
Appropriated Fund Balance	48,250		(48,250)
Excess of Revenues Over Expenses	$	$ 312,307	$ 312,307

War Memorial Coliseum Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 13,519,272
Total Expenses	14,753,765
Excess of Revenues Under Expenses Before Other Financing Sources	(1,234,493)
Adjustment to Full Accrual Basis:	
Depreciation	(2,064,833)
Principal Maturities	65,000
Capital Outlay	498,059
Compensated Absences	(45,155)
Amortization of Bond Discount	(671)
Interest Accruals	10,668
Loss Before Transfers	$ (2,771,425)

Bryan Park Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$ 2,672,625	$ 1,294,130	$(1,378,495)
Other Operating Revenues	13,000	4,544	(8,456)
Total Operating Revenues	2,685,625	1,298,674	(1,386,951)
Operating Expenses:			
Personal Services	1,390,840	866,790	(524,050)
Fringe Benefits	310,495	211,480	(99,015)
Maintenance and Operations	1,251,540	786,085	(465,455)
Capital Outlay	18,200	18,788	588
Total Operating Expenses	2,971,075	1,883,143	(1,087,932)
Operating Loss	(285,450)	(584,469)	(299,019)
Nonoperating Revenues:			
Investment Income	3,000	226	(2,774)
Excess of Revenues Under Expenses Before Other Financing Sources	(282,450)	(584,243)	(301,793)
Other Financing Sources:			
Transfers In	262,630	607,330	344,700
Excess of Revenues and Other Financing Sources Over (Under) Expenses	(19,820)	23,087	42,907
Appropriated Fund Balance	19,820		(19,820)
Excess of Revenues and Other Financing Sources Over Expenses	$	$ 23,087	$ 23,087

Bryan Park Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 1,298,900
Total Expenses	1,883,143
Excess of Revenues Under Expenses Before Other Financing Sources	(584,243)
Adjustment to Full Accrual Basis:	
Depreciation	(414,186)
Capital Outlay	18,788
Loss Before Transfers	$ (979,641)

Parking Facilities Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$2,101,650	$1,945,922	$ (155,728)
Other Operating Revenues	1,950	11,796	9,846
Total Operating Revenues	2,103,600	1,957,718	(145,882)
Operating Expenses:			
Personal Services	295,480	317,265	21,785
Fringe Benefits	87,220	91,598	4,378
Maintenance and Operations	648,490	491,833	(156,657)
Capital Outlay	545,195	124,176	(421,019)
Total Operating Expenses	1,576,385	1,024,872	(551,513)
Operating Income	527,215	932,846	405,631
Nonoperating Revenues:			
Investment Income	62,500	28,326	(34,174)
Nonoperating Expenses:			
Principal Maturities	1,387,795	1,470,557	82,762
Interest Expense	698,220	204,619	(493,601)
Amortization of Underwriters' Expense		21,657	21,657
Miscellaneous Nonoperating Expenses	201,400	92,681	(108,719)
Total Nonoperating Expenses	2,287,415	1,789,514	(497,901)
Excess of Revenues Under Expenses Before Other Financing Sources (Uses)	(1,697,700)	(828,342)	869,358
Other Financing Sources (Uses):			
Transfers In	1,271,195	1,021,195	(250,000)
Transfers Out	(120,740)	(120,740)	
Debt Issuances:			
Certificates of Participation Issued	10,886,400	10,677,744	(208,656)
Premium (Discount) on Debt		161,340	161,340
Payment to Escrow Agent for Refunded Debt	(10,685,000)	(10,483,713)	201,287
Total Other Financing Sources (Uses)	1,351,855	1,255,826	(96,029)
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Use	(345,845)	427,484	773,329
Appropriated Fund Balance	345,845		(345,845)
Excess of Revenues and Other Financing Sources Over Expenses and Other Financing Uses	$	$ 427,484	$ 427,484

Parking Facilities Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 1,986,044
Total Expenses	2,814,386
Excess of Revenues Under Expenses Before Other Financing Sources (Uses)	(828,342)
Adjustment to Full Accrual Basis:	
Principal Maturities	1,470,557
Depreciation	(440,712)
Capital Outlay	124,176
Trustee Debt Service Escrow Account	(148,736)
Income Before Transfers	$ 176,943

Parking Facilities Capital Project Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenses:				
Capital Improvements:				
Parking Facility Renovations	$1,522,000	$	$ 32,000	$ 32,000
Nonoperating Expenses				
Bond Issue Expense	28,000		13,152	13,152
Total Expenses	1,550,000		45,152	45,152
Nonoperating Revenues:				
Investment Income			(1,975)	(1,975)
Excess of Revenues Under Expenses Before Other Financing Sources	(1,550,000)		(47,127)	(47,127)
Other Financing Sources:				
Debt Issuances:				
Certificates of Participation Issued	1,550,000		1,505,000	1,505,000
Premium (Discount) on Debt			22,519	22,519
Total Other Financing Sources	1,550,000		1,527,519	1,527,519
Excess of Revenues and Other Financing Sources Over Expenses	$	$	$1,480,392	$1,480,392

Solid Waste Management Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$ 16,032,070	$14,391,695	$ (1,640,375)
Other Operating Revenues	426,700	626,572	199,872
Total Operating Revenues	16,458,770	15,018,267	(1,440,503)
Operating Expenses:			
Personal Services	5,240,715	5,164,432	(76,283)
Fringe Benefits	1,594,635	1,645,210	50,575
Maintenance and Operations	14,771,130	12,150,407	(2,620,723)
Capital Outlay	1,002,040	689,620	(312,420)
Total Operating Expenses	22,608,520	19,649,669	(2,958,851)
Operating Loss	(6,149,750)	(4,631,402)	1,518,348
Nonoperating Revenues:			
Investment Income	303,270	530,325	227,055
Nonoperating Expenses:			
Interest Expense	670,795	680,754	9,959
Principal Maturities	950,000	950,000	
Miscellaneous Nonoperating Expenses		2,580	2,580
Total Nonoperating Expenses	1,620,795	1,633,334	12,539
Excess of Revenues Under Expenses Before Other Financing Sources (Uses)	(7,467,275)	(5,734,411)	1,732,864
Other Financing Sources (Uses):			
Transfers In	7,373,045	6,978,045	(395,000)
Transfers Out	(1,040,000)	(1,000,000)	40,000
Total Other Financing Sources (Uses)	6,333,045	5,978,045	(355,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenses	(1,134,230)	243,634	1,377,864
Appropriated Fund Balance	1,134,230		(1,134,230)
Excess of Revenues Over Expenses	$	$ 243,634	$ 243,634

Solid Waste Management Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 15,548,592
Total Expenses	21,283,003
Excess of Revenues Under Expenses Before Other Financing Sources	(5,734,411)
Adjustment to Full Accrual Basis:	
Depreciation	(1,019,972)
Capital Outlay	689,620
Principal Maturities	950,000
Nonoperating Expenses - Landfill Expansion Project Fund	(23,374)
Loss Before Transfers	$ (5,138,137)

Solid Waste Capital Improvement Project Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date
Expenses:				
Capital Improvements:				
Miscellaneous Capital Projects	$ 618,780	$	$	$
Landfill Expansion - Cell 2 and 3	381,220			
Total Expenses	1,000,000			
Nonoperating Revenues:				
Investment Income			10,632	10,632
Excess of Revenues Over Expenses Before Other Financing Sources	(1,000,000)		10,632	10,632
Other Financing Sources:				
Transfer In	1,000,000		1,000,000	1,000,000
Excess of Revenues and Other Financing Sources Over Expenses	$	$	$ 1,010,632	$ 1,010,632

Solid Waste Landfill Expansion Project Fund

Schedule of Revenues and Expenses - Budget and Actual (Non-GAAP)
From Project Inception and For the Year Ended June 30, 2003

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
Expenses:				
Capital Improvements:				
Landfill Expansion-Cell 1	$ 7,435,540	$ 7,435,540	$	$ 7,435,540
Landfill Expansion-Cells 2 and 3	5,613,604	3,601,416	1,027,369	4,628,785
Land Acquisition	2,668,615	2,668,611		2,668,611
Nonoperating Expenses:				
Interest Expense	800,000	791,758		791,757
Bond Issue Expense	375,695	383,934		383,934
Total Expenses	16,893,454	14,881,259	1,027,369	15,908,627
Nonoperating Revenues:				
Investment Income	893,454	791,758	111,190	902,948
Excess of Revenues Under Expenses Before Other Financing Sources	(16,000,000)	(14,089,501)	(916,179)	(15,005,679)
Other Financing Sources:				
Debt Issuances:				
Special Obligation Bonds Issued	16,000,000	16,000,000		16,000,000
Excess of Revenues and Other Financing Sources Over (Under) Expenses	$	$ 1,910,499	$ (916,179)	$ 994,321

Internal Service Funds

Equipment Services Fund

This fund accounts for the costs of operating a maintenance facility for automotive equipment used by City departments. The costs of providing this service are billed to user departments. Automotive equipment is owned by the Equipment Services Fund.

Technical Services Fund

This fund accounts for the City's two-way radio system and the Police mobile data system, including any peripheral equipment, except the computer hardware or software. The user departments are billed for the costs of operation.

City/County Telecommunications Services Fund

The City and Guilford County jointly own the Telecommunications System. This fund accounts for the costs of operating the telecommunications service and billing the County and the City's user departments. The operating cost is shared between the two units based upon the number of telephone lines in service at each year end.

Graphic Services Fund

This fund accounts for all in-house printing services provided to the City, Guilford County and other agencies. The cost of providing this service is billed to user departments.

Employee Insurance Fund

This fund is maintained for employee health, dental and workers' compensation coverage. The employees' premium and the City's contribution are deposited in this fund. Payments for workers' compensation coverage are made to a third-party administrator for the statement of claims plus administrative expenses. The City administers the employee dental coverage plan. Health coverage is provided on a premium basis by a health insurance provider and is paid from this fund.

General Insurance Fund

This fund was established as a self-insurance fund to accumulate claim reserves and to pay claims and administrative fees for general liability, vehicle liability, public official liability, law enforcement liability and underground storage tank liability.

Capital Leasing Fund

This fund was established to account for major equipment purchases financed with lease-purchase agreements or certificates of participation.

Internal Service Funds

Combining Statement of Net Assets
June 30, 2003

ASSETS	Equipment Services	Technical Services	City/County Telecommunications	Graphic Services	Employee Insurance
Current Assets:					
Cash and Cash Equivalents/Investments	$ 3,909,619	$ 3,244,570	$ 703,597	$ 64,475	$ 14,090,780
Receivables (Net):					
Interest		19,341	7,827	401	88,552
Intergovernmental	239,193	32,591	226,371	29,551	213
Inventories	473,607		207,543	32,658	
Miscellaneous	26,311	20,849			
Total Current Assets	4,648,730	3,317,351	1,145,338	127,085	14,179,545
Noncurrent Assets:					
Restricted:					
Cash and Cash Equivalents/Investments					
Internal Receivables-LongTerm					
Self-Funded Retention Deposits					1,119,187
Capital Assets:					
Non-Depreciable:					
Land					
Construction in Progress	166,426				
Depreciable:					
Land Improvements	73,528				
Buildings	53,017	173,862			
Improvements Other than Buildings		11,108			
Furniture, Fixtures, Machinery and Equipment	52,735,562	7,601,489	3,703,633	142,589	
Less Accumulated Depreciation	(33,580,097)	(3,185,906)	(2,193,975)	(73,058)	
Total Noncurrent Assets	19,448,436	4,600,553	1,509,658	69,531	1,119,187
Total Assets	$ 24,097,166	$ 7,917,904	$ 2,654,996	$ 196,616	$ 15,298,732
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 101,968	$ 55,430	$ 19,389		$ 2,500,995
Intergovernmental Payable	30,834	129,674	34,853		
Customer Deposits Payable					
General Obligation Bonds Payable		224,826			
Lease-Purchase and Other Financing Agreements Payable					
Certificates of Participation Payable					
Compensated Absences	136,363	34,555	9,549	22,690	
Total Current Liabilities	269,165	444,485	63,791	22,690	2,500,995
Noncurrent Liabilities:					
Payable from Restricted Assets:					
General Obligation Bonds Payable		5,291,737			
Lease-Purchase and Other Financing Agreements Payable					
Certificates of Participation Payable					
Compensated Absences	25,918	51,637	11,055		
Internal Payables - Long Term	2,470,346				
Total Noncurrent Liabilities	2,496,264	5,343,374	11,055		
Total Liabilities	2,765,429	5,787,859	74,846	22,690	2,500,995
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	16,978,090	(916,010)	1,509,658	69,531	
Restricted					1,119,187
Unrestricted	4,353,647	3,046,055	1,070,492	104,395	11,678,550
Total Net Assets	$ 21,331,737	$ 2,130,045	$ 2,580,150	$ 173,926	$ 12,797,737

General Insurance	Capital Leasing	Totals
$ 6,260,714	$ 5,109,632	$ 33,383,387
39,722	18,047	173,890
	95,419	623,338
		713,808
	139,143	186,303
6,300,436	5,362,241	35,080,726
	3,366,441	3,366,441
	2,490,391	2,490,391
10,682,425		11,801,612
	1,660,541	1,660,541
	3,832,390	3,998,816
	749,902	823,430
	959,912	1,186,791
		11,108
	24,849,511	89,032,784
	(15,872,555)	(54,905,591)
10,682,425	22,036,533	59,466,323
$ 16,982,861	$27,398,774	$ 94,547,049
$ 1,332,471	$ 25,046	$ 4,035,299
		195,361
10,000		10,000
		224,826
	1,563,599	1,563,599
	3,500,000	3,500,000
		203,157
1,342,471	5,088,645	9,732,242
		5,291,737
	1,502,612	1,502,612
	10,500,000	10,500,000
		88,610
		2,470,346
	12,002,612	19,853,305
1,342,471	17,091,257	29,585,547
	4,950,277	22,591,546
10,682,425		11,801,612
4,957,965	5,357,240	30,568,344
$ 15,640,390	$10,307,517	$ 64,961,502

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2003

	Equipment Services	Technical Services	City/County Telecommunications
Operating Revenues:			
Charges for Current Services-Internal	$13,606,118	$2,762,051	$1,475,924
Charges for Current Services-External			6,514
Total Charges for Current Services	13,606,118	2,762,051	1,482,438
Miscellaneous	126,556	165,926	5
Total Operating Revenues	13,732,674	2,927,977	1,482,443
Operating Expenses:			
Personal Services	2,023,679	512,225	194,497
Fringe Benefits	610,795	133,861	46,037
Maintenance and Operations	5,982,822	1,412,852	2,609,903
Insurance Claims and Expenses	589,624	2,076	3,146
Depreciation	5,825,254	506,693	367,639
Total Operating Expenses	15,032,174	2,567,707	3,221,222
Operating Income (Loss)	(1,299,500)	360,270	(1,738,779)
Nonoperating Revenues(Expenses):			
Investment Income	166,139	124,681	37,061
Gain on Sale of Capital Assets	702,630		
Miscellaneous Revenue	14,334		7,081
Interest Expense		(295,072)	
Loss on Disposal of Capital Assets	(326,009)		
Amortization of Underwriters' Expense		(2,952)	
Miscellaneous Expense		(137)	
Total Nonoperating Revenues(Expenses)	557,094	(173,480)	44,142
Income(Loss) Before Transfers	(742,406)	186,790	(1,694,637)
Transfers In	142,220	28,800	
Change in Net Assets	(600,186)	215,590	(1,694,637)
Net Assets - July 1	21,931,923	1,914,455	4,274,787
Net Assets -June 30	$21,331,737	$2,130,045	$2,580,150

Graphic Services	Employee Insurance	General Insurance	Capital Leasing	Totals
$ 422,692	$17,316,498	$ 1,768,880	$ 6,047,664	$ 43,399,827
233,945				240,459
656,637	17,316,498	1,768,880	6,047,664	43,640,286
1,230	15,065		84,166	392,948
657,867	17,331,563	1,768,880	6,131,830	44,033,234
307,395	199,951			3,237,747
98,993	46,789			936,475
304,681	1,654,487	162,957	55,790	12,183,492
	16,912,471	1,218,660		18,725,977
5,151			2,112,919	8,817,656
716,220	18,813,698	1,381,617	2,168,709	43,901,347
(58,353)	(1,482,135)	387,263	3,963,121	131,887
1,828	583,843	515,450	215,166	1,644,168
				702,630
		4,544		25,959
			(434,125)	(729,197)
			(21,511)	(347,520)
				(2,952)
			(134,212)	(134,349)
1,828	583,843	519,994	(374,682)	1,158,739
(56,525)	(898,292)	907,257	3,588,439	1,290,626
	14,400			185,420
(56,525)	(883,892)	907,257	3,588,439	1,476,046
230,451	13,681,629	14,733,133	6,719,078	63,485,456
$ 173,926	$12,797,737	$15,640,390	$ 10,307,517	$ 64,961,502

Internal Service Funds

Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2003
Increase (Decrease) in Cash and Cash Equivalents/ Investments

	Equipment Services	Technical Services	City/County Telecommunications
Cash Flows from Operating Activities:			
Receipts from Customers	$ 13,606,118	$2,762,051	$ 1,482,438
Payments to Suppliers	(6,223,035)	(1,363,406)	(2,736,640)
Payments to Employees	(2,632,513)	(620,623)	(235,457)
Other Receipts	126,556	165,926	5
Net Cash Provided By (Used for) Operating Activities	4,877,126	943,948	(1,489,654)
Cash Flows from Noncapital Financing Activities:			
Subsidies and Transfers In	142,220	28,800	
Net Cash Provided By Noncapital Financing Activities	142,220	28,800	
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(5,513,612)	(122,689)	(1,281,876)
Insurance Proceeds	122		7,081
Proceeds from Sale of Capital Assets	670,950		
Principal Paid on Capital Debt		(216,342)	
Interest and Fiscal Charges Paid on Capital Debt		(295,209)	
Net Cash Provided By (Used for) Capital and Related Financing Activities	(4,842,540)	(634,240)	(1,274,795)
Cash Flows from Investing Activities:			
Interest and Dividends	139,828	105,340	29,235
Net Increase (Decrease) in Cash and Cash Equivalents/Investments	316,634	443,848	(2,735,214)
Balances - July 1	3,592,985	2,800,722	3,438,811
Balances - June 30	$ 3,909,619	$3,244,570	$ 703,597
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities:			
Operating Income (Loss)	$ (1,299,500)	$ 360,270	$ (1,738,779)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities:			
Depreciation	5,825,254	506,693	367,639
Changes in Assets and Liabilities:			
(Increase) Decrease in Inventories	4,780		(35,283)
(Increase) Decrease in Intergovernmental Receivables	283,697	(16,374)	(111,626)
Increase (Decrease) in Miscellaneous Assets	874	15,274	
Increase (Decrease) in Accounts Payable	29,225	52,622	23,318
Increase in Compensated Absences Payable	10,297	27,404	5,871
Decrease in Intergovernmental Payables	(8,336)	(1,941)	(794)
Increase in Customer Deposits Payable			
Increase in Miscellaneous Payable	30,835		
Total Adjustments	6,176,626	583,678	249,125
Net Cash Provided By (Used for) Operating Activities	$ 4,877,126	$ 943,948	$ (1,489,654)
Noncash Investing, Capital and Financing Activities:			
Lease-Purchase and Other Capital Financing Agreements	$	$	$

Graphic Services	Employee Insurance	General Insurance	Capital Leasing	Totals
$ 656,637	$ 17,316,498	$ 1,768,880	$ 6,643,432	$ 44,236,054
(324,906)	(18,395,095)	(1,447,537)	(243,053)	(30,733,672)
(403,808)	(247,328)			(4,139,729)
1,230	15,065		84,166	392,948
(70,847)	(1,310,860)	321,343	6,484,545	9,755,601
	14,400			185,420
	14,400			185,420
(2,927)			(2,734,418)	(9,655,522)
		4,544		11,747
				670,950
			(4,591,159)	(4,807,501)
			(524,726)	(819,935)
(2,927)		4,544	(7,850,303)	(14,600,261)
1,426	495,292	475,727	197,119	1,443,967
(72,348)	(801,168)	801,614	(1,168,639)	(3,215,273)
136,823	14,891,948	5,459,100	9,644,712	39,965,101
$ 64,475	$ 14,090,780	$ 6,260,714	$ 8,476,073	$ 36,749,828
$ (58,353)	$ (1,482,135)	$ 387,263	$ 3,963,121	$ 131,887
5,151			2,112,919	8,817,656
(2,601)			(398,186)	(431,290)
(13,808)	96		993,954	1,135,939
	(98,816)	(154,546)	(8,778)	(245,992)
(4,085)	270,583	83,626	(73,682)	381,607
4,052				47,624
(1,203)	(588)		(104,803)	(117,665)
		5,000		5,000
				30,835
(12,494)	171,275	(65,920)	2,521,424	9,623,714
$ (70,847)	$ (1,310,860)	$ 321,343	$ 6,484,545	$ 9,755,601
$	$	$	$ 2,113,435	$ 2,113,435

Internal Service Funds

Schedule of Changes in Long-Term Debt
For the Fiscal Year Ended June 30, 2003

	Debt Outstanding July 1, 2002	Additions	Retirements	Debt Outstanding June 30, 2003
Equipment Services:				
Compensated Absences Payable	$ 151,985	$ 159,464	$ 149,168	$ 162,281
Due To Other Funds-Long Term	3,363,929		893,583	2,470,346
Total Equipment Services	3,515,914	159,464	1,042,751	2,632,627
Technical Services:				
General Obligation Bonds Payable	5,732,905		216,342	5,516,563
Compensated Absences Payable	58,789	72,166	44,763	86,192
Total Technical Services	5,791,694	72,166	261,105	5,602,755
City/County Telecommunications:				
Compensated Absences Payable	14,733	11,213	5,342	20,604
Graphic Services:				
Compensated Absences Payable	18,640	31,455	27,405	22,690
Due To Other Funds-Long Term	2,927		2,927	
Total Graphic Services	21,567	31,455	30,332	22,690
Capital Leasing:				
Lease-Purchase Agreements	2,716,522	1,779,273	1,429,584	3,066,211
Certificates of Participation	17,500,000		3,500,000	14,000,000
Total Capital Leasing	20,216,522	1,779,273	4,929,584	17,066,211
Total Internal Service Funds	$29,560,430	$ 2,053,571	$6,269,114	$ 25,344,887

Internal Service Fund

Schedule of Revenues, Expenses and Changes in Fund Balance

Budget and Actual (Non-GAAP)

The following Schedules present the results of operation for all Internal Service Funds on the modified accrual basis for comparison to the legally adopted budget for each fund. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows each Schedule.

Equipment Services Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$12,789,840	$13,606,118	$ 816,278
Other Operating Revenues	6,500	126,556	120,056
Total Operating Revenues	12,796,340	13,732,674	936,334
Operating Expenses:			
Personal Services	2,001,585	2,023,679	22,094
Fringe Benefits	592,695	610,795	18,100
Maintenance and Operations	7,232,575	7,466,029	233,454
Capital Outlay	4,849,730	4,311,841	(537,889)
Total Operating Expenses	14,676,585	14,412,344	(264,241)
Operating Loss	(1,880,245)	(679,670)	1,200,575
Nonoperating Revenues:			
Investment Income	40,000	166,139	126,139
Gain on Sale of Capital Assets	840,000	702,630	(137,370)
Insurance Refunds and Claims	4,000	122	(3,878)
Miscellaneous Nonoperating Revenues		14,212	14,212
Total Nonoperating Revenues	884,000	883,103	(897)
Excess of Revenues Over (Under) Expenses	(996,245)	203,433	1,199,678
Other Financing Sources :			
Transfers In	182,220	142,220	(40,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenses	(814,025)	345,653	1,159,678
Appropriated Fund Balance	814,025		(814,025)
Excess of Revenues Over Expenses	$	$ 345,653	$ 345,653

Equipment Services Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$14,615,777
Total Expenses	14,412,344
Excess of Revenues Over Expenses	203,433
Adjustment to Full Accrual Basis:	
Depreciation	(5,825,254)
Capital Outlay	4,311,841
Capital Lease Charges	893,583
Loss on Disposal of Capital Assets	(326,009)
Loss Before Transfers	$ (742,406)

Technical Services Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$2,342,115	$2,762,051	$ 419,936
Other Operating Revenues	496,275	165,928	(330,347)
Total Operating Revenues	2,838,390	2,927,979	89,589
Operating Expenses:			
Personal Services	495,120	512,225	17,105
Fringe Benefits	143,475	133,861	(9,614)
Maintenance and Operations	1,894,235	1,418,019	(476,216)
Capital Outlay	157,730	122,688	(35,042)
Total Operating Expenses	2,690,560	2,186,793	(503,767)
Operating Income	147,830	741,186	593,356
Nonoperating Revenues:			
Investment Income	30,000	124,681	94,681
Nonoperating Expenses:			
Principal Maturities	216,340	216,342	2
Interest Expense	271,250	295,072	23,822
Total Nonoperating Expenses	487,590	511,414	23,824
Excess of Revenues Over (Under) Expenses	(309,760)	354,453	664,213
Other Financing Sources :			
Transfers In	28,800	28,800	
Appropriated Fund Balance	280,960		(280,960)
Excess of Revenues Over Expenses	$	$ 383,253	$ 383,253

Technical Services Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$3,052,660
Total Expenses	2,698,207
Excess of Revenues Over Expenses	354,453
Adjustment to Full Accrual Basis:	
Principal Maturities	216,342
Depreciation	(506,693)
Capital Outlay	122,688
Income Before Transfers	$ 186,790

City/County Telecommunications Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$ 1,219,805	$ 1,482,438	$ 262,633
Other Operating Revenues		5	5
Total Operating Revenues	1,219,805	1,482,443	262,638
Operating Expenses:			
Personal Services	188,645	194,497	5,852
Fringe Benefits	45,760	46,037	277
Maintenance and Operations	1,637,725	2,613,049	975,324
Capital Outlay	2,393,640	1,281,876	(1,111,764)
Total Operating Expenses	4,265,770	4,135,459	(130,311)
Operating Loss	(3,045,965)	(2,653,016)	392,949
Nonoperating Revenues:			
Investment Income	46,310	37,061	(9,249)
Miscellaneous Nonoperating Revenues	19,120	7,081	(12,039)
Total Nonoperating Revenues	65,430	44,142	(21,288)
Excess of Revenues Under Expenses	(2,980,535)	(2,608,874)	371,661
Appropriated Fund Balance	2,980,535		(2,980,535)
Excess of Revenues Under Expenses	$	$ (2,608,874)	$(2,608,874)

City/County Telecommunications Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 1,526,585
Total Expenses	4,135,459
Excess of Revenues Under Expenses	(2,608,874)
Adjustment to Full Accrual Basis:	
Depreciation	(367,639)
Capital Outlay	1,281,876
Loss Before Transfers	$ (1,694,637)

Graphic Services Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$855,190	$656,637	$ (198,553)
Other Operating Revenues	115	1,230	1,115
Total Operating Revenues	855,305	657,867	(197,438)
Operating Expenses:			
Personal Services	342,685	307,395	(35,290)
Fringe Benefits	109,280	98,993	(10,287)
Maintenance and Operations	429,250	304,681	(124,569)
Total Operating Expenses	881,215	711,069	(170,146)
Operating Loss	(25,910)	(53,202)	(27,292)
Nonoperating Revenues:			
Investment Income	7,500	1,828	(5,672)
Excess of Revenues Under Expenses	(18,410)	(51,374)	(32,964)
Appropriated Fund Balance	18,410		(18,410)
Excess of Revenues Under Expenses	$	$ (51,374)	$ (51,374)

Graphic Services Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$659,695
Total Expenses	711,069
Excess of Revenues Under Expenses	(51,374)
Adjustment to Full Accrual Basis:	
Depreciation	(5,151)
Loss Before Transfers	$ (56,525)

Employee Insurance Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$17,445,825	$17,316,498	$ (129,327)
Other Operating Revenues		15,065	15,065
Total Operating Revenues	17,445,825	17,331,563	(114,262)
Operating Expenses:			
Personal Services	188,695	199,951	11,256
Fringe Benefits	43,745	46,789	3,044
Maintenance and Operations	18,592,650	18,566,958	(25,692)
Total Operating Expenses	18,825,090	18,813,698	(11,392)
Operating Loss	(1,379,265)	(1,482,135)	(102,870)
Nonoperating Revenues:			
Investment Income	499,385	583,843	84,458
Excess of Revenues Under Expenses Before Other Financing Sources	(879,880)	(898,292)	(18,412)
Other Financing Sources:			
Transfers In	14,400	14,400	
Excess of Revenues and Other Financing Sources Under Expenses	(865,480)	(883,892)	(18,412)
Appropriated Fund Balance	865,480		(865,480)
Excess of Revenues Under Expenses	$	$ (883,892)	$ (883,892)

Employee Insurance Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$17,915,406
Total Expenses	18,813,698
Loss Before Transfers	$ (898,292)

General Insurance Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$1,732,155	$1,768,880	$ 36,725
Operating Expenses:			
Maintenance and Operations	2,016,860	1,381,617	(635,243)
Operating Income (Loss)	(284,705)	387,263	671,968
Nonoperating Revenues:			
Investment Income	284,705	515,450	230,745
Insurance Refunds and Claims		4,544	4,544
Total Nonoperating Revenues	284,705	519,994	235,289
Excess of Revenues Over Expenses	$	$ 907,257	$ 907,257

General Insurance Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$2,288,874
Total Expenses	1,381,617
Income Before Transfers	$ 907,257

Capital Leasing Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance Over (Under)
Operating Revenues:			
Charges for Current Services	$ 9,350,000	$ 6,047,664	$ (3,302,336)
Other Operating Revenue		84,166	84,166
Total Operating Revenue	9,350,000	6,131,830	(3,218,170)
Operating Expenses:			
Maintenance and Operations	5,000	55,791	50,791
Capital Outlay	9,826,610	7,840,861	(1,985,749)
Total Operating Expenses	9,831,610	7,896,652	(1,934,958)
Operating Loss	(481,610)	(1,764,822)	(1,283,212)
Nonoperating Revenues:			
Investment Income		144,894	144,894
Nonoperating Expenses:			
Principal Maturities	6,650,000	4,556,710	(2,093,290)
Interest Expense	1,190,000	505,271	(684,729)
Loss on Disposal of Capital Assets		21,511	21,511
Other Nonoperating Expenses	110,000	81,101	(28,899)
Total Nonoperating Expenses	7,950,000	5,164,593	(2,785,407)
Excess of Revenues Under Expenses Before Other Financing Sources	(8,431,610)	(6,784,521)	1,647,089
Other Financing Sources:			
Debt Issuances:			
Capitalized Leases	6,800,000	4,091,034	(2,708,966)
Excess of Revenues and Other Financing Sources Under Expenses	(1,631,610)	(2,693,487)	(1,061,877)
Appropriated Fund Balance	1,631,610		(1,631,610)
Excess of Revenues Under Expenses	$	$ (2,693,487)	$ (2,693,487)

Capital Leasing Fund

Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2003

Reconciliation of Modified Accrual Basis to Full Accrual Basis:	
Total Revenues	$ 6,276,724
Total Expenses	13,061,245
Excess of Revenues Under Expenses Before Other Financing Sources	(6,784,521)
Adjustment to Full Accrual Basis:	
Depreciation	(2,112,919)
Principal Maturities	4,556,710
Capital Outlay	7,840,861
Trustee Debt Service Escrow Account	88,308
Income Before Transfers	$ 3,588,439

Schedule of General Capital Assets

By Source
June 30, 2003

General Capital Assets:	
Land	$ 48,008,345
Land Improvements	7,064,158
Buildings	84,679,473
Furniture, Fixtures, Machinery and Equipment	102,113,555
Infrastructure	285,052,122
Construction in Progress	45,572,050
Accumulated Depreciation	(219,095,070)
Total General Capital Assets	$ 353,394,633

Investment in General Capital Assets by Source:	
General Fund	$ 59,458,689
General Obligation Bonds	80,863,299
Grant Funds	12,518,771
Infrastructure	322,935,471
Internal Service Funds	96,713,473
Accumulated Depreciation	(219,095,070)
Total Investment in General Capital Assets	$ 353,394,633

Schedule of General Capital Assets

By Function and Activity
June 30, 2003

	Land	Land Improvements	Buildings
General Government:			
Administration	$ 210,295	$ 752	$ 3,292,586
Facilities	3,900,475	341,557	22,305,291
Job Training Consortium			
Total General Government	4,110,770	342,309	25,597,877
Public Safety:			
Police		13,750	1,264,323
Fire	515,692	47,093	6,032,293
Emergency Management			
Total Public Safety	515,692	60,843	7,296,616
Transportation:	340,623	152,586	22,250
Infrastructure	28,706,454		
Total Transportation	29,047,077	152,586	22,250
Engineering and Inspections	1,461,207	46,600	362,465
Environmental Services		3,080	1,734
Infrastructure			
Total Environmental Services		3,080	1,734
Culture and Recreation:			
Parks and Recreation	9,646,241	5,578,533	29,486,315
Library	1,566,817	45,669	20,725,424
Total Culture and Recreation	11,213,058	5,624,202	50,211,739
Internal Service Funds	1,660,541	834,538	1,186,792
Accumulated Depreciation		(4,631,110)	(32,111,371)
Total General Capital Assets	$ 48,008,345	$ 2,433,048	$ 52,568,102

Furniture, Fixtures, Machinery and Equipment	Infrastructure	Construction In Progress	Total
$ 1,882,041	$	$	$ 5,385,674
1,217,532		5,874,586	33,639,441
58,875			58,875
3,158,448		5,874,586	39,083,990
2,960,143		4,275,651	8,513,867
1,820,604		16,487,874	24,903,556
6,308			6,308
4,787,055		20,763,525	33,423,731
1,274,606		622,301	2,412,366
	186,162,772	8,366,503	223,235,729
1,274,606	186,162,772	8,988,804	225,648,095
705,649			2,575,921
255,797			260,611
	98,889,350	810,392	99,699,742
255,797	98,889,350	810,392	99,960,353
1,891,092		3,621,179	50,223,360
1,008,122		1,514,748	24,860,780
2,899,214		5,135,927	75,084,140
89,032,786		3,998,816	96,713,473
(61,806,487)	(120,546,102)		(219,095,070)
$ 40,307,068	$ 164,506,020	$ 45,572,050	$ 353,394,633

Schedule of Changes in General Capital Assets

By Function and Activity
For the Fiscal Year Ended June 30, 2003

	General Capital Assets July 1, 2002	Additions
General Government:		
Administration	$ 5,387,902	$ 15,372
Facilities	26,830,051	934,804
Job Training Consortium	58,875	
Total General Government	32,276,828	950,176
Public Safety:		
Police	2,897,200	1,380,616
Fire	8,147,338	292,285
Emergency Management	6,308	
Total Public Safety	11,050,846	1,672,901
Transportation	1,673,794	185,466
Infrastructure	213,287,195	1,582,031
Total Transportation	214,960,989	1,767,497
Engineering and Inspections	2,163,537	438,002
Environmental Services	168,354	92,257
Infrastructure	98,647,694	241,656
Total Environmental Services	98,816,048	333,913
Culture and Recreation:		
Parks and Recreation	39,606,917	6,995,264
Library	23,346,032	
Total Culture and Recreation	62,952,949	6,995,264
Internal Service Funds	85,958,864	10,117,601
Construction in Progress	36,371,428	9,200,622
Accumulated Depreciation	(205,616,229)	(16,613,998)
Total General Capital Assets	$ 338,935,260	$ 14,861,978

Transfers In	Transfers Out	Deductions/ Disposals	General Capital Assets June 30, 2003
$	$	$ 17,600	$ 5,385,674
			27,764,855
			58,875
		17,600	33,209,404
		39,600	4,238,216
23,799	23,799	23,941	8,415,682
			6,308
23,799	23,799	63,541	12,660,206
2,130	2,130	69,195	1,790,065
			214,869,226
2,130	2,130	69,195	216,659,291
		25,618	2,575,921
			260,611
			98,889,350
			99,149,961
13,000	13,000		46,602,181
			23,346,032
13,000	13,000		69,948,213
		3,361,808	92,714,657
			45,572,050
		(3,135,157)	(219,095,070)
$ 38,929	$ 38,929	$ 402,605	$ 353,394,633

Schedule of Changes in General Long-Term Debt

For the Fiscal Year Ended June 30, 2003

	Debt Outstanding July 1, 2002	Additions
Amount Available in Debt Service Fund for Retirement of Bonded Debt	$ 15,372,271	$
Amount to be Provided for Retirement of Bonded Debt	133,357,729	69,654,599
Total Amount to be Provided for Retirement of Bonded Debt	148,730,000	69,654,599
Amount Available in Special Revenue Fund for Retirement of Certificates of Participation	154,815	
Amount to be Provided for Retirement of Certificates of Participation	46,478,615	1,272,797
Total Amount to be Provided for Retirement of Certificates of Participation	46,633,430	1,272,797
Amount to be Provided for Retirement of Other Long-Term Debt:		
Lease-Purchase and Other Financing Agreements	5,794,522	2,884,273
Compensated Absences Payable	7,687,356	6,636,274
Total Amount to be Provided for Retirement of Other Long-Term Debt	13,481,878	9,520,547
Total Available and to be Provided	$ 208,845,308	$ 80,447,943
General Long-Term Debt Payable:		
General Obligation Bonds Payable	$ 148,730,000	$ 69,654,599
Lease-Purchase and Other Financing Agreements Payable	5,794,522	2,884,273
Certificates of Participation Payable	46,633,430	1,272,797
Compensated Absences Payable	7,687,356	6,636,274
Total General Long-Term Debt Payable	$ 208,845,308	$ 80,447,943

Transfers	Retirements	Debt Outstanding June 30, 2003
$ 734,481	$	$ 16,106,752
(734,481)	41,612,397	160,665,450
	41,612,397	176,772,202
268,652		423,467
(268,652)	6,373,971	41,108,789
	6,373,971	41,532,256
	1,756,569	6,922,226
	5,703,180	8,620,450
	7,459,749	15,542,676
$	$ 55,446,117	$ 233,847,134

$	$ 41,612,397	$ 176,772,202
	1,756,569	6,922,226
	6,373,971	41,532,256
	5,703,180	8,620,450
$	$ 55,446,117	$ 233,847,134

Statistical Section

The statistical section reflects financial trends, demographic and economic data and the fiscal capacity of the City.

General Governmental Expenditures by Function (a)

Fiscal Year Ended June 30, 1994-2003

Fiscal Year Ended	General Government	Public Safety	Transportation	Engineering & Inspections	Environmental Services
1994	$17,593,845	$44,140,523	$15,924,655	$5,923,571	$ 739,177
1995	16,547,529	47,636,308	16,357,252	6,130,391	1,601,868
1996	17,798,273	50,683,777	15,253,900	6,828,133	1,989,217
1997	18,032,730	52,787,732	16,677,743	8,306,073	2,000,721
1998	19,684,927	56,775,303	17,453,204	8,020,128	3,334,911
1999	19,188,780	60,379,463	18,128,536	7,575,725	3,127,775
2000	23,003,255	65,196,951	19,765,082	7,534,927	4,034,475
2001	27,767,738	69,590,703	17,706,040	8,220,175	5,295,458
2002	27,155,150	75,745,002	21,200,327	8,170,569	3,543,174
2003	29,401,783	77,082,617	22,537,089	8,742,605	2,454,233

(a) Includes General, Special Revenue and Debt Service Funds.

Culture and Recreation	Community Development and Housing	Economic Opportunity	Intergovernmental	Debt Service	Total
$18,213,323	$5,487,453	$2,611,253	$ 544,903	$16,385,292	$127,563,995
20,724,896	5,828,825	2,702,498	601,611	18,062,208	136,193,386
19,696,454	5,450,074	2,200,208	757,062	17,912,111	138,569,209
20,584,385	6,269,383	1,655,711	729,423	18,332,209	145,376,110
21,315,468	6,048,747	1,972,833	833,702	18,419,190	153,858,413
22,512,136	7,034,569	2,212,284	908,192	20,991,890	162,059,350
25,061,969	6,665,618	2,202,022	891,314	21,253,566	175,609,179
28,051,726	7,474,149	1,867,841	972,861	20,450,014	187,396,705
27,678,205	10,062,391	2,323,319	1,036,892	18,629,814	195,544,843
26,752,538	8,922,528	2,876,189	1,149,260	19,858,363	199,777,205

General Government Revenues By Source (a)

Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	Taxes	Intergovernmental	Licenses and Permits	Fines and Forfeitures
1994	$ 88,509,182	$ 29,175,020	$4,833,131	$ 524,849
1995	93,455,842	29,809,876	5,558,138	469,563
1996	96,487,129	28,979,298	6,220,581	481,024
1997	105,561,152	31,851,211	6,805,294	506,009
1998	111,693,978	34,128,412	7,630,527	663,428
1999	114,153,779	34,072,529	7,938,935	693,342
2000	119,319,081	35,874,133	8,085,184	691,472
2001	123,515,044	36,410,159	9,370,223	951,892
2002	125,253,973	27,624,342	9,436,921	849,289
2003	132,246,009	31,892,692	8,844,568	723,536

(a) Includes General, Special Revenue and Debt Service Funds.

Charges for Current Services	Investment Income	Miscellaneous	Total	
$ 8,502,928	$2,838,482	$2,788,386	$137,171,978	
13,514,461	6,473,160	3,408,458	152,689,498	-
13,273,096	7,084,042	3,325,548	155,850,718	
14,440,553	6,463,961	2,818,232	168,446,412	
14,807,346	6,944,999	3,172,316	179,041,006	
15,279,931	7,279,173	4,049,839	183,467,528	
20,372,456	8,245,016	2,707,229	195,294,571	
22,650,699	11,777,523	2,277,819	206,953,359	
25,431,823	7,718,648	3,503,049	199,818,045	
26,219,562	4,907,774	5,135,075	209,969,216	

General Governmental Tax Revenues By Source (a)

Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	Ad Valorem Property Tax	Local Option Sales Tax	Hotel/Motel Occupancy Tax	Rental Vehicle Gross Receipts Tax	Total
1994	$67,499,447	$19,613,070	$1,396,665	$	$ 88,509,182
1995	70,689,481	21,241,316	1,525,045		93,455,842
1996	71,555,461	23,219,514	1,712,154		96,487,129
1997	78,908,631	24,680,520	1,972,001		105,561,152
1998	83,398,779	26,163,103	2,132,096		111,693,978
1999	84,026,579	27,703,995	2,423,205		114,153,779
2000	88,281,716	28,870,006	2,590,553		119,742,275
2001	90,637,797	29,764,504	2,700,853	411,890 (b)	123,515,044
2002	93,715,418	28,609,704	2,493,777	435,074	125,253,973
2003	99,250,995	30,023,807	2,623,791	347,416	132,246,009

(a) Includes General, Special Revenue and Debt Service Funds.

(b) First Year of Tax.

Assessed Value of All Taxable Property

Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	Tax Year (b)	Real Property	Personal Property	Corporate Excess	Total Assessed Value (a)
1994	1993 **(c)**	$ 7,789,498,675	$ 2,114,063,711	$ 445,924,647	#############
1995	1994 **(c)**	8,041,486,030	2,183,570,245	485,030,941	10,710,087,216
1996	1995 **(c)**	8,172,871,380	2,255,556,582	454,615,825	10,883,043,787
1997	1996 **(c)**	10,477,875,609	2,490,686,370	532,336,721	13,500,898,700
1998	1997 **(c)**	10,855,772,662	2,787,632,052	530,852,680	14,174,257,394
1999	1998 **(c)**	10,982,681,696	3,306,668,644	553,306,664	14,842,657,004
2000	1999 **(c)**	11,290,118,175	3,747,352,541	580,691,567	15,618,162,283
2001	2000 **(c)**	11,730,230,339	3,881,959,402	540,286,350	16,152,476,091
2002	2001 **(c)**	12,101,262,851	3,975,144,763	582,404,785	16,658,812,399
2003	2002 **(c)**	12,496,032,410	3,707,812,373	531,613,540	16,735,458,323

(a) The City's property tax is levied each July 1 on the assessed value listed as of the prior January 1 for all real and personal property located within the City. Assessed valuations are established by Guilford County at 100% of estimated market value for real property and 100% of actual value for personal property. Public service company (corporate excess) property is certified by the State of North Carolina at 100% of actual value, with no distinction between real and personal property values. The City implemented a staggered motor vehicle property tax billing system during 1993 - 1994, which was required by state statute. Under this system, property taxes are billed as motor vehicle registrations are renewed.

(b) A revaluation of real property is required by North Carolina General Statutes at least every eight years. The last revaluation was completed for tax year 1996.

(c) The City offered a 1% discount for taxes paid prior to September 1. This discount amounted to $475,991 for 2002.

Property Tax Levies and Collections

Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	Net Tax Levy	Current Year Tax Collections	Percent Collected
1994	$70,996,132	$70,322,696	99.05 %
1995	73,375,053	72,723,838	99.11
1996	74,425,862	73,713,475	99.04
1997	82,689,999	81,777,207	98.90
1998	87,914,575	86,834,677	98.77
1999	88,508,859	87,374,776	98.72
2000	92,905,836	91,647,025	98.65
2001	95,992,859	94,809,679	98.77
2002	98,928,643	97,679,465	98.74
2003	104,974,280	103,741,401	98.83

Delinquent Tax Collections	Total Collections During Year	Percent of Total Collections to Net Levy	Outstanding Delinquent Taxes (a)
$ 200,792	$70,523,488	99.33 %	$1,480,163
517,920	73,241,758	99.82	1,464,964
1,047,191	74,760,666	100.45	1,048,874
911,245	82,688,452	100.00	1,135,412
804,332	87,639,009	99.69	1,638,846
700,723	88,075,499	99.51	2,265,952
826,179	92,473,204	99.53	2,611,856
1,043,390	95,853,069	99.85	2,667,612
972,243	98,651,708	99.72	2,769,386
862,914	104,604,315	99.65	3,299,514

(a) Outstanding delinquent taxes and levies are adjusted for rebates made during the current year. Historical amounts have not been adjusted for rebates. The City maintains 10 years of delinquent taxes receivable on its books and removes the oldest receivable each June 30.

Current year outstanding taxes	$ 1,232,879
Prior year outstanding taxes	2,066,635
	$ 3,299,514

Analysis of Current Tax Levy

For the Fiscal Year Ended June 30, 2003

	City - Wide Property Valuation	Rate	Total Levy	Total Levy: Property Excluding Registered Motor Vehicles	Total Levy: Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	$ 15,982,127,773	$.6175	$ 98,689,639	$92,811,169	$ 5,878,470
Property taxed at prior year's rate	697,982,661	.5825	4,065,749		4,065,749
Registered motor vehicles taxed at prior year's rates	716,842	Various	4,181		4,181
Penalties			30,079	30,079	
Vehicle Fee			1,759,810	1,759,810	
Special Tax Districts			41,591	36,796	4,795
Total	16,680,827,276		104,591,049	94,637,854	9,953,195
Discoveries:					
Current year taxes	112,944,130	.5825	697,430	697,430	
Prior year taxes	19,185,952	Various	111,814	111,814	
Penalties			62,006	62,006	
Total	132,130,082		871,250	871,250	
Abatements	77,499,035		488,019	283,594	204,425
Total property valuation	$ 16,735,458,323				
Net Levy			104,974,280	95,225,510	9,748,770
Uncollected taxes at June 30, 2003			1,232,879	547,691	685,188
Current year's taxes collected			$ 103,741,401	$94,677,819	$ 9,063,582
Current levy collection percentage			98.83%	99.42%	92.97%

Property Tax Rates

Direct and Overlapping Governments
Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	City of Greensboro		
	General Fund	Transit Fund	Total
	Tax Rate (Per $100)		
1994	$ .6550	$ .0150	$ .6700
1995	.6550	.0150	.6700
1996	.6550	.0150	.6700
1997	.5845	.0130	.5975
1998	.5925	.0150	.6075
1999	.5675	.0150	.5825
2000	.5675	.0150	.5825
2001	.5625	.0200	.5825
2002	.5625	.0200	.5825
2003	.5975	.0200	.6175

Tax Rate Limits: The Property Tax Rate for units of local government is limited to a combined rate of $1.50 per $100 of assessed value of property subject to taxation. This limit may be raised if approved by voter referendum. No limit is imposed on debt service or school tax rates.

Due Date for Current Taxes: September 1

Date Taxes Become Delinquent: January 6

Greensboro School District	Guilford County County-Wide	Total	Combined Tax Rate
$ -	$ .7899	$ .7899	$ 1.4599
-	.7899	.7899	1.4599
-	.7548	.7548	1.4248
-	.6572	.6572	1.2547
-	.6572	.6572	1.2647
-	.6372	.6372	1.2197
-	.6372	.6372	1.2197
-	.6372	.6372	1.2197
-	.6742	.6742	1.2567
-	.6742	.6742	1.2197

Penalty for Delinquent Taxes:	On or after January 6, and before February 1, interest at the rate of 2% is added to the tax. On or after February 1, in addition to the 2%, interest at the rate of 3/4% per month shall be added to the tax.
Discounts Allowed:	City of Greensboro and Guilford County - 1% of tax levy for ad valorem tax paid prior to September 1.
Procedures for Collecting Delinquent Taxes:	Garnishment, levy, attachment and foreclosure.
School System Taxes:	Subsequent to the merger of the Greensboro School System and the Guilford County School System, school funding has been provided for in the County-Wide tax levy.

Principal Taxpayers

June 30, 2003

Firm	Type of Business	Current Year's Tax	Assessed Value	Percentage of Total Assessed Value
Koury Corporation	Real Estate Development	$ 1,901,158	$ 307,879,829	1.8%
Lorillard Tobacco Company	Cigarette Manufacturing	1,270,811	205,799,376	1.2%
RF Micro Devices, Inc.	Service Communications	1,077,398	174,477,424	1.0%
Duke Energy Corporation	Electric Utility	909,385	147,268,829	0.9%
BellSouth	Service Communications	847,083	137,179,386	0.8%
Highwoods/Forsyth Ltd.	Real Estate Development	773,816	125,314,300	0.7%
TYCO Electronics (AMP, Inc.)	Electronics Manufacturing	770,234	124,734,312	0.7%
Starmount Company	Real Estate Development	723,491	117,164,566	0.7%
Stockhausen, Inc.	Specialty Chemicals	593,854	96,170,722	0.6%
VF (Wrangler)	Textile Manufacturing	591,937	95,860,200	0.6%
Koury Ventures LTD	Real Estate Development	548,305	88,794,317	0.5%
Jefferson-Pilot Life Ins Co.	Insurance	522,860	84,673,741	0.5%
BNP/Chrysson Phase I LLC	Real Estate Management	408,315	66,123,841	0.4%
Syngenta (Novartis, CIBA)	Research & Development - Industrial Chemicals	366,774	59,396,642	0.4%
Guilford Mills, Inc.	Textile Manufacturing	345,357	55,928,327	0.3%
URDT of North Carolina LLC	Real Estate Development	333,733	54,045,825	0.3%
Harris-Teeter	Food Distribution	325,682	52,742,019	0.3%
Cone Mills Corporation	Textile Manufacturing	322,159	52,171,576	0.3%
AP Knight LP (Koger Equity, Inc.)	Real Estate Development	317,389	51,399,000	0.3%
ML North Carolina Apts LP	Limited Partnership	303,236	49,107,000	0.3%
Volvo Truck North America	Truck Manufacturer	296,438	48,006,164	0.3%
Piedmont Natural Gas	Natural Gas Utility	293,478	47,526,826	0.3%
American Express Travel	Credit Card Service Center	264,403	42,818,283	0.3%
Proctor & Gamble Mfg. Co.	Chemicals	261,183	42,296,781	0.3%
Colonial Pipeline Company	Petroleum Carrier	248,457	40,235,995	0.2%
E R Squibb & Sons Inc.	Medical Supplies	228,945	37,076,086	0.2%
CP Venture Two LLC	Real Estate Development	212,062	34,341,958	0.2%
Marconi Commerce Sys Inc.(Gilbarco)	Service Station Equipment	206,817	33,492,702	0.2%
Totals		$15,264,761	$2,472,026,027	14.8%

The Total Assessed Valuation for the City of Greensboro is $16,735,458,323.

Assessments Receivable and Collections

Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	Assessments Receivable July 1	Additional Assessments	Collections	Assessments Receivable June 30
1994	$2,037,369	$ 421,430	$ 869,172	$1,589,627
1995	1,589,627	363,691	807,338	1,145,980
1996	1,145,980	259,358	568,683	836,655
1997	836,655	598,226	687,414	747,467
1998	747,467	773,233	661,455	859,245
1999	859,245	1,071,530	743,704	1,187,071
2000	1,187,071	1,338,315	1,087,810	1,437,576
2001	1,437,576	423,396	745,255	1,115,717
2002	1,115,717	157,245	509,718	763,244
2003	763,244	400,338	436,344	727,238

Note: Uncollected assessments receivable at June 30, 2003 are represented by:

	Total Assessments Receivable	Less: Allowances for Uncollectibles	Net Assessments Receivable
Water and Sewer Assessments Receivable	$579,779	$28,971	$550,808
Other Assessments Receivable	147,459	-	147,459
Total	$727,238	$28,971	$698,267

Computation of Legal Debt Margin

June 30, 2003

Appraised Valuation - June 30, 2003				$ 16,735,458,323
Debt Limit - Eight (8) Percent of Appraised Valuation				$ 1,338,836,666
Gross Debt:				
Outstanding Bonded Debt:				
General Government Bonds	$176,772,203			
Water Bonds	1,427,558			
Sewer Bonds	3,430,239			
Total General Obligation Bonds		$181,630,000		
Combined Enterprise System Revenue Bonds		124,430,000		
Bonds Authorized and Unissued:				
General Government Bonds		88,400,000	(a)	
Outstanding Debt Not Evidenced by Bonds:				
Certificates of Participation	54,450,000			
Lease-Purchase and Other Financing Agreements	13,785,562			
Total Debt Not Evidenced by Bonds		68,235,562		
Gross Debt		462,695,562		
Statutory Deductions:				
Funds Available for Debt Retirement		16,536,218		
Bonded Debt Incurred for Water Utility		1,427,559		
Revenue Bonds		124,430,000		
Total Statutory Deductions		142,393,777		
Net Debt - Total Amount Applicable to Debt Limit				320,301,785
Legal Debt Margin				$ 1,018,534,881

(a) The City issued $50,000,000 Public Improvement General Obligation Bonds in February 2003 for several capital projects including Street Improvement, Public Transportation System Improvements, Fire Stations, Law Enforcement Facilities and Library Facilities. The $10,000,000 Public Improvement Bond Anticipation Notes issued in June 2002 matured and the corresponding debt was issued in February 2003.

Ratio of Annual Debt Service Expenditures

for General Obligation Bonded Debt to Total General Governmental Expenditures
Fiscal Year Ended June 30, 1994-2003

Fiscal Year Ended	Debt Service Requirements			Total General Governmental Expenditures (a)	Percent of Debt Service To General Governmental Expenditures
	Principal	Interest	Total		
1994	$7,320,000	$7,129,015	$14,449,015	$ 127,563,995	11.3 %
1995	7,170,000	7,261,830	14,431,830	136,193,386	10.6
1996	7,200,000	7,824,759	15,024,759	138,569,209	10.8
1997	8,400,000	7,043,743	15,443,743	145,376,110	10.6
1998	8,470,000	6,891,778	15,361,778	153,858,413	10.0
1999	9,493,855	8,374,881	17,868,736	162,059,350	11.0
2000	9,611,989	7,914,360	17,526,349	175,609,179	9.9
2001	9,674,919	7,512,428	17,187,347	187,396,705	9.2
2002	9,697,142	6,096,087	15,793,229	195,544,843	8.1
2003	11,511,905	4,738,747	16,250,652	199,777,205	8.1

(a) Includes General, Special Revenue and Debt Service Funds.

Ratio of Net General Obligation Bonded Debt

To Assessed Value and Net General Obligation Debt Per Capita
Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	Revised Assessed Valuation (a)	Gross Bonded Debt	Less Amount Available in Debt Service Fund	Less Debt Payable from Water Resources Revenues
1994	$10,349,487,033	$129,920,000	$1,070,663	$ 9,975,000
1995	10,710,087,216	157,910,000	3,474,902	12,080,000
1996	10,883,043,787	154,285,000	2,422,371	11,440,000
1997	13,500,898,700	145,085,000	4,320,275	10,640,000
1998	14,174,257,394	187,775,000	9,369,770	9,800,000
1999	14,842,657,004	177,235,000	9,837,391	8,920,000
2000	15,618,162,283	166,410,000	10,213,218	7,900,000
2001	16,152,476,091	155,520,000	13,305,006	6,885,000
2002	16,658,812,399	154,565,000	15,372,271	5,835,000
2003	16,735,458,323	181,630,000	16,536,218	4,857,797

(a) Assessed valuation represents one hundred percent (100%) of estimated market value.

(b) Population figures are based on the City Planning Department's estimates as of July 1 each year.

(c) North Carolina Office of State Planning.

Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Valuation	Population (b)	Net Bonded Debt Per Capita
$118,874,337	1.1 %	188,228	$ 631
142,355,098	1.3	192,330	740
140,422,629	1.3	200,911 (c)	699
130,124,725	1.0	202,321	643
168,605,230	1.2	205,132	822
158,477,609	1.1	208,887	759
148,296,782	0.9	213,003	696
135,329,994	0.8	226,467	598
133,357,729	0.8	229,634	581
160,235,985	0.9	231,740	691

Computation of Direct and Overlapping Bonded Debt

General Obligation Bonds
Fiscal Year Ended June 30, 2003

	Bonded Debt Outstanding	Percent Applicable To City (b)	City's Share of Debt
Direct Debt - City of Greensboro (a)	$181,630,000	100.00%	$181,630,000
Overlapping Debt - Guilford County General Improvement Bonds	283,740,000	60.97%	172,996,278
Total Direct and Overlapping Debt	$465,370,000		$354,626,278

(a) This total does not include $4,857,797 of Water and Sewer Bonds.

(b) Percentage of Direct and Overlapping Debt is based on 2002 Assessed Valuation of Guilford County as compared to the 2002 Assessed Valuation of the City of Greensboro.

Revenue and Special Obligation Bond Coverage

Fiscal Years Ended June 30, 1996 - 2003

Water Resources Enterprise Fund (a)

Fiscal Year Ended June 30	Gross Revenues (c)	Gross Expenses (d)	Net Revenue Available for Debt Service	Debt Service Expenditures (e) Principal	Interest	Total	Coverage (f)
1996	$29,086,187	$19,732,739	$ 9,353,448	$ -	$ 2,480,111	$ 2,480,111	3.77
1997	33,860,896	22,034,403	11,826,493	1,060,000	2,472,161	3,532,161	3.35
1998	35,637,038	22,652,592	12,984,446	750,000	2,479,346	3,229,346	4.02
1999	42,966,795	24,468,614	18,498,181	835,000	2,357,724	3,192,724	5.79
2000	47,828,951	28,057,897	19,771,054	1,775,000	4,209,330	5,984,330	3.30
2001	50,176,686	31,735,595	18,441,091	1,905,000	4,143,637	6,048,637	3.05
2002	48,687,875	34,267,547	14,420,328	2,005,000	5,799,131	7,804,131	1.85
2003	49,486,992	34,432,254	15,054,738	3,170,000	5,371,060	8,541,060	1.76

Solid Waste Management Fund (b)

Fiscal Year Ended June 30	Sales Tax Revenues Pledged (h)	Debt Service Expenditures Principal	Interest	Total	Coverage (g)
1998	$10,206,764	$ -	$ 791,758	$ 791,758	12.89
1999	10,866,670	-	789,322	789,322	13.77
2000	11,434,016	830,000	789,564	1,619,564	7.06
2001	11,893,302	865,000	752,214	1,617,214	7.35
2002	11,876,499	905,000	712,424	1,617,424	7.34
2003	11,501,475	950,000	684,476	1,634,476	7.04

(a) The City issued water and sewer revenue bonds in the amount of $50,000,000 dated June 1995 and $40,000,000 dated June 1998 and $55,930,000 dated June 2001.

(b) The City issued landfill special obligation bonds in the amount of $16,000,000 dated May 1997.

(c) Gross revenues are for the combined Water Resources Enterprise Fund for the fiscal year.

(d) Gross expenses exclude depreciation and bond interest.

(e) Includes principal and interest of revenue bonds only.

(f) The required coverage is 1.20.

(g) The required coverage is 2.00.

(h) As defined in Articles 40 and 42 of the Sales Tax Act.

Demographic Statistics

1994-2003

Year	Population	Per Capita Income	School Enrollment	Percentage of Unemployment (d)
1994	188,228 (a)	24,797 (b)	53,483 (c)	3.8
1995	192,330 (a)	25,916 (b)	54,814 (c)	3.8
1996	200,911 (e)	27,212 (b)	57,115 (c)	3.7
1997	202,321 (a)	27,416 (b)	58,404 (c)	3.3
1998	205,132 (a)	28,963 (b)	59,691 (g)	2.8
1999	208,887 (a)	29,268 (b)	59,615 (c)	2.0
2000	213,003 (a)	30,372 (b)	60,555 (c)	2.5
2001	226,467 (a)	30,932 (b)	62,570 (c)	2.9
2002	229,634 (a)	- (f)	62,426 (c)	4.9
2003	231,740 (a)	- (f)	64,500 (c)	6.2

(a) Greensboro Planning Department estimates.

(b) Bureau of Economic Analysis.

(c) Greensboro City and Guilford County Consolidated School System.

(d) North Carolina Employment Security Commission.

(e) North Carolina Office of State Planning.

(f) Information not available.

(g) State Department of Public Education.

Miscellaneous Statistical Data

June 30, 2003

I. City Vitae:

Date of Incorporation	(Town)	1829	(City)	1870
Date of Original Charter	(Town)	1808	(City)	1870
Form of Government				Council - Manager
Area of the City				116.6 Sq. Miles
Population				231,740
Miles of Streets:				
Paved				1,131
Unpaved				3
Miles of Water Mains				1,538
Miles of Sanitary Sewer				1,343
Gallons of Water Consumption				28,520,000
Water Meters				93,130

II. City Workforce:

Municipal Employees:	
Permanent	2,683
Part-Time	165
Police Protection:	
Sworn Officers	488
Civilians	163
School Crossing Guards	33
Fire Protection:	
Fire Stations	18
Uniformed Employees	382

III. City Cultural and Recreational Facilities:

Libraries:	
Main Building/Branches	7
Culture and Recreation:	
Parks, Open Spaces, Beautification Areas	310
Acres	3,912
Arboretum/Bicentennial Garden/Bog Garden/Arts Center/Historical Tannenbaum Park	5
Camp for Special Populations/Recreation Centers/Multicultural Center	15
Golf Courses	2
Tennis Courts	112
Swimming Pools	7
Ball Fields	56
Basketball Courts	38
War Memorial Coliseum (Arena, Auditorium, Special Events Center, Meeting Rooms):	
Arena Seating Capacity	23,300
Auditorium Seating Capacity	2,376
Special Events Center (with Mini-Arena) Capacity in Square Feet	120,000
Total Number of Events	875
Total Attendance	1,397,800

Construction, Bank Deposits and Property Values

Fiscal Years Ended June 30, 1994-2003

Fiscal Year Ended	New Non-Residential Construction		New Residential Construction		
	Number of Units	Value	Number of Units	Value	Total Value (a)
1994	1,126 (b)	$ 94,118,674	2,239	$ 80,380,398	$174,499,072 (b)
1995	1,096	162,033,437	2,089	90,224,080	252,257,517
1996	1,158	170,941,830	2,338	117,247,627	288,189,457
1997	1,251	132,441,002	2,728	222,735,359	355,176,361
1998	1,390	292,080,846	2,944	134,257,506	426,338,352
1999	1,203	249,281,547	2,827	173,951,330	423,232,877
2000	1,186	227,822,335	2,730	156,369,375	384,191,710
2001	1,133	293,496,309	2,751	180,811,808	474,308,117
2002	1,194	256,985,784	3,000	194,924,079	451,909,863
2003	951	255,534,295	2,834	185,725,021	441,259,316

(a) Engineering and Inspections Department.

(b) Starting in 1993, new construction includes new buildings, additions, expansions and repairs. The "unit number" reflects all permits for new construction.

(c) Federal Deposit Insurance Corporation and National Credit Union Administration

(d) Approximate Values

(e) Not Available

Bank Deposits (c) (Thousands)	Property Value (d) Commercial	Residential	Nontaxable
$ 3,607,776	$4,377,021,512	$5,972,465,521	$1,915,444,800
3,525,625	4,474,894,393	6,235,192,823	1,960,987,140
3,841,289	4,558,583,077	6,324,461,710	2,002,603,400
3,975,920	5,812,258,795	7,688,639,905	2,068,924,500
3,546,757	6,083,256,687	8,091,000,707	2,110,642,200
3,936,079	6,549,214,956	8,293,442,048	2,256,461,000
3,959,774	7,054,496,402	8,563,665,881	2,375,300,050
4,351,252	7,226,494,258	8,925,981,833	2,470,924,150
4,511,807	7,533,469,482	9,125,342,917	2,593,696,550
- (e)	7,519,345,820	9,216,112,503	2,611,235,450

Single Audit Section

The Single Audit Section is established to comply with the Federal and State Single Audit Acts. These Acts establish audit requirements for state and local governments that receive federal and state financial assistance. It provides for independent audits of financial operations, including compliance with certain provisions of federal law and regulations. These requirements are established to insure that audits are made on an organization-wide basis, rather than on a grant-by-grant basis. The accompanying financial statements are presented to reflect state and federal participation in various projects and programs, as adopted by the Greensboro City Council.

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Report on Compliance And On Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance With Government Auditing Standards

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

We have audited the basic financial statements of the City of Greensboro, North Carolina, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 31, 2003. We did not audit the financial statements of the City of Greensboro ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Greensboro ABC Board is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Greensboro's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Greensboro's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of City of Greensboro in a separate letter dated October 31, 2003.

This report is intended solely for the information and use of management, others within the organization, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Greensboro, North Carolina
October 31, 2003

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

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

Compliance

We have audited the compliance of the City of Greensboro, North Carolina, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2003. The City of Greensboro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Greensboro's management. Our responsibility is to express an opinion on the City of Greensboro's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Greensboro's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Greensboro's compliance with those requirements.

In our opinion, the City of Greensboro complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the City of Greensboro is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Greensboro's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Greensboro, North Carolina
October 31, 2003

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

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

Compliance

We have audited the compliance of the City of Greensboro, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2003. The City of Greensboro's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the City of Greensboro's management. Our responsibility is to express an opinion on the City of Greensboro's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City of Greensboro's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Greensboro's compliance with those requirements.

In our opinion, the City of Greensboro complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the City of Greensboro is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the City of Greensboro's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Greensboro, North Carolina
October 31, 2003

City of Greensboro, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2003

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

• Material weakness(es) identified?	___ yes	_X_	no
• Reportable condition(s) identified That are not considered to be Material weaknesses	___yes	_X_	none reported
Noncompliance material to financial Statements noted	___ yes	_X_	no

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?	___ yes	_X_	no
• Reportable condition(s) identified That are not considered to be Material weaknesses	___yes	_X_	none reported
Noncompliance material to federal awards	___ yes	_X_	no

Type of auditor's report issued on compliance for major federal program: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with Section 510(a) of Circular A-133	___yes	_X_	no

Identification of major federal programs:

CFDA#	Program Name
14.218	Community Development Block Grant
14.239	Homes Program
17.249, 17.258, 17.259, 17.260	WIA-Workforce Investment Act
20.205, 20.505, 20.507	Federal Transit Cluster
66.458	Fund 503 Water Revolving Loan

City of Greensboro, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2002

Dollar threshold used to distinguish Between Type A and Type B Programs	$ 551,715	
Auditee qualified as low-risk auditee	X yes	___no

State Awards

Internal control over major State programs:

• Material weakness(es) identified?	___ yes	X no
• Reportable condition(s) identified That are not considered to be Material weaknesses	___yes	X none reported
Noncompliance material to State awards	___ yes	X no

Type of auditor's report issued on compliance of major State programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with the State Single Audit Implementation Act	___ yes	X no

Identification of major State programs:

Program Name
Powell Bill
State Maintenance Assistance Program Fund
Federal Transit Cluster

Section II – Financial Statement Findings

None reported

Section III – Federal Awards Findings and Questioned Costs

None reported

Section IV – State Award Findings and Questioned Costs

None reported

Federal Programs

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2003

Federal Grantor/Pass-Through Grant or/Program Title	CFDA Number	Grant Award Number
Department of Housing and Urban Development:		
CDBG Entitlement Cluster:		
Community Development Block Grants	14.218	B-97-MC-37-0007
Community Development Block Grants	14.218	B-98-MC-37-0007
Community Development Block Grants	14.218	B-99-MC-37-0007
Community Development Block Grants	14.218	B-00-MC-37-0007
Community Development Block Grants	14.218	B-01-MC-37-0007
Community Development Block Grants	14.218	B-02-MC-37-0007
Section 108 Project	14.218	
Day Care-Kids - 1996-97	14.218	
Day Care-Kids - 1997-98	14.218	
Day Care-Kids - 1998-99	14.218	
Day Care-Kids - 2000-01	14.218	
Day Care-Kids - 2001-02	14.218	
Day Care-Kids - 2002-03	14.218	
HOPWA	14.241	NC19H02-F003
Willow Oaks	14.218	
Total CDBG Entitlement Cluster		
Homes - 1992	14.239	M-92-DC-37-0206
Homes - 1993	14.239	M-93-DC-37-0206
Homes - 1994	14.239	M-94-DC-37-0206
Homes - 1995	14.239	M-95-DC-37-0206
Homes - 1996	14.239	M-96-DC-37-0206
Homes - 1997	14.239	M-97-DC-37-0206
Homes - 1998	14.239	M-98-DC-37-0206
Homes - 1999	14.239	M-99-DC-37-0206
Homes - 2000	14.239	M-00-DC-37-0206
Homes - 2001	14.239	M-01-DC-37-0206
Homes - 2002	14.239	M-02-DC-37-0206
Emergency Shelter Grants Program	14.231	S-93-MC-37-0004
Total Other Community Development Programs		
Fair Housing Assistance Program	14.401	FF-204K-00-4013
Fair Housing Assistance Program	14.401	FF-204K-02-4013
Total Fair Housing Assistance Programs		
Lead Based Paint Grant	14.900	NCLHB0186-01
Total Department of Housing and Urban Development		
Department of Justice:		
Cops More 2000	16.710	2000CLWX0024
Cops More 2001	16.710	2001CLWX0027
Local Law Enforcement Block Grant - 2000-01	16.592	00-LB-BX-1516
Local Law Enforcement Block Grant - 2001-02	16.592	01-LB-BX-3608
Local Law Enforcement Block Grant - 2002-03	16.592	02-LB-BX-2084
Federal Asset Forfeiture Funds	16.592	
Federal Asset Forfeiture Funds	16.005	
Weed and Seed Project - 1999-00	16.595	99-WS-O8-0131
Weed and Seed Project - 2000-01	16.595	
Joint Terrorism Task Force	16.614	
Treasury Law Enforcement	21.100	
Total Department of Justice		

Program or Award Amount	Expenditures Prior Years	Current Year	Total to Date
$ 4,422,611	$ 4,225,431	$ 63,899	$ 4,289,330
2,363,618	2,281,501	9,717	2,291,218
2,536,157	2,432,632	48,710	2,481,342
2,580,520	2,015,865	427,829	2,443,694
2,789,323	1,836,222	473,532	2,309,754
2,696,000		1,914,557	1,914,557
9,101,000	4,742,407	1,216,819	5,959,226
20,265	19,131		19,131
20,265	10,869		10,869
20,265	20,247	97	20,344
20,265	17,201	462	17,663
20,265	11,598		11,598
20,265		9,418	9,418
790,000	362,629	393,211	755,840
207,148	51,556		51,556
27,607,967	18,027,289	4,558,251	22,585,540
987,000	987,000		987,000
652,000	651,870		651,870
773,000	756,954		756,954
1,981,000	1,989,310		1,989,310
1,786,604	1,786,311	471	1,786,782
1,470,766	1,439,238	848	1,440,086
1,620,475	1,485,129	3,522	1,488,651
1,786,980	1,534,454	86,820	1,621,274
1,810,330	1,324,951	380,486	1,705,437
1,945,023	623,540	410,194	1,033,734
2,102,632		800,868	800,868
82,000	82,000		82,000
16,997,810	12,660,757	1,683,209	14,343,966
258,449	138,576	75,745	214,321
97,329			
355,778	138,576	75,745	214,321
3,000,000		433,589	433,589
47,961,555	30,826,622	6,750,794	37,577,416
191,385	185,764	1,626	187,390
597,375		185,468	185,468
376,303	339,123		339,123
351,154		98,972	98,972
298,293		247,775	247,775
113,586	38,758	40,153	78,911
1,280,780	181,600	129,865	311,465
50,000	49,195	(2,440)	46,755
50,000	49,453	(13,263)	36,190
10,570		2,437	2,437
40,000	24,370	(411)	23,959
3,359,446	868,263	690,182	1,558,445

Federal Programs

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2003

Federal Grantor/Pass-Through Grant or/Program Title	CFDA Number	Grant Award Number
Department of Treasury:		
Bureau of Alcohol, Tobacco and Firearms:		
Violent Crimes Task Force 2001-02	21.052	
Total Bureau of Alcohol, Tobacco and Firearms		
U.S. Secret Service:		
Financial Crimes Task Force - 2001-02	21.100	
Financial Crimes Task Force - 2002-03	21.100	
Total U.S. Secret Service		
Total Department of Treasury		
Department of Labor:		
JTPA Cluster:		
Welfare to Work 98-3751	17.253	8-3751-42
Welfare to Work 99-3751	17.253	9-3751-42
Total JTPA Cluster		
WIA Administration 1999	17.258	9-2010-42
WIA Administration 2000	17.258	0-2010-42
WIA Administration 2001	17.258	1-2010-42
WIA Administration 2002	17.258	2-2010-42
WIA Adult 1999	17.258	9-2020-42
WIA Adult 2000	17.258	0-2020-42
WIA Adult 2001	17.258	1-2020-42
WIA Adult 2002	17.258	2-2020-42
WIA Dislocated Worker 1999	17.260	9-2030-42
WIA Dislocated Worker 2000	17.260	0-2030-42
WIA Dislocated Worker 2001	17.260	1-2030-42
WIA Dislocated Worker 2002	17.260	2-2030-42
WIA Youth 1999	17.259	9-2040-42
WIA Youth 2000	17.259	0-2040-42
WIA Youth 2001	17.259	1-2040-42
WIA Youth 2002	17.259	2-2040-42
WIA Ten Percent/Incentive 1999	17.258	9-2050-42
WIA Ten Percent/Incentive 2000	17.258	0-2050-42
WIA Ten Percent/Incentive 2001	17.258	1-2050-42
WIA Ten Percent/Incentive 2002	17.258	2-2050-42
Joblink Enhancement	17.258	0-2051-42
H-1B Technical Skills	17.249	AH-11077-01-60
NCETGP 99-3590	17.258	9-3590-42
NCETGP 00-3590	17.258	0-3590-42
NCETGP 01-3590	17.258	1-3590-42
NCETGP 02-3590	17.258	2-3590-42
Total Other Job Training Programs		
Total Department of Labor		

Program or Award Amount	Expenditures Prior Years	Current Year	Total to Date
$ 130,000	$ 1,654	$ 10,816	$ 12,470
130,000	1,654	10,816	12,470
5,000		1,486	1,486
4,000			
9,000		1,486	1,486
139,000	1,654	12,302	13,956
964,293	964,292		964,292
1,043,923	196,206	253,190	449,396
2,008,216	1,160,498	253,190	1,413,688
54,617	54,618		54,618
115,120	115,120		115,120
125,789		125,789	125,789
199,421		11,522	11,522
288,642	288,642	218	288,860
347,427	342,426	312	342,738
363,516	209,443	154,074	363,517
547,197		299,351	299,351
167,050	167,050		167,050
343,345	348,344		348,344
362,655	164,407	198,248	362,655
727,656		219,063	219,063
35,875	35,875	312	36,187
345,299	345,298		345,298
405,926	114,542	291,384	405,926
519,926		236,156	236,156
50,974	50,974		50,974
67,161	67,161		67,161
90,466		90,466	90,466
109,446			
148,342	30,204	60,850	91,054
2,720,600	486,536	597,830	1,084,366
69,161	69,161		69,161
59,582	59,582		59,582
73,683	61,453	12,230	73,683
5,697		5,697	5,697
8,344,573	3,010,836	2,303,502	5,314,338
10,352,789	4,171,334	2,556,692	6,728,026

Federal Programs

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2003

Federal Grantor/Pass-Through Grant or/Program Title	CFDA Number	Grant Award Number
Department of Transportation:		
Section 3 Capital - 1993-94	20.500	
Section 9 Planning - 2000-01	20.507	NC-90-X242
Section 5303 Metro Planning - 2001-02	20.505	
Section 5303 Metro Planning - 2002-03	20.505	
Section 5307 Capital Assistance Grant - 2000	20.500	NC-90-X274
Section 5309 Capital Assistance Grant - 1999	20.507	NC-03-0044
Section 5309 Capital Assistance Grant - 2001	20.507	NC-03-0046
Section 5309 Capital Assistance Grant - 2002	20.507	NC-90-X298
Section 5309 Planning Grant - 2002	20.507	NC-90-X298
Section 5309 Capital Assistance Grant - 1999	20.507	NC-03-0042
Section 5309 Capital Assistance Grant - 2000	20.507	NC-03-0047
FTA Capital - Surface Transportation	20.205	NC-90-X252
16th Street Bridge Replacement	20.205	B-3930
Ballinger Road Bridge Replacement	20.205	B-4695
Total Department of Transportation		
Federal Emergency Management Agency:		
Passed Through State Depart of Crime Control/Public Safety:		
Structural Collapse Training Grant	83.526	
Emergency Management Assistance	83.534	EM-PA00-107-039
Flood Mitigation - 2001-02	83.536	FMA-PL-01-01
Total Crime Control and Public Safety		
Environmental Protection Agency:		
Fund 503 Water Revolving Loan	66.458	
Vulnerability and Threat Mitigation Grant	66.476	HS-82991801-0
Total Environmental Protection Agency		
Department of the Interior, National Park Service		
Passed Through State Department of Archives and History:		
National Historic Preservation Fund	15.904	
Total Federal Financial Assistance		

Program or Award Amount	Expenditures Prior Years	Current Year	Total to Date
$ 960,000	$ 960,000	$	$ 960,000
1,677,703		1,677,703	1,677,703
37,424	37,424		37,424
41,080		40,533	40,533
351,327	319,240		319,240
1,060,000	38,726	1	38,727
1,471,643			
333,837		267,451	267,451
200,000		35,229	35,229
5,122,288	3,054,455	2,065,308	5,119,763
3,275,877		3,211,306	3,211,306
5,600,000	4,554,563	797,226	5,351,789
1,981,480	33,758	37,724	71,482
500,000			
22,612,659	8,998,166	8,132,481	17,130,647
120,300		103,560	103,560
37,000		37,533	37,533
15,000			
172,300		141,093	141,093
4,202,675	3,915,350	22	3,915,372
115,000		104,490	104,490
4,317,675	3,915,350	104,512	4,019,862
6,100	3,660	2,440	6,100
$ 88,921,524	$48,785,049	$18,390,496	$67,175,545

State Programs

Schedule of Expenditures of State Awards
For the Fiscal Year Ended June 30, 2003

State Grantor/Program Title	CFDA Number	Grant Award Number
Department of Cultural Resources:		
LSCA Grant - 1997-98		
Family Literacy Project		2-89-4-6-014
State Aid to Public Libraries		
Curb Market Improvement		
EZ-LISA Hispanic Services - 2001-02		
Total Department of Cultural Resources		
Department of Environmental Health and Natural Resources:		
Clean Water Management - 1998-99		97B-904
Clean Water Management - 2001-02		02A-705
Bioretention Areas Grant	66.460	EW03036
Fecal Coliform TMDL Grant		EW03048
Urban and Community Forestry - 2001-02	10.664	ATB 2001-05
Tree Inventory Grant		ATB 2002-30
Carolyn Allen Community Park		2001-190
Urban Forestry Projects - 2001-02	10.664	ATB 2002-19
Urban Forestry Projects - 2002-03	10.664	ATB 2003-11
Total Department of Environmental Health		
Department of Health and Human Services:		
Smith Senior Center Grant - 2000		
Smith Senior Center Grant - 2001		
Metro Medical Response System		233-01-0040
Total Department of Health/Human Services		
Department of Crime Control and Public Safety:		
Violent Crimes Task Force		041-1-00-008-D-369
Regional Hazardous Materials Response Team - 2001-02		
Regional Hazardous Materials Response Team - 2002-03		
Regional Hazardous Materials Response Team - 2003-04		
Fire Capital Equipment	69.105	2001-TE-CX-0030
Domestic Preparedness Grant		NCEM-TC-2002-03
Drought Relief Grant		
Total Depart of Crime Control and Public Safety		
Office of State Planning:		
GIS Data Clearinghouse		
Total Office of State Planning		
Department of Transportation:		
Federal Transit Cluster		
Section 3 Capital - 1993-94	20.500	93-03-006
Advanced Technology - 2001-02		02-AT-004
Section 5303 Metro Planning - 2001-02	20.505	02-08-007
Section 5303 Metro Planning - 2002-03	20.505	03-08-007
Transportation Planning - 2001-02	20.507	
Transportation Planning - 2002-03	20.507	
Section 5307 Capital - 2000	20.500	01-09-012
Section 5307 Capital - 2002	20.500	03-09-298
Section 5307 Planning - 2002	20.500	03-09-298
Section 5309 Capital Assistance - 1999	20.507	00-03-006
Section 5309 Capital Assistance - 2000	20.507	01-03-019
Section 5309 Capital Assistance - 2001	20.507	00-03-020
Section 5309 Capital Assistance - 1999	20.205	01-ST-001
Section 5309 Capital Assistance - 1999	20.500	99-03-006
Total Federal Transit Cluster		
NC68/Triad Center Drive		
East Market Street Landscape Project		E-2973 G
NCDOT SE Trail Connector - 2002-03	20.205	E-4777
Oka T. Hester Park Dam Construction		
Bridge Construction & Maintenance		
Norwalk Street Extension Project		STP-000S
State Maintenance Assistance Program Funds		
Interchange I-40 & High Point Road		
New Garden at Bryan Boulevard		
Powell Bill:		
1995 Allocation		
1996 Allocation		
1997 Allocation		
1998 Allocation		
1999 Allocation		
2000 Allocation		
2001 Allocation		
2002 Allocation		
2003 Allocation		
Total Department of Transportation		
Total State Financial Assistance		

Program or Award Amount	Expenditures Prior Years	Current Year	Total to Date
$ 49,450	$ 35,976	$ 4,485	$ 40,461
36,625	3,307		3,307
311,875		75,013	75,013
13,000	13,000		13,000
39,850	32,367	797	33,164
450,800	84,650	80,295	164,945
800,000	24,327	89,087	113,414
571,200			
90,000		7,982	7,982
60,825			
10,000	10,000		10,000
10,000		10,000	10,000
250,000	86,990	163,010	250,000
8,879	7,831	1,048	8,879
3,950		1,050	1,050
1,804,854	129,148	272,177	401,325
6,329	5,936		5,936
6,097	4,784		4,784
600,557	95,079	40,877	135,956
612,983	105,799	40,877	146,676
170,270	80,918	62,012	142,930
52,000	29,003	14,284	43,287
52,000		47,548	47,548
52,000			
280,000	266,214	6,165	272,379
9,200	7,207	1,491	8,698
150,000		150,000	150,000
765,470	383,342	281,500	664,842
2,120	629		629
2,120	629		629
120,000	120,000		120,000
63,540		8,190	8,190
4,678	4,678		4,678
5,135		5,067	5,067
318,214	106,453	(526)	105,927
485,090		337,904	337,904
43,915	39,905		39,905
41,730		33,431	33,431
25,000		4,404	4,404
640,286	72,144	565,036	637,180
409,484		401,413	401,413
183,955			
700,000	569,321	99,653	668,974
132,500	4,841		4,841
3,173,527	917,342	1,454,572	2,371,914
150,000	90,439		90,439
50,000	50,000		50,000
52,800			
5,000,000	42,177	91,716	133,893
320,000	308,382	11,618	320,000
1,068,000		51,377	51,377
928,874		928,876	928,876
412,445	412,442	3	412,445
150,000	150,000		150,000
6,087,152	6,087,152		6,087,152
6,437,040	6,437,040		6,437,040
7,065,172	7,065,172		7,065,172
7,406,768	7,406,768		7,406,768
7,641,257	7,641,257		7,641,257
6,517,131	1,153,182	5,363,949	6,517,131
6,881,019		2,820,805	2,820,805
7,195,474			
6,826,430			
73,363,089	37,761,353	10,722,916	48,484,269
$76,999,316	$38,464,921	$ 11,397,765	$49,862,686

Job Training Partnership Act

Schedule of Expenditures by Program and Cost Category
For the Fiscal Year Ended June 30, 2003

Grant Award Number	Program or Award Amount	Training	Participants' Support	Administration	Basic Readjustment Service	Retraining Services	Total June 30, 2003
8-3751-09	$ 964,293	$	$	$	$	$	$
9-3751-09	1,043,923			16,607		236,583	253,190
	$2,008,216	$	$	$ 16,607	$	$ 236,583	$ 253,190

Notes to the Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2003

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Greensboro and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2. Subrecipients

Of the federal and state expenditures presented in the schedule, the City of Greensboro provided awards to subrecipients as follows:

Program Title	Federal CFDA Number			Amount Provided to Subrecipients
Federal				
Community Development Block Grant--Entitlement Grants	14.218			$414,414
Community Development Block Grant--HOPWA	14.241	Current	Year	$362,629
		Prior	Year	6,780
				$369,409
State				
Violent Crimes Task Force				$54,847