

**CITY OF WASHINGTON  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



# **CITY OF WASHINGTON**

## **NORTH CAROLINA**

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**

**PREPARED BY THE FINANCE DEPARTMENT**



**CITY OF WASHINGTON, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
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## **Introductory Section**

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October 27, 2021

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Washington:

State Law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Martin Starnes & Associates, CPAs, P.A., have issued an unmodified ("clean") opinion on the City of Washington's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City of Washington, incorporated in 1782, is located in the eastern part of North Carolina on the northern banks of the Pamlico River. It has been the county seat of Beaufort County since 1785. It has a land area of 7.663 square miles and a population of 9,536. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City has operated under the Council-Manager form of government since May 7, 1952. The City Council is comprised of five (5) council members, elected at large, non-partisan, for a two-year term and a Mayor without voting powers other than to break a tie vote elected for a two-year term. Council members hold policy making and legislative authority. They are responsible, among other things, for passing ordinances, adopting the annual budget,

appointing Board members, Commission members, City Manager, City Clerk and City Attorney. The City Manager is the Chief Executive Officer and is responsible, among other things, for implementing and enforcing policies and ordinances of the City of Washington, for managing daily operations of the government, for appointing all employees including department directors, and for budget development.

The City of Washington provides a full range of services for its citizens. These services include: planning and zoning; the construction and maintenance of streets, curbs, gutters and sidewalks; parks and recreational activities; library services; police; emergency management services; and fire protection. In addition to these general government activities, the City also provides and maintains airport operations, cemeteries, water, sewer, stormwater, solid waste and recycling, and electrical utilities for its citizens and the surrounding areas of Beaufort, Martin, and Pitt counties. These utilities are included in the reporting entity. This report includes all of the City's activities in delivering and administering these services.

The City Council is required to adopt an annual budget by no later than the close of the prior fiscal year. This annual budget serves as the foundation for the City of Washington's financial planning and control. The annual budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may request of the Finance Director or City Manager the transfer of resources within a department (intradepartmental transfers). Transfers between departments (interdepartmental transfers) may be approved by the City Manager; however, he must report the approved transfers to the City Council at their next regular meeting.

## **Local Economy**

The City of Washington continues to serve as the economic, service, and retail center for Beaufort County. The economy is based on medical services, small-scale diverse manufacturing, retail sales, agriculture, service, and eco-tourism. The County has an employed labor force of 18,860, leaving around 1,713 unemployed in the county. The unemployment rate for Beaufort County, which the City of Washington is a part of, is currently 4.8%, which is a decrease of 1.8% from a rate of 6.6%, a year ago. This is more than the State of North Carolina's average unemployment rate of 4.6% and less than the national average of 5.9%. During the past fiscal year, Washington's local economy rebounded from the effects of the COVID-19 pandemic. This was evidenced by a 22% increase in sales tax and a 5% increase in property taxes. The current year property tax rate remains unchanged at \$0.53/\$100 valuation. Revenues were conservatively budgeted for fiscal year 2021-2022 and management will be keeping a close eye on actual receipts to ensure that budget shortfalls do not occur in the next fiscal year.

Several new businesses began operation in the City within the past year in addition to several expansions of existing businesses. Pamlico Yachtworks, Two Rivers Ale House, Inner Banks Marina, Pamlico Animal Hospital, many homes at the Moss Landing development, and hospital renovations are examples.



The Washington Tourism Development Authority worked diligently to follow its mission to enhance the economy of Washington and Beaufort County through the promotion of the area as a destination for leisure and business travel. The WTDA manages the City's communication department and continues to do an exceptional job in making the City's activities more widely known through social and other media. The WTDA continued to manage the Washington Civic Center as the City's primary venue for meetings, weddings, and other large events. More than 100 events were held at the Civic Center during the year. The most recent economic impact statistics prepared by the North Carolina Department of Commerce show the economic impact of tourism in Beaufort County to be down largely due to Covid-19. In 2020 visitor spending was estimated at \$75 million for Beaufort County, a decrease of 22.7%.

### **Long-Term Financial Planning**

During fiscal year 2020-2021 the City utilized operating cash for capital purchases instead of installment financing.

During fiscal year 2021-2022 the City will utilize operating cash for capital expenditures with the exception of the construction of the police station.

### **Major Initiatives**

#### **Projects Completed:**

- Downtown streetscape project.
- The pavement rehabilitation of runway 5-23 at the airport.

#### **Projects Underway:**

Design for the new police station is complete and the project construction bids have been received. Financing will be completed this fall with construction anticipated to begin early 2022.

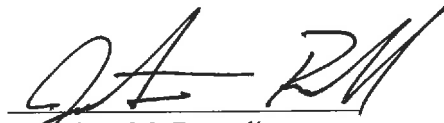

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Washington for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This was the twenty fifth consecutive year (fiscal years ended 1996-2020) that the City has received this prestigious national award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the

Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We would also like to thank our independent auditors, Martin Starnes & Associates, CPAs, P.A., for their extensive assistance provided. Credit must also be given to the Mayor and the City Council for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,

  
Jonathan M. Russell  
City Manager  
Matthew J. Rauschenbach  
Chief Financial Officer

**CITY OF WASHINGTON, NORTH CAROLINA  
PRINCIPAL OFFICERS  
JUNE 30, 2021**

**ELECTED OFFICIALS**

Title	Name	Total Length Of Service	Term Expires
Mayor	Donald R. Sadler	1.5 years	December, 2021
Mayor Pro-Tem	Richard L. Brooks	10 years	December, 2021
Councilperson	Virginia Finnerty	5.5 years	December, 2021
Councilperson	William H. Pitt	12 years	December, 2021
Councilperson	Elizabeth A. Kane	1.5 years	December, 2021
Councilperson	David Mike Renn	1 year	December, 2021

The Mayor and Council serve 2 year terms.

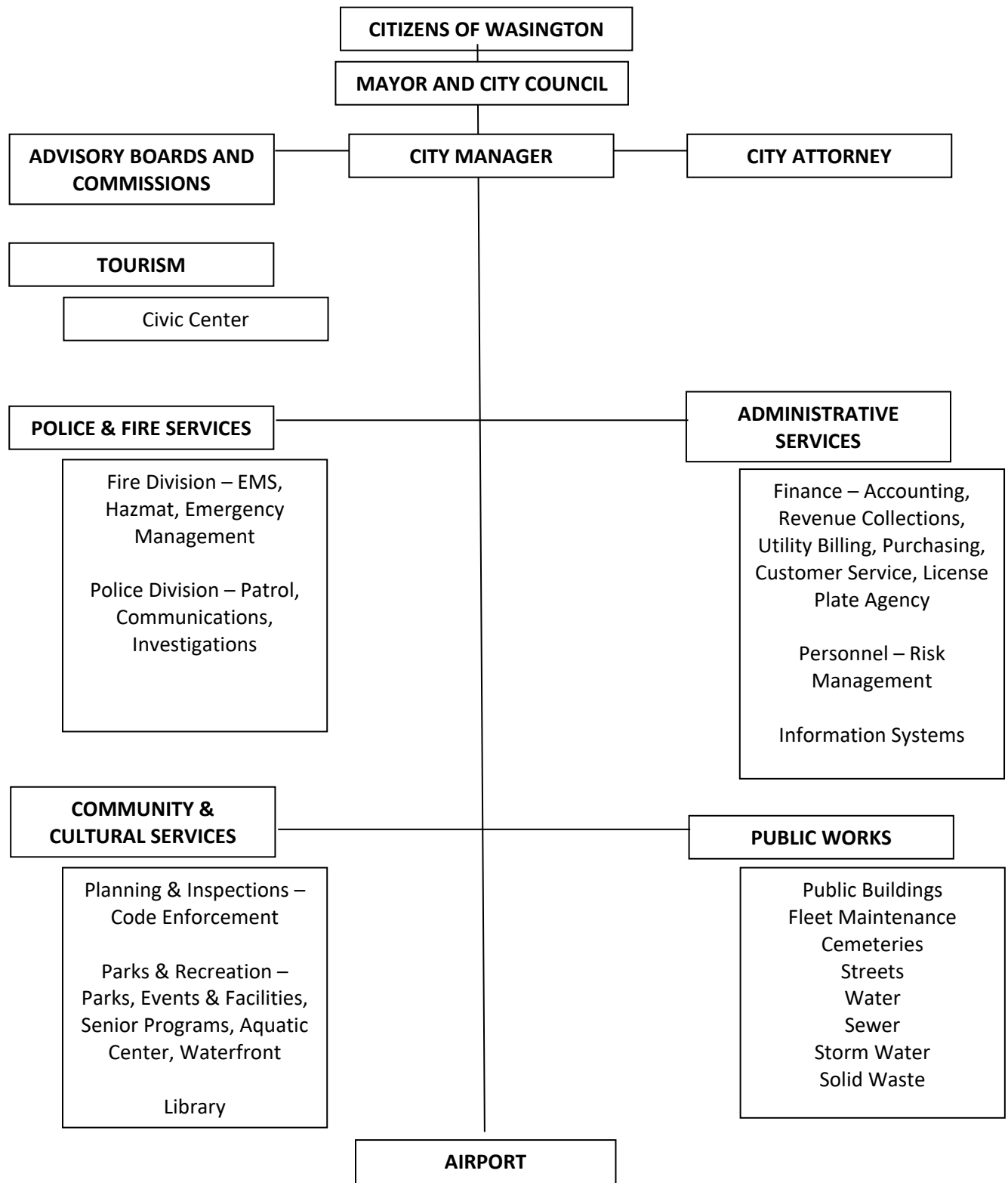
**APPOINTED OFFICIALS**

Title	Name	Total Length Of Service	Length of Employment with the City of Washington
City Attorney	Franz Holscher	15 years	15 years
City Clerk	Cynthia Bennett	13 years	22 years
City Manager	Jonathan Russell	3 years	3 years

**DEPARTMENT HEADS**

Title	Name	Total Length Of Service	Length of Employment with the City of Washington
Community & Cultural Services Director	Michael Dail	2.5 years	2.5 years
CFO/Administrative Services Director	Matthew J. Rauschenbach	12 years	12 years
Fire Chief	Mark Yates	2 year	25 years
Library Director	Sandra Silvey	5.5 years	5.5 years
Human Resources Director	Amanda Wells	1 month	1 month
Police & Fire Services Director	Stacy L. Drakeford	9 years	9 years
Public Works Director	Adam Waters	3 years	30 years
Tourism Director	Erin Ruyle	3 years	3 years
Interim Electric Director	Matthew J. Rauschenbach	1 year	12 years

# CITY OF WASHINGTON ORGANIZATION CHART 2020-2021





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Washington  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

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## **Financial Section**

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Washington Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Change in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of the City of Washington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City of Washington's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Washington's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 27, 2021

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## Management's Discussion and Analysis

As management of the City of Washington, we offer readers of the City of Washington's financial statements this narrative overview and analysis of the financial activities of the City of Washington for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### Financial Highlights

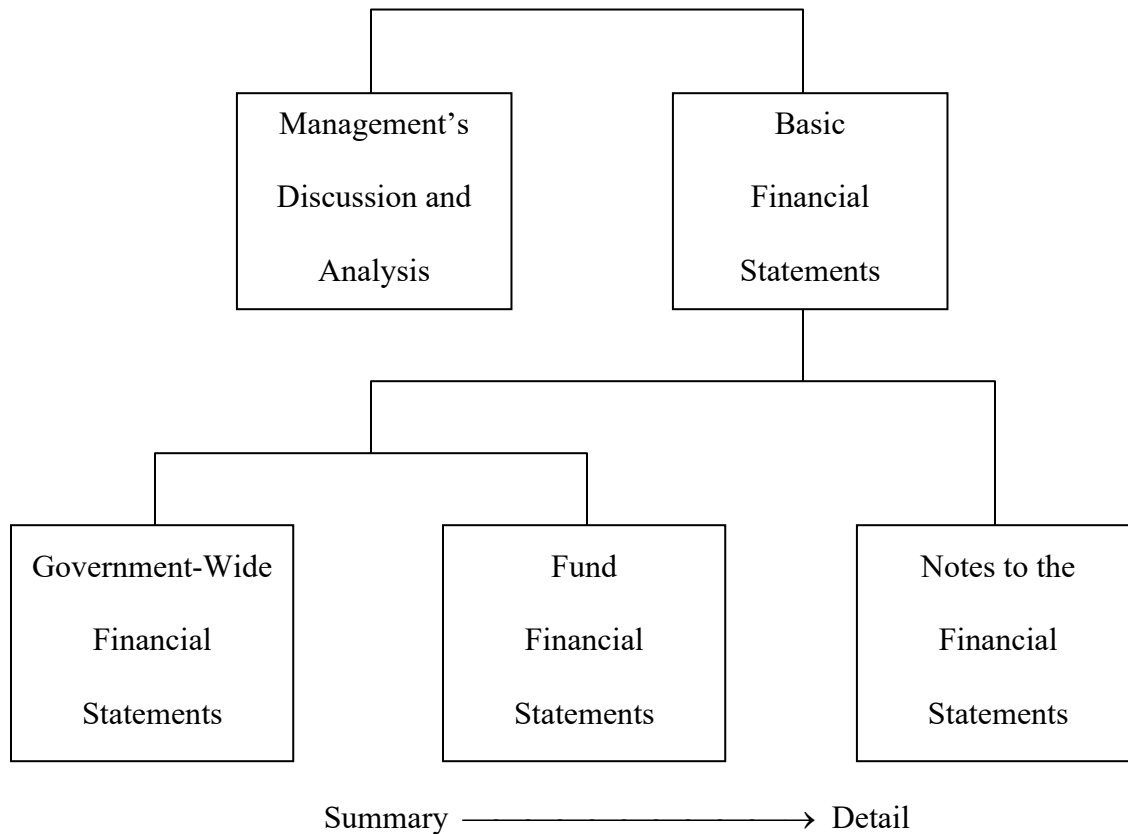
- The assets and deferred outflows of the City of Washington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$138,006,208 (*net position*). Of this amount, \$26,512,373 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,643,197, an increase of 2.71%. Of this amount, governmental net position increased by \$821,161, while business-type net position increased by \$2,822,036.
- As of the close of the current fiscal year, the City of Washington's governmental funds reported combined ending fund balances of \$9,800,426, a decrease of \$2,661,716. Approximately 43.89% of this total amount, or \$4,301,694, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,232,373, or 31.44%, of total General Fund expenditures for the fiscal year.
- The City of Washington's total debt decreased by \$63,839, or 1.35%, during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Washington's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. This report also contains other supplementary information, in addition to the basic financial statements that will enhance the reader's understanding the financial condition of the City of Washington.

## Required Components of Annual Financial Report

**Figure 1**



**Basic Financial Statements.** The first two statements in the basic financial statements are the *government-wide financial statements*. They provide both short and long-term information about the City's financial status.

The next statements are *fund financial statements*. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental fund statements, 2) the budgetary comparison statements, and 3) the proprietary fund statements.

The next section of the basic financial statements is the *notes*. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, *supplemental information* is provided to show details about the City's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Washington's finances, in a manner similar to a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units, including general government, public safety, transportation, economic and physical development, environmental protection, cultural and recreational, special revenues, and capital projects. Property taxes and state and federal grant funds finance most of these activities. The business-type activities of the City of Washington include water, sewer, electric, storm water utilities, solid waste, airport operations, and cemetery operations. The final category is the component unit. The government-wide financial statements include not only the City of Washington itself (known as the *primary government*), but also a legally separate entity, the Washington Tourism Development Authority for which the City is financially accountable. The Washington Tourism Development Authority is considered a component unit of the City because the City exercises control over the Board by appointing its members and because the Board is required to expend the local occupancy taxes promoting travel and tourism for the City. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 16-18 of this report.

**Fund Financial Statements.** The fund financial statements provide a more detail look at the City's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Washington, like other state and local governments in North Carolina, uses fund accounting to ensure and demonstrate compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the City's budget ordinance. All of the funds of the City of Washington can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Washington maintains 17 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, and the other governmental funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Washington adopts an annual appropriated budget for its general fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balance in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the difference in the reported activities is shown at the end of the budgetary statement.

The basic governmental fund financial statements can be found on pages 19-23 of this report.

**Proprietary Funds.** The City of Washington has two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Washington uses enterprise funds to account for its water utilities, sewer utilities, storm water utilities, electric utilities, airport operations, solid waste utilities, and cemetery operations. Proprietary funds statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, storm water, electric utilities, and airport operations, which are considered to be major funds of the City of Washington. The solid waste utility and cemetery operations are considered to be nonmajor proprietary funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City of Washington operations. The City uses internal service funds to account for three activities – its workers' compensation reserve, vehicle replacement, and facility maintenance. These operations benefit both governmental and proprietary funds and have been included within the governmental activities in the government-wide statements.

The basic proprietary fund financial statements can be found on pages 24-26 this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-74 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Washington's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 75-81 of this report.



The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 82-165 of this report.

**Interdependence with Other Entities:** The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

## Government-Wide Financial Analysis

**Figure 2**

### City of Washington's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 12,787,067	\$ 16,477,901	\$ 32,944,233	\$ 31,048,332	\$ 45,731,300	\$ 47,526,233
Capital assets, net	26,949,845	22,008,275	84,985,723	83,818,958	111,935,568	105,827,233
Total assets	<u>39,736,912</u>	<u>38,486,176</u>	<u>117,929,956</u>	<u>114,867,290</u>	<u>157,666,868</u>	<u>153,353,466</u>
<b>Deferred Outflows of Resources</b>	<u>4,229,069</u>	<u>2,485,834</u>	<u>2,126,378</u>	<u>1,317,567</u>	<u>6,355,447</u>	<u>3,803,401</u>
<b>Liabilities:</b>						
Long-term liabilities	12,343,305	9,903,562	9,080,426	7,623,052	21,423,731	17,526,614
Other liabilities	918,265	1,107,855	3,416,660	3,792,281	4,334,925	4,900,136
Total liabilities	<u>13,261,570</u>	<u>11,011,417</u>	<u>12,497,086</u>	<u>11,415,333</u>	<u>25,758,656</u>	<u>22,426,750</u>
<b>Deferred Inflows of Resources</b>	<u>171,325</u>	<u>248,668</u>	<u>86,126</u>	<u>118,438</u>	<u>257,451</u>	<u>367,106</u>
<b>Net Position:</b>						
Net investment						
in capital assets	25,904,495	20,821,889	81,362,410	80,272,842	107,266,905	101,094,731
Restricted	4,226,930	8,801,288	-	-	4,226,930	8,801,288
Unrestricted	401,661	88,748	26,110,712	24,378,244	26,512,373	24,466,992
Total net position	<u>\$ 30,533,086</u>	<u>\$ 29,711,925</u>	<u>\$ 107,473,122</u>	<u>\$ 104,651,086</u>	<u>\$ 138,006,208</u>	<u>\$ 134,363,011</u>

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Washington exceeded liabilities and deferred inflows by \$138,006,208, as of June 30, 2021. This is an increase in the City's net position of \$3,643,197 for the fiscal year. By far, the largest portion (77.73%) reflects its net investment in capital assets (e.g., land, buildings, systems, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Washington's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Washington's net position, \$4,226,930, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$26,512,373 may be used to meet the government's ongoing obligations to citizens and creditors.

The governments net capital assets increased by \$6,108,335 during the fiscal year. This increase of 5.77% is primarily attributable to the additional capital investment in the City's utility systems, downtown streetscape project, and sanitation vehicles.

**Figure 3****City of Washington's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program revenues:						
Charges for service	\$ 1,335,332	\$ 1,849,504	\$ 43,794,474	\$ 41,399,159	\$ 45,129,806	\$ 43,248,663
Operating grants and contributions	685,667	430,813	89,679	314,868	775,346	745,681
Capital grants and contributions	1,054,558	477,383	617,465	5,201,199	1,672,023	5,678,582
General revenues:						
Property taxes	4,827,785	4,595,065	-	-	4,827,785	4,595,065
Other taxes	3,742,408	3,063,012	-	-	3,742,408	3,063,012
Unrestricted intergovernmental	2,040,138	2,072,502	-	-	2,040,138	2,072,502
Other	29,535	226,546	65,368	438,598	94,903	665,144
Total revenues	<u>13,715,423</u>	<u>12,714,825</u>	<u>44,566,986</u>	<u>47,353,824</u>	<u>58,282,409</u>	<u>60,068,649</u>
<b>Expenses:</b>						
General government	2,185,813	3,077,596	-	-	2,185,813	3,077,596
Public safety	7,687,070	6,930,662	-	-	7,687,070	6,930,662
Transportation	1,437,030	1,632,073	-	-	1,437,030	1,632,073
Environmental protection	221,835	553,906	-	-	221,835	553,906
Cultural and recreation	1,972,028	2,472,716	-	-	1,972,028	2,472,716
Economic and physical development	1,126,055	213,528	-	-	1,126,055	213,528
Interest on long-term debt	29,277	32,865	-	-	29,277	32,865
Water	-	-	3,846,483	3,391,267	3,846,483	3,391,267
Sewer	-	-	3,476,448	3,478,090	3,476,448	3,478,090
Electric	-	-	29,076,726	29,584,835	29,076,726	29,584,835
Stormwater	-	-	956,502	430,891	956,502	430,891
Airport	-	-	706,428	652,240	706,428	652,240
Solid waste	-	-	1,580,339	1,538,053	1,580,339	1,538,053
Cemetery	-	-	337,178	370,028	337,178	370,028
Total expenses	<u>14,659,108</u>	<u>14,913,346</u>	<u>39,980,104</u>	<u>39,445,404</u>	<u>54,639,212</u>	<u>54,358,750</u>
Change in net position before transfers	(943,685)	(2,198,521)	4,586,882	7,908,420	3,643,197	5,709,899
Transfers	<u>1,764,846</u>	<u>2,636,646</u>	<u>(1,764,846)</u>	<u>(2,636,646)</u>	<u>-</u>	<u>-</u>
Change in net position	821,161	438,125	2,822,036	5,271,774	3,643,197	5,709,899
Net position, July 1	<u>29,711,925</u>	<u>29,273,800</u>	<u>104,651,086</u>	<u>99,379,312</u>	<u>134,363,011</u>	<u>128,653,112</u>
Net position, June 30	<u>\$ 30,533,086</u>	<u>\$ 29,711,925</u>	<u>\$ 107,473,122</u>	<u>\$ 104,651,086</u>	<u>\$ 138,006,208</u>	<u>\$ 134,363,011</u>

**Governmental Activities.** Governmental activities increased the City's net position by \$821,161, or 2.76%. This increase is due to revenue from operating grants, capital contributions, and property taxes exceeding the amount budgeted and expenditures in the overall budget being well under the budget plan.

**Business-Type Activities.** Business-type activities increased the City of Washington's net position by \$2,822,036, or 2.70%. Revenues exceeded expenses by \$3,977,479 before transfers and capital contributions. The net transfers of the business-type activities totaled \$1,764,846 for the year. Of this amount, \$1,412,690 is the annual dividend payment from the electric utility customers to the taxpayers of the City of Washington.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Washington's *governmental funds* is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Washington's financing requirements.

The General Fund is the chief operating fund of the City of Washington. At the end of the current fiscal year, the City's fund balance available in the General Fund totaled to \$4,540,788, while total fund balance increased to \$7,171,013. The governing body of the City of Washington has determined that the City should maintain an available fund balance equal to two months operating expenses plus an additional \$2,000,000 in case of natural disaster recovery. The City currently has an available fund balance of 31.45% of General Fund expenditures and transfers out, while total fund balance represents 49.67% of the same amount.

As of the end of the fiscal year, the City of Washington's governmental funds reported combined ending fund balances of \$9,800,426, a decrease of \$2,661,716, in comparison with the prior year. Approximately 39.60% of this total amount, or \$3,881,215, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either classified as restricted (by state statute or granting agencies), non-spendable such as the Cemetery and Library Non-Expendable Trust Fund balances, inventories, committed for items such as economic development capital grants and a police station, or assigned for downtown façade improvements and future street projects.

**General Fund Budgetary Highlights.** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services.

Differences between the original budgeted revenues and the final amended budgeted revenues for the General Fund increased by \$410,546 and are summarized as follows:

- \$407,046 increase in restricted intergovernmental
- \$3,500 increase in sales and service

The difference between the original budgeted expenditures and the final amended appropriations for the General Fund increased by \$1,107,771 and are summarized as follows:

- \$266,003 in increases allocated to general government
- \$210,403 in increases allocated to public safety
- \$157,348 in increases allocated to transportation
- \$15,432 in increases allocated to environmental protection
- \$458,585 in increases allocated to cultural and recreational

Transfers and the appropriation of fund balance rebalanced the General Fund budget as follows:

- \$308,649 increase in salaries for Covid Bonus Pay and Cost of Living Adjustment.
- \$847,373 increase in appropriated fund balance primarily for purchase orders and projects from prior year, and expansion and maintenance items approved by city council.

During the year, actual revenues came in 3.63%, or \$439,173, higher than budgetary estimates in the General Fund, while expenditures were 14.12%, or \$2,213,378, less than budgetary appropriations. As with most years, several projects had not been completed at the end of the fiscal year and funding for those projects will need to be appropriated for spending in the FY 21/22 budget since the government has issued purchase orders and committed itself to completing the projects.

***Proprietary Funds.*** The City of Washington's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Four out of seven of the enterprise funds had increases in their net position at the close of the fiscal year on the full accrual basis of accounting, Electric Fund, the Storm Water Fund, the Warren Airport Fund and the Cemetery Fund. Six out of seven of the enterprise funds experienced a gain on the budgetary basis of accounting, the Water Fund, the Electric Fund, the Storm Water Fund, the Warren Airport Fund, the Solid Waste Fund, and the Cemetery Fund.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Washington's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$111,935,568 (net of accumulated depreciation). This investment in capital assets includes land, buildings, distribution systems, drainage systems, substations, infrastructure, improvements, office furniture and machines, machinery and equipment, vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$6,108,335 or 5.77% overall. This is represented by a 22.45% increase for governmental activities and an 1.39% increase for business-type activities.

Major capital asset events during the fiscal year included the following:

- The Streetscape Improvement capital project has expenses totaling \$2,823,029 this year and will continue on into next fiscal year.
- Several airport projects are now complete totaling a combined \$6,927,693 investment in the airport. This includes the Corporate Hanger Design, Airport Taxiway and Apron Rehab, Airport Runway Design, and the Taxiway/Apron Pavement Rehab.

- The Electric System improvements completed a major project for the 3<sup>rd</sup> Street Circuit Rebuild that totaled \$724,244 when the project was finished. Several other projects are ongoing such as, the Smallwood Underground Project, Slatestone Substation Rebuild and the DOT Highway 17 Relocation project that will continue to advance our electrical system.
- The general fund has several projects ongoing and a few completed projects. The Rosenbauer Fire Apparatus is an ongoing project with current year expenses totaling \$ 944,575, the Police Station Project is beginning to start, with the Haven's Garden Bulkhead Replacement completed this year for a total of \$285,480. The city financial and utility billing software was also completed this fiscal year totaling \$377,063.

**Figure 4**

**City of Washington's Capital Assets  
(net of accumulated depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 5,312,820	\$ 5,312,820	\$ 1,672,292	\$ 1,672,292	\$ 6,985,112	\$ 6,985,112
Buildings	4,848,707	5,154,308	4,139,754	4,296,040	8,988,461	9,450,348
Infrastructure	6,402,329	5,816,396	-	-	6,402,329	5,816,396
Plants, substations, lines drainage, and runways	-	-	71,551,254	64,548,371	71,551,254	64,548,371
General and mobile equipment	2,941,014	2,679,123	4,871,926	4,188,970	7,812,940	6,868,093
Furniture and office equipment	580,273	178,497	15,226	63,289	595,499	241,786
Construction in progress	6,864,702	2,867,131	2,735,271	9,049,996	9,599,973	11,917,127
Capital assets, net	<u>\$ 26,949,845</u>	<u>\$ 22,008,275</u>	<u>\$ 84,985,723</u>	<u>\$ 83,818,958</u>	<u>\$ 111,935,568</u>	<u>\$ 105,827,233</u>

Additional information on the City's capital assets can be found in Note 5 on pages 43-49 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Washington had total debt outstanding of \$4,668,663.

**Figure 5**

**City of Washington's Outstanding Debt  
Installment Notes, RZEDB, and Revolving Loan Fund**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Noted from direct borrowings	\$ 1,033,350	\$ 1,171,719	\$ 2,123,313	\$ 1,712,783	\$ 3,156,663	\$ 2,884,502
Recovery Zone EDB	12,000	14,667	1,500,000	1,833,333	1,512,000	1,848,000
Total	<u>\$ 1,045,350</u>	<u>\$ 1,186,386</u>	<u>\$ 3,623,313</u>	<u>\$ 3,546,116</u>	<u>\$ 4,668,663</u>	<u>\$ 4,732,502</u>

The City's total debt decreased by \$63,839, or 1.35%, during the current fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation. The current debt limitation for the City of Washington is \$72,110,792. The City's legal debt margin is \$67,442,129.

Additional information on the City of Washington's long-term debt can be found in Note 11 on pages 65-71 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Due to current economic factors and conservative budgeting measures, many General Fund revenues such as sales tax, Powell Bill funds, building permits, and other sales and service revenues are expected to remain relatively flat for FY 21/22 when compared to the current year. The original General Fund budget for FY 21/22 totals \$18,080,308, an increase of \$121,109 or .67%, when compared to the FY 20/21 original budget of \$17,959,199.

The City completed an analysis that calculated the true cost of certain governmental services and determined the amounts being covered by user fees and the costs being subsidized by City taxpayers. As part of the analysis, the City attempted to identify the different groups utilizing facilities and services in an effort to receive additional outside funding from the County for benefits received by County residents using City assets and services. Requests for county funding of these services were made and resulted in funding of \$20,000 for senior programs and \$20,000 for parks & recreation.

There is no contingency currently budgeted in FY 21/22, but fund balance is available for emergency items that may arise during the year.

Major one time projects were funded in FY 2020 and were the primary reason for the decline in fund balance in prior year. \$2.0 million was spent on airport related projects, \$1.8 million on the down town streetscape project, and \$1.0 million for the construction of a new police station. FY 2021 represented a normal project spending year and the fund balance increased \$1.6 million and represents 31% of expenditures. Fund balance was not used to balance the 21/22 budget.

There were increases over the prior year in sales tax revenue of \$ 0.6 million and property taxes of \$ 0.2 million.

### **Budget Highlights for the Fiscal Year Ending June 30, 2022**

The following factors were also considered when preparing the City of Washington's budget for the 21/22 fiscal year:

The unemployment rate for Beaufort County, of which the City of Washington is a part, is currently 4.8%, a 1.8% decrease from a rate of 6.6% in 2020. This compares consistently to the state's average unemployment rate of 4.6% and the national average rate of 5.9%.

The median household come for the City of Washington is \$49,410, or 9.5%, below North Carolina's household income average of \$54,602.

17.6% of Beaufort County residents live below the poverty level.

Ad valorem tax collections are expected to remain above 97%. Retail sales are expected to remain relatively flat in fiscal year 21/22 when compared to 20/21.

The transfer of the dividend payment to the General Fund from the Electric Fund is likely to remain stable over the coming years.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Washington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Office of the Chief Financial Officer, P.O. Box 1988, Washington, North Carolina 27889.



## **Basic Financial Statements**

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## CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Tourism Development Authority
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 9,857,421	\$ 25,993,051	\$ 35,850,472	\$ 339,891
Taxes receivable, net	70,337	-	70,337	-
Accounts receivable, net	2,594,472	5,042,350	7,636,822	46,171
Inventories	74,764	1,139,686	1,214,450	-
Prepaid items	-	-	-	-
Restricted cash and investments	2,073	769,146	771,219	37,550
Security deposits	-	-	-	75
Total current assets	12,599,067	32,944,233	45,543,300	423,687
Non-current assets:				
Capital assets:				
Non-depreciable	12,177,522	4,407,563	16,585,085	-
Depreciable, net	14,772,323	80,578,160	95,350,483	-
Total capital assets	26,949,845	84,985,723	111,935,568	-
Notes receivable, non-current	188,000	-	188,000	-
Total non-current assets	27,137,845	84,985,723	112,123,568	-
Total assets	39,736,912	117,929,956	157,666,868	423,687
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	2,673,599	1,193,098	3,866,697	-
OPEB deferrals	1,555,470	933,280	2,488,750	-
Total deferred outflows of resources	4,229,069	2,126,378	6,355,447	-
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	916,192	2,647,514	3,563,706	44,361
Unearned revenues	-	-	-	11,511
Liabilities payable from restricted assets:				
Customer deposits	2,073	769,146	771,219	37,550
Current portion of long-term liabilities	814,750	1,042,284	1,857,034	-
Total current liabilities	1,733,015	4,458,944	6,191,959	93,422
Long-term liabilities:				
Due in more than one year	900,702	2,950,310	3,851,012	-
Net pension liability (LGERS)	3,538,125	2,145,053	5,683,178	-
Total pension liability (LEOSSA)	2,185,093	-	2,185,093	-
Total OPEB liability	4,904,635	2,942,779	7,847,414	-
Total long-term liabilities	11,528,555	8,038,142	19,566,697	-
Total liabilities	13,261,570	12,497,086	25,758,656	93,422
<b>Deferred Inflows of Resources:</b>				
Prepaid taxes	1,774	-	1,774	-
Pension deferrals	77,377	30,821	108,198	-
OPEB deferrals	92,174	55,305	147,479	-
Total deferred inflows of resources	171,325	86,126	257,451	-
<b>Net Position:</b>				
Net investment in capital assets	25,904,495	81,362,410	107,266,905	-
Restricted for:				
Stabilization by state statute	3,409,866	-	3,409,866	46,246
Permanently restricted for perpetual maintenance - non-expendable	549,853	-	549,853	-
General government	122,927	-	122,927	-
Public safety	85,157	-	85,157	-
Cultural and recreation	28,893	-	28,893	-
Economic and physical development	30,234	-	30,234	-
Tourism promotion	-	-	-	284,019
Unrestricted	401,661	26,110,712	26,512,373	-
Total net position	\$ 30,533,086	\$ 107,473,122	\$ 138,006,208	\$ 330,265

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

CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 2,185,813	\$ 466,695	\$ -	\$ 13,261
Public safety	7,687,070	632,594	656,125	-
Transportation	1,437,030	3,885	-	144,851
Environmental protection	221,835	-	-	-
Cultural and recreation	1,972,028	232,158	29,542	34,519
Economic and physical development	1,126,055	-	-	861,927
Interest on long-term debt	29,277	-	-	-
Total governmental activities	<u>14,659,108</u>	<u>1,335,332</u>	<u>685,667</u>	<u>1,054,558</u>
<b>Business-Type Activities:</b>				
Water	3,846,483	3,451,820	-	128,645
Sewer	3,476,448	3,473,472	-	-
Electric	29,076,726	33,485,154	89,679	9,581
Stormwater utility	956,502	1,225,389	-	127,155
Warren Field Airport	706,428	359,453	-	352,084
Solid waste	1,580,339	1,545,267	-	-
Cemetery	337,178	253,919	-	-
Total business-type activities	<u>39,980,104</u>	<u>43,794,474</u>	<u>89,679</u>	<u>617,465</u>
Total primary government	<u>\$ 54,639,212</u>	<u>\$ 45,129,806</u>	<u>\$ 775,346</u>	<u>\$ 1,672,023</u>
<b>Component Unit:</b>				
Tourism Development Authority	<u>\$ 387,146</u>	<u>\$ 34,204</u>	<u>\$ 58,225</u>	<u>\$ -</u>

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

CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	Tourism Development Authority
<b>Functions/Programs:</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (1,705,857)	\$ -	\$ (1,705,857)
Public safety	(6,398,351)	-	(6,398,351)
Transportation	(1,288,294)	-	(1,288,294)
Environmental protection	(221,835)	-	(221,835)
Cultural and recreation	(1,675,809)	-	(1,675,809)
Economic and physical development	(264,128)	-	(264,128)
Interest on long-term debt	(29,277)	-	(29,277)
Total governmental activities	(11,583,551)	-	(11,583,551)
<b>Business-Type Activities:</b>			
Water	-	(266,018)	(266,018)
Sewer	-	(2,976)	(2,976)
Electric	-	4,507,688	4,507,688
Stormwater utility	-	396,042	396,042
Warren Field Airport	-	5,109	5,109
Solid waste	-	(35,072)	(35,072)
Cemetery	-	(83,259)	(83,259)
Total business-type activities	-	4,521,514	4,521,514
Total primary government	(11,583,551)	4,521,514	(7,062,037)
<b>Component Unit:</b>			
Tourism Development Authority			\$ (294,717)
<b>General Revenues:</b>			
<b>Taxes:</b>			
Ad valorem taxes	4,827,785	-	4,827,785
Local option sales tax	3,313,783	-	3,313,783
Utility franchise tax	1,185,445	-	1,185,445
Local occupancy tax	324,560	-	324,560
Other taxes and licenses	958,758	-	958,758
Interest earnings	29,535	65,368	94,903
Miscellaneous	-	-	-
Total general revenues, not including transfers	10,639,866	65,368	10,705,234
<b>Transfers</b>	1,764,846	(1,764,846)	-
Total general revenues and transfers	12,404,712	(1,699,478)	10,705,234
Change in net position	821,161	2,822,036	3,643,197
<b>Net Position:</b>			
Beginning of year - July 1	29,711,925	104,651,086	134,363,011
End of year - June 30	\$ 30,533,086	\$ 107,473,122	\$ 138,006,208

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

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **BALANCE SHEET - GOVERNMENTAL FUNDS** **JUNE 30, 2021**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 5,647,371	\$ 2,408,348	\$ 8,055,719
Taxes receivable, net	70,337	-	70,337
Accounts receivable, net	2,307,572	286,900	2,594,472
Notes receivable, net	-	188,000	188,000
Due from other funds	212,058	-	212,058
Inventories	74,764	-	74,764
Restricted cash and investments	2,073	-	2,073
Total assets	<u>\$ 8,314,175</u>	<u>\$ 2,883,248</u>	<u>\$ 11,197,423</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 767,824	\$ 41,777	\$ 809,601
Due to other funds	-	212,058	212,058
Liabilities payable from restricted assets:			
Customer deposits	2,073	-	2,073
Total liabilities	<u>769,897</u>	<u>253,835</u>	<u>1,023,732</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	70,337	-	70,337
Prepaid taxes	1,774	-	1,774
EMS receivable	192,435	-	192,435
Other accounts receivable	34,172	-	34,172
Grant receivable	74,547	-	74,547
Total deferred inflows of resources	<u>373,265</u>	<u>-</u>	<u>373,265</u>
<b>Fund Balances:</b>			
Non-spendable, not in spendable form:			
Inventories	74,764	-	74,764
Perpetual maintenance - library care	-	95,395	95,395
Perpetual maintenance - cemetery care	-	454,458	454,458
Restricted:			
Stabilization by state statute	2,555,461	854,405	3,409,866
Restricted, all other	236,977	30,234	267,211
Committed	2,521	1,506,736	1,509,257
Assigned	68,917	39,343	108,260
Unassigned	4,232,373	(351,158)	3,881,215
Total fund balances	<u>7,171,013</u>	<u>2,629,413</u>	<u>9,800,426</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,314,175</u>	<u>\$ 2,883,248</u>	<u>\$ 11,197,423</u>

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

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **BALANCE SHEET - GOVERNMENTAL FUNDS** **JUNE 30, 2021**

	<u><b>Total Governmental Funds</b></u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balance, governmental funds	\$ 9,800,426
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	23,728,270
Net pension liability - LGERS	(3,538,125)
Total OPEB liability	(4,904,635)
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred inflows of resources in the funds.	371,491
Deferred outflows of resources related to pensions are not reported in the funds.	2,673,599
Deferred outflows of resources related to OPEB are not reported in the funds.	1,555,470
Total pension liability - LEOSSA	(2,185,093)
Internal services funds are used by management to charge the costs of workers' compensation claims, vehicle replacement, and facility maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position in the fund statements.	4,916,712
Long-term liabilities and compensated absences are not due and payable in the current year and, therefore, are not reported in the funds.	(1,715,452)
Deferred inflows of resources related to pensions are not reported in the funds.	(77,377)
Deferred inflows of resources related to OPEB are not reported in the funds.	(92,174)
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(26)</u>
Net position of governmental activities, per Exhibit A	<u>\$ 30,533,086</u>

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

## CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,833,834	\$ -	\$ 4,833,834
Other taxes and licenses	3,742,408	-	3,742,408
Unrestricted intergovernmental	2,040,138	-	2,040,138
Restricted intergovernmental	803,751	866,427	1,670,178
Permits and fees	141,401	-	141,401
Sales and services	919,170	-	919,170
Investment earnings	12,653	7,782	20,435
Miscellaneous	54,807	(4,500)	50,307
Total revenues	<u>12,548,162</u>	<u>869,709</u>	<u>13,417,871</u>
<b>Expenditures:</b>			
Current:			
General government	2,096,303	2,500	2,098,803
Public safety	7,119,530	290,512	7,410,042
Transportation	1,229,946	-	1,229,946
Environmental protection	102,353	1,625	103,978
Cultural and recreation	2,744,977	22,017	2,766,994
Economic and physical development	-	4,064,349	4,064,349
Debt service:			
Principal retirement	141,036	-	141,036
Interest and fees	29,285	-	29,285
Total expenditures	<u>13,463,430</u>	<u>4,381,003</u>	<u>17,844,433</u>
Revenues over (under) expenditures	<u>(915,268)</u>	<u>(3,511,294)</u>	<u>(4,426,562)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	2,210,770	739,939	2,950,709
Transfers to other funds	(972,781)	(213,082)	(1,185,863)
Total other financing sources (uses)	<u>1,237,989</u>	<u>526,857</u>	<u>1,764,846</u>
Net change in fund balances	322,721	(2,984,437)	(2,661,716)
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>6,848,292</u>	<u>5,613,850</u>	<u>12,462,142</u>
End of year - June 30	<u>\$ 7,171,013</u>	<u>\$ 2,629,413</u>	<u>\$ 9,800,426</u>

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



## CITY OF WASHINGTON, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Total net change in fund balances - governmental funds (Exhibit D)	\$ (2,661,716)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase to capital assets.	4,402,382
Transfers of capital assets from business-type to governmental activities are not reflected as transfers in the governmental fund financials as they are not outflows of current financial resources.	3,681
Depreciation is recognized as an expense in the Statement of Activities. However, it is not reported in the governmental funds.	(876,195)
In the Statement of Activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(21,695)
Property taxes and EMS fees	65,176
Grant receivable	74,547
Pension expense - LEOSSA	(118,114)
Pension expense - LGERS	(461,892)
OPEB plan expense	(156,857)
Principal repayments are expenditures in the fund financial statements. However, it reduces long-term debt in the Statement of Net Position.	141,036
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	8
Consolidation adjustment for the Internal Service Fund and the governmental funds	452,364
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	<u>(21,564)</u>
Change in net position of governmental activities	<u>\$ 821,161</u>

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

## CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance From
	Original	Final	Actual	Final Budget Over/Under
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,493,737	\$ 4,493,737	\$ 4,833,834	\$ 340,097
Other taxes and licenses	3,093,662	3,093,662	3,742,408	648,746
Unrestricted intergovernmental	2,095,146	2,095,146	2,040,138	(55,008)
Restricted intergovernmental	477,602	884,648	803,751	(80,897)
Permits and fees	116,000	116,000	141,401	25,401
Sales and services	1,209,996	1,213,496	919,170	(294,326)
Investment earnings	165,300	165,300	12,653	(152,647)
Miscellaneous	47,000	47,000	54,807	7,807
Total revenues	<u>11,698,443</u>	<u>12,108,989</u>	<u>12,548,162</u>	<u>439,173</u>
<b>Expenditures:</b>				
General government	2,746,699	3,012,702	2,096,303	916,399
Public safety	7,433,065	7,643,468	7,119,530	523,938
Transportation	1,411,257	1,568,605	1,229,946	338,659
Environmental protection	95,103	110,535	102,353	8,182
Cultural and recreation	2,712,586	3,171,171	2,744,977	426,194
Debt service:				
Principal retirement	141,038	141,038	141,036	2
Interest and fees	29,289	29,289	29,285	4
Total expenditures	<u>14,569,037</u>	<u>15,676,808</u>	<u>13,463,430</u>	<u>2,213,378</u>
Revenues over (under) expenditures	<u>(2,870,594)</u>	<u>(3,567,819)</u>	<u>(915,268)</u>	<u>2,652,551</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	2,116,610	2,210,772	2,210,770	(2)
Transfers to other funds	(419,812)	(972,781)	(972,781)	-
Appropriated fund balance	1,173,796	2,329,828	-	(2,329,828)
Total other financing sources (uses)	<u>2,870,594</u>	<u>3,567,819</u>	<u>1,237,989</u>	<u>(2,329,830)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	322,721	<u>\$ 322,721</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>6,845,771</u>	
End of year - June 30			<u>\$ 7,168,492</u>	

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

## CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total	Governmental Activities
	Water Fund	Sewer Fund	Electric Fund	Stormwater Utility Fund	Warren Field Airport Fund			Internal Service Funds
<b>Assets:</b>								
Current assets:								
Cash and cash equivalents	\$ 4,223,787	\$ 2,318,667	\$ 17,034,100	\$ 1,197,939	\$ 318,664	\$ 899,894	\$ 25,993,051	\$ 1,801,702
Accounts receivable, net	581,510	392,036	3,612,519	271,335	3,695	181,255	5,042,350	-
Inventories	94,989	53,577	969,990	-	21,130	-	1,139,686	-
Restricted cash and investments	72,333	-	696,813	-	-	-	769,146	-
Total current assets	<u>4,972,619</u>	<u>2,764,280</u>	<u>22,313,422</u>	<u>1,469,274</u>	<u>343,489</u>	<u>1,081,149</u>	<u>32,944,233</u>	<u>1,801,702</u>
Non-current assets:								
Non-depreciable capital assets	378,817	57,994	2,401,611	302,493	1,266,648	-	4,407,563	-
Capital assets, net of accumulated depreciation	<u>11,869,760</u>	<u>18,921,345</u>	<u>31,723,714</u>	<u>7,678,487</u>	<u>9,429,320</u>	<u>955,534</u>	<u>80,578,160</u>	<u>3,221,575</u>
Total capital assets, net	<u>12,248,577</u>	<u>18,979,339</u>	<u>34,125,325</u>	<u>7,980,980</u>	<u>10,695,968</u>	<u>955,534</u>	<u>84,985,723</u>	<u>3,221,575</u>
Total non-current assets	<u>12,248,577</u>	<u>18,979,339</u>	<u>34,125,325</u>	<u>7,980,980</u>	<u>10,695,968</u>	<u>955,534</u>	<u>84,985,723</u>	<u>3,221,575</u>
Total assets	<u>17,221,196</u>	<u>21,743,619</u>	<u>56,438,747</u>	<u>9,450,254</u>	<u>11,039,457</u>	<u>2,036,683</u>	<u>117,929,956</u>	<u>5,023,277</u>
<b>Deferred Outflows of Resources:</b>								
Pension deferrals	240,797	194,597	498,537	13,200	-	245,967	1,193,098	-
OPEB deferrals	<u>255,541</u>	<u>66,663</u>	<u>366,646</u>	<u>55,552</u>	<u>11,110</u>	<u>177,768</u>	<u>933,280</u>	<u>-</u>
Total deferred outflows of resources	<u>496,338</u>	<u>261,260</u>	<u>865,183</u>	<u>68,752</u>	<u>11,110</u>	<u>423,735</u>	<u>2,126,378</u>	<u>-</u>
<b>Liabilities:</b>								
Current liabilities:								
Accounts payable and accrued liabilities	93,013	109,749	2,305,640	27,341	52,252	59,519	2,647,514	106,565
Liabilities payable from restricted assets:								
Customer deposits	72,333	-	696,813	-	-	-	769,146	-
Current portion of installment notes	-	-	-	-	-	124,292	124,292	-
Current portion of revolving loans	-	215,378	-	-	-	-	215,378	-
Current portion of Recovery Zone Economic Development bonds	-	-	-	333,333	-	-	333,333	-
Current portion of compensated absences	<u>72,214</u>	<u>68,935</u>	<u>133,363</u>	<u>26,803</u>	<u>1,721</u>	<u>66,245</u>	<u>369,281</u>	<u>-</u>
Total current liabilities	<u>237,560</u>	<u>394,062</u>	<u>3,135,816</u>	<u>387,477</u>	<u>53,973</u>	<u>250,056</u>	<u>4,458,944</u>	<u>106,565</u>
Non-current liabilities:								
Net pension liability	441,486	339,605	894,755	29,109	-	440,098	2,145,053	-
Non-current portion of installment notes	-	-	-	-	-	501,616	501,616	-
Non-current portion of revolving loans	-	1,282,027	-	-	-	-	1,282,027	-
Non-current portion of Recovery Zone Economic Development bonds	-	-	-	1,166,667	-	-	1,166,667	-
Total OPEB liability	<u>805,761</u>	<u>210,199</u>	<u>1,156,092</u>	<u>175,165</u>	<u>35,033</u>	<u>560,529</u>	<u>2,942,779</u>	<u>-</u>
Total non-current liabilities	<u>1,247,247</u>	<u>1,831,831</u>	<u>2,050,847</u>	<u>1,370,941</u>	<u>35,033</u>	<u>1,502,243</u>	<u>8,038,142</u>	<u>-</u>
Total liabilities	<u>1,484,807</u>	<u>2,225,893</u>	<u>5,186,663</u>	<u>1,758,418</u>	<u>89,006</u>	<u>1,752,299</u>	<u>12,497,086</u>	<u>106,565</u>
<b>Deferred Inflows of Resources:</b>								
Pension deferrals	3,694	8,053	13,338	(1,245)	-	6,981	30,821	-
OPEB deferrals	<u>15,143</u>	<u>3,950</u>	<u>21,727</u>	<u>3,292</u>	<u>658</u>	<u>10,535</u>	<u>55,305</u>	<u>-</u>
Total deferred inflows of resources	<u>18,837</u>	<u>12,003</u>	<u>35,065</u>	<u>2,047</u>	<u>658</u>	<u>17,516</u>	<u>86,126</u>	<u>-</u>
<b>Net Position:</b>								
Net investment in capital assets	12,248,577	17,481,934	34,125,325	6,480,980	10,695,968	329,626	81,362,410	3,221,575
Unrestricted	<u>3,965,313</u>	<u>2,285,049</u>	<u>17,956,877</u>	<u>1,277,561</u>	<u>264,935</u>	<u>360,977</u>	<u>26,110,712</u>	<u>1,695,137</u>
Total net position	<u>\$ 16,213,890</u>	<u>\$ 19,766,983</u>	<u>\$ 52,082,202</u>	<u>\$ 7,758,541</u>	<u>\$ 10,960,903</u>	<u>\$ 690,603</u>	<u>\$ 107,473,122</u>	<u>\$ 4,916,712</u>

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

## CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total	Governmental Activities
	Water Fund	Sewer Fund	Electric Fund	Stormwater Utility Fund	Warren Field Airport Fund			Internal Service Funds
<b>Operating Revenues:</b>								
Charges for sales and services	\$ 3,251,042	\$ 3,401,736	\$ 32,909,925	\$ 1,218,300	\$ 357,019	\$ 1,791,741	\$ 42,929,763	\$ 706,197
Late penalty charges	17,281	22,433	187,265	6,975	-	-	233,954	-
Other	106,032	37,520	250,464	114	2,434	509	397,073	-
Total operating revenues	<u>3,374,355</u>	<u>3,461,689</u>	<u>33,347,654</u>	<u>1,225,389</u>	<u>359,453</u>	<u>1,792,250</u>	<u>43,560,790</u>	<u>706,197</u>
<b>Operating Expenses:</b>								
Administration	1,295,393	769,456	2,694,179	620,296	-	-	5,379,324	-
Wastewater treatment and collection	-	1,761,296	-	-	-	-	1,761,296	-
Water treatment and distribution	1,754,855	-	-	-	-	-	1,754,855	-
Electrical operations	-	-	3,839,539	-	-	-	3,839,539	-
Electric power purchases	-	-	21,298,091	-	-	-	21,298,091	-
Warren Field Airport operations	-	-	-	-	556,710	-	556,710	-
Solid waste operations	-	-	-	-	-	1,513,838	1,513,838	-
Cemetery operations	-	-	-	-	-	311,132	311,132	-
Depreciation	796,235	929,748	1,142,266	251,169	149,718	85,659	3,354,795	264,725
Insurance claims	-	-	-	-	-	-	-	3,747
Construction	-	-	-	-	-	-	-	22,036
Total operating expenses	<u>3,846,483</u>	<u>3,460,500</u>	<u>28,974,075</u>	<u>871,465</u>	<u>706,428</u>	<u>1,910,629</u>	<u>39,769,580</u>	<u>290,508</u>
<b>Operating income (loss)</b>	<u>(472,128)</u>	<u>1,189</u>	<u>4,373,579</u>	<u>353,924</u>	<u>(346,975)</u>	<u>(118,379)</u>	<u>3,791,210</u>	<u>415,689</u>
<b>Non-Operating Revenues (Expenses):</b>								
Rents	40,407	-	-	-	-	-	40,407	-
Recovery of doubtful accounts	1,140	1,897	-	-	-	-	3,037	-
Investment earnings	2,907	3,961	13,931	41,710	681	2,178	65,368	9,100
Sale of surplus and scrap	10,850	-	45,358	-	-	-	56,208	-
Loss on disposal of capital asset	-	-	-	-	-	(6,429)	(6,429)	-
Fines and meters	-	-	9,297	-	-	-	9,297	-
Solid waste disposal tax	-	-	-	-	-	6,936	6,936	-
Interest expense	-	(15,948)	-	(85,037)	-	(459)	(101,444)	-
Grants funds	-	-	-	-	8,062	-	8,062	-
FEMA assistance	-	-	89,679	-	-	-	89,679	-
Hurricane FEMA grant expenses	-	-	(102,651)	-	-	-	(102,651)	-
Miscellaneous	25,068	9,886	82,845	-	-	-	117,799	27,575
Total non-operating revenues (expenses)	<u>80,372</u>	<u>(204)</u>	<u>138,459</u>	<u>(43,327)</u>	<u>8,743</u>	<u>2,226</u>	<u>186,269</u>	<u>36,675</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(391,756)</u>	<u>985</u>	<u>4,512,038</u>	<u>310,597</u>	<u>(338,232)</u>	<u>(116,153)</u>	<u>3,977,479</u>	<u>452,364</u>
<b>Capital Contributions and Transfers:</b>								
Capital contributions	128,645	-	9,581	127,155	344,022	-	609,403	-
Transfers in	-	-	-	-	232,842	155,312	388,154	-
Transfers out	(148,365)	(116,934)	(1,839,653)	-	(48,048)	-	(2,153,000)	-
Total contributions and transfers	<u>(19,720)</u>	<u>(116,934)</u>	<u>(1,830,072)</u>	<u>127,155</u>	<u>528,816</u>	<u>155,312</u>	<u>(1,155,443)</u>	<u>-</u>
Change in net position	(411,476)	(115,949)	2,681,966	437,752	190,584	39,159	2,822,036	452,364
<b>Net Position:</b>								
Beginning of year - July 1	<u>16,625,366</u>	<u>19,882,932</u>	<u>49,400,236</u>	<u>7,320,789</u>	<u>10,770,319</u>	<u>651,444</u>	<u>104,651,086</u>	<u>4,464,348</u>
End of year - June 30	<u>\$ 16,213,890</u>	<u>\$ 19,766,983</u>	<u>\$ 52,082,202</u>	<u>\$ 7,758,541</u>	<u>\$ 10,960,903</u>	<u>\$ 690,603</u>	<u>\$ 107,473,122</u>	<u>\$ 4,916,712</u>

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

## CITY OF WASHINGTON, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total	Governmental Activities
	Water Fund	Sewer Fund	Electric Fund	Stormwater Utility Fund	Warren Field Airport Fund			Internal Service Funds
<b>Cash Flows From Operating Activities:</b>								
Cash received from customers	\$ 3,418,082	\$ 3,475,427	\$ 33,945,844	\$ 977,920	\$ 2,671,743	\$ 1,798,207	\$ 46,287,223	\$ 733,872
Cash paid to employees for services	(682,550)	(1,074,250)	(2,467,068)	(175,981)	(71,986)	(782,071)	(5,253,906)	(101,452)
Cash paid to suppliers	(2,070,857)	(1,564,990)	(25,308,971)	(264,860)	(1,015,390)	(924,365)	(31,149,433)	(1,558)
Net cash provided (used) by operating activities	664,675	836,187	6,169,805	537,079	1,584,367	91,771	9,883,884	630,862
<b>Cash Flows From Non-Capital Financing Activities:</b>								
Payments to/from other funds	-	-	-	-	(1,417,006)	-	(1,417,006)	-
Transfers from other funds	-	-	-	-	232,842	155,312	388,154	-
Transfers to other funds	(148,365)	(116,934)	(1,839,653)	-	(48,048)	-	(2,153,000)	-
Net cash provided (used) by non-capital financing activities	(148,365)	(116,934)	(1,839,653)	-	(1,232,212)	155,312	(3,181,852)	-
<b>Cash Flows From Capital and Related Financing Activities:</b>								
Interest paid on notes, bonds, and loans	-	(15,948)	-	(85,037)	-	(459)	(101,444)	-
Acquisition of capital assets	(575,050)	(699,718)	(2,043,593)	(177,239)	(381,006)	(660,098)	(4,536,704)	(1,698,122)
Capital contributions	189,855	-	4,903	254,310	338,772	-	787,840	-
Grant revenue	52,279	-	89,679	-	8,062	6,936	156,956	-
Proceeds from issuance of debt	-	-	-	-	-	625,908	625,908	-
Principal payments on long-term debt	-	(215,378)	-	(333,333)	-	-	(548,711)	-
Net cash provided (used) by capital and related financing activities	(332,916)	(931,044)	(1,949,011)	(341,299)	(34,172)	(27,713)	(3,616,155)	(1,698,122)
<b>Cash Flows From Investing Activities:</b>								
Investment earnings	2,907	3,961	13,931	41,710	681	2,178	65,368	9,100
Net cash provided (used) by investing activities	2,907	3,961	13,931	41,710	681	2,178	65,368	9,100
Net increase (decrease) in cash and cash equivalents/investments	186,301	(207,830)	2,395,072	237,490	318,664	221,548	3,151,245	(1,058,160)
<b>Cash and Cash Equivalents/Investments:</b>								
Beginning of year - July 1	4,109,819	2,526,497	15,335,841	960,449	-	678,346	23,610,952	2,859,862
End of year - June 30	\$ 4,296,120	\$ 2,318,667	\$ 17,730,913	\$ 1,197,939	\$ 318,664	\$ 899,894	\$ 26,762,197	\$ 1,801,702
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>								
Operating income (loss)	\$ (472,128)	\$ 1,189	\$ 4,373,579	\$ 353,924	\$ (346,975)	\$ (118,379)	\$ 3,791,210	\$ 415,689
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>								
Depreciation	796,235	929,748	1,142,266	251,169	149,718	85,659	3,354,795	264,725
Non-operating (expenses)	-	-	(57,293)	-	-	-	(57,293)	-
Non-operating revenues	77,465	11,783	92,142	-	-	-	181,390	27,575
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	(45,082)	1,955	335,523	(247,469)	2,312,290	5,957	2,363,174	100
(Increase) decrease in inventories	11,047	(296)	55,311	-	20,982	-	87,044	-
(Increase) decrease in deferred outflows of resources - pensions	(66,000)	(19,800)	(99,000)	(13,200)	-	(46,200)	(244,200)	-
(Increase) decrease in deferred outflows of resources - OPEB	(187,269)	(2,942)	(202,793)	(55,552)	(6,559)	(109,496)	(564,611)	-
Increase (decrease) in deferred inflows of resources - pensions	(6,227)	(1,868)	(9,341)	(1,245)	-	(4,359)	(23,040)	-
Increase (decrease) in deferred inflows of resources - OPEB	3,184	(7,211)	(6,974)	3,292	(139)	(1,424)	(9,272)	-
Increase (decrease) in net pension liability	145,544	43,663	218,316	29,109	-	101,881	538,513	-
Increase (decrease) in accounts payable and accrued liabilities	(7,447)	34,362	(12,010)	15,083	(553,696)	11,707	(512,001)	(77,227)
Increase (decrease) in customer deposits	11,344	-	125,167	-	-	-	136,511	-
Increase (decrease) in compensated absences payable	(5,665)	5,086	9,429	26,803	119	1,983	37,755	-
Increase (decrease) in OPEB liability	409,674	(159,482)	205,483	175,165	8,627	164,442	803,909	-
Net cash provided (used) by operating activities	\$ 664,675	\$ 836,187	\$ 6,169,805	\$ 537,079	\$ 1,584,367	\$ 91,771	\$ 9,883,884	\$ 630,862
<b>Non-Cash Investing, Capital, and Financing Activities:</b>								
Transfer of capital assets	\$ (8,931)	\$ -	\$ -	\$ -	\$ 5,250	\$ (5,760)	\$ (9,441)	\$ -

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

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## **Notes to Basic Financial Statements**

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# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 1. Summary of Significant Accounting Policies

The accounting policies of the City of Washington (the "City") and its discretely presented component unit conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governments. 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:

#### A. Reporting Entity

The City is a municipal corporation that operates under the mayor-council-manager form of government. Services include economic and physical development, public safety (police and fire), transportation, public works, cultural/recreation, environmental protection, electric, water, sewer, stormwater, airport, general, and administrative services.

As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

#### City of Washington Tourism Development Authority

The City of Washington Tourism Development Authority (TDA) is governed by members appointed by the City Council of the City. The City is financially accountable for the TDA, as the TDA derives its revenues through a special room tax authorized and, collected by the City. Creation of the Tourism Development Authority is required by the state statute to use the funds remitted to promote travel and tourism and shall use the remainder for tourism related expenditures, SL 1991-158. The Tourism Development Authority, which has a June 30 year-end, is presented as if it were a governmental fund (discrete presentation). Complete financial statements for the TDA may be obtained by writing Washington Tourism Development Authority, Post Office Box 1765, Washington, North Carolina 27889.

#### B. Basis of Presentation

*Government-Wide Statements.* The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements.* The fund financial statements provide information about the City's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

**General Fund.** The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for public safety, transportation, environmental protection, cultural and recreation, and general governmental services. The City has legally adopted an Economic Development Capital Reserve Fund. Under GASB 54 guidance, the Economic Development Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Economic Development Capital Reserve Fund has been included in the supplemental information.

The City reports the following nonmajor governmental funds:

**Special Revenue Funds.** Special revenue funds account for specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes. The City maintains one special revenue fund: the CDBG Program Income Fund.

**Capital Project Funds.** The City maintains 14 capital project funds: the New Police Station Fund, the Public Safety Capital Reserve Fund, the Facade Program Fund, the Way Finding Project Fund, the Financial and Utility Software Project Fund, the Castle Island CDBG Grant, the Streetscape Improvement Fund, the Library Expansion Fund, the Kayak Access Grant, the EPA Brownsfield Grant Fund, the CDBG-NR Fund, the Kate B. Reynolds Trust Grant, the DEQ Recycling Grant, and the DEQ Wetlands Boardwalk Reconstruction Phase I Grant.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

**Permanent Funds.** The permanent funds account for the assets held by the City in a trustee capacity. The interest earned on the investments is used to support the perpetual care and upkeep for the City's two permanent funds: The Library Trust Fund and the Cemetery Trust Fund.

The City reports the following major enterprise funds:

**Water Fund.** This fund accounts for the operations of the City's water system.

**Sewer Fund.** This fund accounts for the operations of the City's wastewater system.

**Electric Fund.** This fund accounts for the operations of the City's electric system.

**Stormwater Utility Fund.** This fund accounts for the operations of the City's stormwater system.

**Warren Field Airport Fund.** This fund accounts for the operations of the City's airfield operations.

For financial reporting purposes, the Water Capital Reserve Fund, the DOT Bridge #3 Pipeline Relocation, Water Capital Project Fund, the Water Asset Inventory Grant #H-AIA-D-20-0192, and the Water Fund Grant Fund funds have been consolidated with the Water Fund. The Sewer Capital Reserve Fund, the Sewer Plant Expansion Fund, and the Sewer Fund Grant Fund funds have been consolidated with the Sewer Fund. The DOT Highway 17 Electric Relocation and the Electric Capital Project Fund funds have been consolidated with the Electric Fund. The Stormwater Capital Projects Fund and the Medical District Drainage Stormwater Grant funds have been consolidated with the Stormwater Utility Fund. The Airport Runway Capital Project Fund, the Airport Rehabilitation Capital Project Fund, the Corporate Hanger Design Grant Fund, the Airport Taxiway/Apron Pavement Rehabilitation 36244.51.11.2, the Airport Pavement Rehabilitation 36237.38.17.1, and the Airport Grant Fund have been consolidated with the Warren Field Airport Fund.

The City reports the following nonmajor enterprise funds:

The City has two nonmajor enterprise funds: The Solid Waste Fund and the Cemetery Fund. For financial reporting purposes, the Solid Waste Grant Fund has been consolidated with the Solid Waste Fund.

**Internal Service Funds.** The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The Workers' Compensation Reserve Fund is used to finance and account for the City's Workers' Compensation Insurance program. The Vehicle Replacement Reserve Fund is used to finance and account for the City's General Fund vehicle replacements. The Facility Maintenance Reserve Fund is used to finance and account for maintenance and rehabilitation of City facilities.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### C. Measurement Focus and Basis of Accounting

In accordance with the North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

**Government-Wide and Proprietary Fund Financial Statements.** The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the government are recognized as revenue. Sales taxes are considered a shared revenue for the City of Washington because the tax is levied by Beaufort County and then remitted to and distributed by the state. Intergovernmental revenues, sales and services, and fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Licenses, fines, permits, and other revenue are not susceptible to accrual because they are generally not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

### **D. Budgetary Data**

Budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Economic Development Capital Reserve Fund, certain special revenue funds, capital project funds, permanent funds, and enterprise funds. The CDBG Program Income Special Revenue Fund has a legally adopted annual budget. Capital project funds that have legally adopted annual budgets are the Facade Program Fund and the Public Safety Capital Reserve Fund. The Water Capital Reserve Fund and the Sewer Capital Reserve Fund have legally adopted annual budgets, which are combined with the enterprise funds in the accompanying financial statements. All appropriations lapse at the fiscal year-end. All other special revenue funds and capital project funds have legally adopted project budgets. The DOT Bridge #3 Pipeline Relocation, CDBG-NR # 14-D-2971, Streetscape Improvement, Police Station, Financial Software, Way Finding, Airport Runway, Airport Rehab, Corporate Hanger, Airport Taxiway/Apron Pavement Rehab, Airport Pavement Rehab, Airport Grant Fund, Castle Island, Kayak Access, EPA Brownfields, Library Expansion, DOT Hwy 17 Electric Relocation, Water Capital Project, Water Asset Inventory Grant, Water Grant Fund, Sewer Plant Expansion, Sewer Grant Fund, Electric Capital Project, Medical District Drainage, DEQ Recycling, DEQ Wetlands Boardwalk, and Stormwater Capital Project legally adopt a project budget. The City's Workers' Compensation Reserve Fund, Vehicle Replacement Reserve Fund, and Facility Maintenance Reserve Fund, internal service funds, operate under a financial plan, which were adopted by the governing Board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, permanent funds, and proprietary funds, and at the object level for the capital project funds and the enterprise capital project funds. The City Manager and Finance Director are authorized by budget ordinance to transfer appropriations between departments within a fund; however, any revisions that alter the total expenditures of any fund or that change functional appropriations must be approved by the governing Board at its next regular meeting. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget must be adopted by July 1 of the fiscal year, or the governing Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity**

#### **Deposits**

All deposits of the City and the TDA are made in Board-designated official depositories and are secured or required by G.S. 159-31. The City and the TDA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

#### **Investments**

State law [G.S. 159-30(c)] authorizes the City and the TDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). Non-participating interest-earning contracts are accounted for at cost. The NCCMT Government Portfolio, which consists of a SEC-registered fund, is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

#### **Cash and Cash Equivalents**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The TDA considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Restricted Assets

For the purposes of reporting cash flows, the City's restricted assets are considered to be cash and/or cash equivalents. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

#### City of Washington Restricted Cash

##### **Governmental Activities:**

General Fund - customer deposits	\$ 2,073
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##### **Business-Type Activities:**

##### Enterprise Funds:

Water Fund - customer deposits	72,333
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Electric Fund - customer deposits	696,813
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Total business-type activities	\$ 769,146
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### Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

### Allowance for Uncollectible Accounts

Allowances for doubtful accounts are maintained on all types of receivables that historically experience uncollectible accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

### Inventories and Prepaid Items

All fund-type inventories are valued at cost, which approximates market, using the moving average cost method. The costs of these inventories are expensed when consumed rather than when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are expensed as the items are used.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City's capital assets are recorded at original cost or at estimated historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The City's capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The major classifications of depreciable assets are as follows:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Buildings	45 years
Other improvements	45 years
General equipment	5 to 10 years
Office machines	5 to 19 years
Furniture	5 to 19 years
Infrastructure	45 years
Plant and distribution systems	45 to 67 years
Substations, lines, and equipment	45 years
Vehicles	10 years

### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet these criteria – pension and OPEB related deferrals. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criteria, for this category – property taxes receivable, prepaid taxes, EMS receivable, grant receivable, miscellaneous receivables, and pension and OPEB related deferrals.



# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable is reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

### **Compensated Absences**

The vacation policies of the City provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Any unused sick leave accumulated at the time of retirement is used in the determination of length of service for retirement benefit purposes. Upon termination of employment for other than retirement, an employee hired prior to July 1, 1994 is paid for 25% of unused sick leave. For employees hired on or after July 1, 1994, there is no payment for unused sick leave.

The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

### **Net Position**

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through state statute.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### **Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

### **Non-Spendable Fund Balance**

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Inventories* – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

*Perpetual Maintenance* – cemetery and library resources that are required to be retained in perpetuity for maintenance of the cemetery and library.

### **Restricted Fund Balance**

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

*Stabilization by State Statute* – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

*Restricted for General Government* – portion of fund balance that is restricted by revenue source for general government administration.

*Restricted for Public Safety* – portion of fund balance restricted by revenue source for public safety related activities such as police, fire, and E-911.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

*Restricted for Economic and Physical Development* – portion of fund balance restricted by revenue source for economic development purposes.

*Restricted for Cultural and Recreational* – portion of fund balance restricted by revenue source for use for parks, libraries, arts, and other related activities.

Restricted fund balance at June 30, 2021 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Restricted, all other:		
General government	\$ 122,927	\$ -
Public safety	85,157	-
Economic and physical development	-	30,234
Cultural and recreational	28,893	-
Total	<u>\$ 236,977</u>	<u>\$ 30,234</u>

### Committed Fund Balance

This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for Economic Development* – portion of fund balance that has been budgeted by the City Council for economic development purposes.

*Committed for Public Safety* – represents the portion of fund balance committed by the governing body for future public safety capital related purposes.

Committed fund balance at June 30, 2021 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Economic development	\$ 2,521	\$ 310,432
Public safety	-	1,196,304
Total	<u>\$ 2,521</u>	<u>\$ 1,506,736</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Assigned Fund Balance

Assigned fund balance is the portion of fund balance that the City of Washington intends to use for specific purposes. The City's governing body approves the appropriation; however, the budget ordinance authorizes the Manager and Finance Officer to transfer appropriations between departments within a fund; however, any revisions that alter the total expenditures of any fund or that change functional appropriations must be approved by the governing board at its next regular meeting.

*Assigned for Economic and Physical Development* – portion of fund balance budgeted by City Council for economic development incentives relating to the Facade Program Fund.

*Assigned for Streets* – portion of fund balance budgeted by City Council for future projects.

Assigned fund balance at June 30, 2021 is as follows:

<u>Purpose</u>	<b>Other</b>	
	<b>General Fund</b>	<b>Governmental Funds</b>
Economic and physical development	\$ -	\$ 39,343
Streets	68,917	-
Total	<u>\$ 68,917</u>	<u>\$ 39,343</u>

### Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund.

The City of Washington has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, state funds, local non-City funds, and City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City or when required by grant or other contractual agreement.

The City has adopted a fund balance policy for the General Fund. It states that the City will maintain an additional \$2,000,000 above the recommended two-month operating reserve provided by the Local Government Commission for similar sized public bodies. However, the excess funds are not restricted for a specific purpose and are available for general appropriation.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 7,171,013
Less:	
Inventories	74,764
Stabilization by state statute	<u>2,555,461</u>
Total available fund balance	<u><u>\$ 4,540,788</u></u>

Outstanding encumbrances represent amounts needed to pay commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances at June 30, 2021 are detailed as follows:

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Internal Service Funds</b>
Encumbrances	<u><u>\$ 336,985</u></u>	<u><u>\$ 379,505</u></u>	<u><u>\$ 27,060</u></u>

### **Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund to the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds:**

A legally budgeted Economic Development Capital Reserve Fund is consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit D). Fund balance for the General Fund is reconciled as follows:

Fund balance, ending - General Fund (Exhibit F)	\$ 7,168,492
Fund balance, beginning	<u>2,521</u>
Fund balance, ending - General Fund (Exhibit D)	<u><u>\$ 7,171,013</u></u>

### **F. Defined Benefit Cost-Sharing Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Washington's employer contributions are recognized when due, and the City of Washington has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **2. Detail Notes on All Funds**

#### **Assets**

#### **Deposits**

All of the City's and the TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the City's and the TDA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City and the TDA, these deposits are considered to be held by the agent in the entities' name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City and the TDA or with the escrow agent. Because of the inability to measure the exact amount of collateral under the Pooling Method, the potential exists for under collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City and the TDA have no formal policy regarding custodial credit risk for deposits but rely on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The City and the TDA comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the City's deposits had a carrying amount of \$15,034,819 and a bank balance of \$15,709,333. Of the bank balance, \$283,059 was covered by federal depository insurance, and \$15,426,274 was covered by collateral held under the Pooling Method. The City also had \$2,071 in petty cash on hand at June 30, 2021.

At June 30, 2021, the TDA's deposits had a carrying amount of \$137,194 and a bank balance of \$137,207, all of which was covered by federal deposit insurance. The TDA also had \$50 in petty cash at June 30, 2021.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Investments

As of June 30, 2021, the City had the following investments and maturities.

Investment Type	Valuation	Book Value at 6/30/2021	Maturity	Rating
	Measurement Method			
NC Capital Management Trust Government Portfolio	Fair Value - Level 1	<u>\$ 21,584,801</u>	N/A	AAAm

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.

At June 30, 2021, the Authority had an investment of \$240,197 in the North Carolina Capital Management Trust.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*Interest Rate Risk.* The City of Washington does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The City has no policy regarding credit risk. The City's investments in the NC Capital Management Trust Government Portfolio carried a rating of AAAm by Standard & Poor's and AAAmf by Moody's Investors Service as of June 30, 2021.

## CITY OF WASHINGTON, NORTH CAROLINA

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

#### 3. Accounts Receivable – Allowance for Doubtful Accounts

The receivables shown in the statement of Net Position at June 30, 2021 are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2021</u>
<b>Governmental Activities:</b>	
General Fund:	
Taxes receivable	\$ 147,869
Miscellaneous	120,959
Total governmental activities	<u>\$ 268,828</u>
<b>Business-Type Activities:</b>	
Enterprise Funds:	
Water Fund - accounts receivable	\$ 73,824
Water Fund - miscellaneous receivable	590
Sewer Fund - accounts receivable	84,653
Sewer Fund - miscellaneous receivable	812
Electric Fund - accounts receivable	532,544
Electric Fund - miscellaneous receivable	16,450
Stormwater Utility Fund - accounts receivable	16,536
Airport Fund - accounts receivable	11,311
Solid Waste Fund - accounts receivable	43,411
Total business-type activities	<u>\$ 780,131</u>

#### 4. Notes Receivable

The City issued a note receivable on July 12, 1999 in the amount of \$188,000 in the CDBG Program Income Fund of which the total principal is due on August 1, 2034. Interest is calculated at 1% and is due monthly. The amount outstanding at June 30, 2021 is \$188,000.



# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 5. Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2021 was as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Governmental Funds:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 5,312,820	\$ -	\$ -	\$ -	\$ 5,312,820
Construction in progress	<u>2,867,131</u>	<u>3,777,130</u>	<u>-</u>	<u>(724,134)</u>	<u>5,920,127</u>
Total non-depreciable capital assets	<u>8,179,951</u>	<u>3,777,130</u>	<u>-</u>	<u>(724,134)</u>	<u>11,232,947</u>
<b>Depreciable Capital Assets:</b>					
Buildings	12,588,576	54,955	-	-	12,643,531
Streets and other improvements	11,912,896	389,334	-	352,831	12,655,061
General equipment	1,668,017	24,303	(262,537)	(15,751)	1,414,032
Office machines	1,313,041	56,030	(32,885)	377,063	1,713,249
Furniture	90,954	28,000	-	-	118,954
Vehicles	<u>3,040,001</u>	<u>66,870</u>	<u>(159,185)</u>	<u>63,512</u>	<u>3,011,198</u>
Total depreciable capital assets	<u>30,613,485</u>	<u>619,492</u>	<u>(454,607)</u>	<u>777,655</u>	<u>31,556,025</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	7,434,268	360,556	-	-	7,794,824
Streets and other improvements	6,096,500	250,587	-	-	6,347,087
General equipment	1,359,952	62,177	(262,537)	(10,501)	1,149,091
Office machines	1,137,919	59,002	(32,885)	-	1,164,036
Furniture	87,579	315	-	-	87,894
Vehicles	<u>2,457,121</u>	<u>143,558</u>	<u>(137,490)</u>	<u>54,581</u>	<u>2,517,770</u>
Total accumulated depreciation	<u>18,573,339</u>	<u>\$ 876,195</u>	<u>\$ (432,912)</u>	<u>\$ 44,080</u>	<u>19,060,702</u>
Total depreciable capital assets, net	<u>12,040,146</u>				<u>12,495,323</u>
Total capital assets, net	<u>20,220,097</u>				<u>23,728,270</u>
<b>Vehicle Replacement Internal Service Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Construction in progress	-	\$ 944,575	\$ -	\$ -	944,575
<b>Depreciable Capital Assets:</b>					
Vehicles	2,465,434	359,251	-	-	2,824,685
General equipment	-	299,766	-	-	299,766
Total depreciable capital assets	<u>2,465,434</u>	<u>659,017</u>	<u>-</u>	<u>-</u>	<u>3,124,451</u>
<b>Less Accumulated Depreciation:</b>					
Vehicles	677,256	254,558	-	-	931,814
General equipment	-	9,992	-	-	9,992
Total accumulated depreciation	<u>677,256</u>	<u>\$ 264,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>941,806</u>
Total depreciable capital assets, net	<u>1,788,178</u>				<u>2,182,645</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Facility Maintenance Internal Service Fund:</b>					
<b>Depreciable Capital Assets:</b>					
Improvements	-	94,530	-	-	94,530
<b>Less Accumulated Depreciation:</b>					
Improvements	-	175	-	-	175
Total accumulated depreciation	-	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>175</u>
Total depreciable capital assets, net	-				<u>94,355</u>
Total Internal Service Fund capital assets, net	<u>1,788,178</u>				<u>3,221,575</u>
<b>Total governmental activities capital assets, net</b>	<u>\$ 22,008,275</u>				<u>\$ 26,949,845</u>

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

### **Governmental Activities:**

General government	\$ 437,520
Public safety	95,854
Transportation	207,084
Cultural and recreational	<u>135,737</u>
Total	<u>\$ 876,195</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Capital asset activity for the business-type activities for the year ended June 30, 2021 was as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Water Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 117,538	\$ -	\$ -	\$ -	\$ 117,538
Construction in progress	107,026	154,253	-	-	261,279
Total non-depreciable capital assets	<u>224,564</u>	<u>154,253</u>	<u>-</u>	<u>-</u>	<u>378,817</u>
<b>Depreciable Capital Assets:</b>					
Plant, substations, lines, and distribution system	18,345,103	207,624	-	-	18,552,727
Buildings	7,192,062	80,863	-	-	7,272,925
Furniture and office equipment	804,442	-	-	-	804,442
General and mobile equipment	<u>5,113,541</u>	<u>120,174</u>	<u>(24,866)</u>	<u>(89,313)</u>	<u>5,119,536</u>
Total depreciable capital assets	<u>31,455,148</u>	<u>408,661</u>	<u>(24,866)</u>	<u>(89,313)</u>	<u>31,749,630</u>
<b>Less Accumulated Depreciation:</b>					
Plant, substations, lines, and distribution system	10,060,274	379,562	-	-	10,439,836
Buildings	4,519,869	176,631	-	-	4,696,500
Furniture and office equipment	775,137	29,305	-	-	804,442
General and mobile equipment	<u>3,833,603</u>	<u>210,737</u>	<u>(24,866)</u>	<u>(80,382)</u>	<u>3,939,092</u>
Total accumulated depreciation	<u>19,188,883</u>	<u>\$ 796,235</u>	<u>\$ (24,866)</u>	<u>\$ (80,382)</u>	<u>19,879,870</u>
Total depreciable capital assets, net	<u>12,266,265</u>				<u>11,869,760</u>
Water Fund capital assets, net	<u>\$ 12,490,829</u>				<u>\$ 12,248,577</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Sewer Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 25,481	\$ -	\$ -	\$ -	\$ 25,481
Construction in progress	54,093	32,513	-	(54,093)	32,513
Total non-depreciable capital assets	<u>79,574</u>	<u>32,513</u>	<u>-</u>	<u>(54,093)</u>	<u>57,994</u>
<b>Depreciable Capital Assets:</b>					
Plant, substations, lines, and distribution system	40,593,979	514,111	-	54,093	41,162,183
Buildings	2,471,479	-	-	-	2,471,479
Furniture and office equipment	114,259	-	-	-	114,259
General and mobile equipment	<u>1,799,449</u>	<u>153,094</u>	<u>(20,578)</u>	<u>-</u>	<u>1,931,965</u>
Total depreciable capital assets	<u>44,979,166</u>	<u>667,205</u>	<u>(20,578)</u>	<u>54,093</u>	<u>45,679,886</u>
<b>Less Accumulated Depreciation:</b>					
Plant, substations, lines, and distribution system	22,369,342	765,516	-	-	23,134,858
Buildings	2,218,730	16,793	-	-	2,235,523
Furniture and office equipment	108,084	6,174	-	-	114,258
General and mobile equipment	<u>1,153,215</u>	<u>141,265</u>	<u>(20,578)</u>	<u>-</u>	<u>1,273,902</u>
Total accumulated depreciation	<u>25,849,371</u>	<u>\$ 929,748</u>	<u>\$ (20,578)</u>	<u>\$ -</u>	<u>26,758,541</u>
Total depreciable capital assets, net	<u>19,129,795</u>				<u>18,921,345</u>
Sewer Fund capital assets, net	<u>\$ 19,209,369</u>				<u>\$ 18,979,339</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Electric Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 87,287	\$ -	\$ -	\$ -	\$ 87,287
Construction in progress	2,260,541	274,200	(4,903)	(215,514)	2,314,324
Total non-depreciable capital assets	<u>2,347,828</u>	<u>274,200</u>	<u>(4,903)</u>	<u>(215,514)</u>	<u>2,401,611</u>
<b>Depreciable Capital Assets:</b>					
Plant, substations, lines, and distribution system	65,007,280	1,261,307	-	215,514	66,484,101
Buildings	676,273	-	-	-	676,273
Furniture and office equipment	296,491	-	-	-	296,491
General and mobile equipment	9,079,162	520,091	(327,000)	-	9,272,253
Total depreciable capital assets	<u>75,059,206</u>	<u>1,781,398</u>	<u>(327,000)</u>	<u>215,514</u>	<u>76,729,118</u>
<b>Less Accumulated Depreciation:</b>					
Plant, substations, lines, and distribution system	35,947,381	819,516	-	-	36,766,897
Buildings	492,235	14,726	-	-	506,961
Furniture and office equipment	268,682	12,584	-	-	281,266
General and mobile equipment	7,481,840	295,440	(327,000)	-	7,450,280
Total accumulated depreciation	<u>44,190,138</u>	<u>\$ 1,142,266</u>	<u>\$ (327,000)</u>	<u>\$ -</u>	<u>45,005,404</u>
Total depreciable capital assets, net	<u>30,869,068</u>				<u>31,723,714</u>
Electric Fund capital assets, net	<u>\$ 33,216,896</u>				<u>\$ 34,125,325</u>
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Stormwater Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 175,338	\$ -	\$ -	\$ -	\$ 175,338
Construction in progress	71,300	127,155	-	(71,300)	127,155
Total non-depreciable capital assets	<u>246,638</u>	<u>127,155</u>	<u>-</u>	<u>(71,300)</u>	<u>302,493</u>
<b>Depreciable Capital Assets:</b>					
Drainage system	10,542,546	50,084	-	71,300	10,663,930
General and mobile equipment	387,045	-	-	19,470	406,515
Total depreciable capital assets	<u>10,929,591</u>	<u>50,084</u>	<u>-</u>	<u>90,770</u>	<u>11,070,445</u>
<b>Less Accumulated Depreciation:</b>					
Drainage system	2,857,543	235,276	-	-	3,092,819
General and mobile equipment	263,776	15,893	-	19,470	299,139
Total accumulated depreciation	<u>3,121,319</u>	<u>\$ 251,169</u>	<u>\$ -</u>	<u>\$ 19,470</u>	<u>3,391,958</u>
Total depreciable capital assets, net	<u>7,808,272</u>				<u>7,678,487</u>
Stormwater Fund capital assets, net	<u>\$ 8,054,910</u>				<u>\$ 7,980,980</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Airport Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 1,266,648	\$ -	\$ -	\$ -	\$ 1,266,648
Construction in progress	6,551,276	381,006	-	(6,932,282)	-
Total non-depreciable capital assets	<u>7,817,924</u>	<u>381,006</u>	<u>-</u>	<u>(6,932,282)</u>	<u>1,266,648</u>
<b>Depreciable Capital Assets:</b>					
Runways	5,219,621	-	-	6,932,282	12,151,903
Buildings	1,542,434	-	-	-	1,542,434
General and mobile equipment	725,953	-	-	22,081	748,034
Total depreciable capital assets	<u>7,488,008</u>	<u>-</u>	<u>-</u>	<u>6,954,363</u>	<u>14,442,371</u>
<b>Less Accumulated Depreciation:</b>					
Runways	3,925,618	103,562	-	-	4,029,180
Buildings	428,113	27,234	-	-	455,347
General and mobile equipment	492,771	18,922	-	16,831	528,524
Total accumulated depreciation	<u>4,846,502</u>	<u>\$ 149,718</u>	<u>\$ -</u>	<u>\$ 16,831</u>	<u>5,013,051</u>
Total depreciable capital assets, net	<u>2,641,506</u>				<u>9,429,320</u>
Airport Fund capital assets, net	<u>\$ 10,459,430</u>				<u>\$ 10,695,968</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Solid Waste Fund:</b>					
<b>Depreciable Capital Assets:</b>					
General and mobile equipment	\$ 1,287,946	\$ 625,948	\$ -	\$ -	\$ 1,913,894
<b>Less Accumulated Depreciation:</b>					
General and mobile equipment	1,054,973	66,042	-	-	1,121,015
Total accumulated depreciation	1,054,973	\$ 66,042	\$ -	\$ -	1,121,015
Total depreciable capital assets, net	232,973				792,879
Solid Waste Fund capital assets, net	\$ 232,973				\$ 792,879
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
<b>Cemetery Fund:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Construction in progress	\$ 5,760	\$ -	\$ -	\$ (5,760)	\$ -
<b>Depreciable Capital Assets:</b>					
Buildings	79,423	-	-	-	79,423
General and mobile equipment	148,977	34,150	(5,738)	-	177,389
Total depreciable capital assets	228,400	34,150	(5,738)	-	256,812
<b>Less Accumulated Depreciation:</b>					
Buildings	6,684	1,765	-	-	8,449
General and mobile equipment	72,925	17,852	(5,069)	-	85,708
Total accumulated depreciation	79,609	\$ 19,617	\$ (5,069)	\$ -	94,157
Total depreciable capital assets, net	148,791				162,655
Cemetery Fund capital assets, net	\$ 154,551				\$ 162,655

### 6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2021 were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts and vouchers	\$ 764,879	\$ 2,549,669	\$ 3,314,548
Accrued payroll and related liabilities	151,284	90,502	241,786
Accrued interest payable	29	7,343	7,372
Total accounts payable and accrued liabilities	\$ 916,192	\$ 2,647,514	\$ 3,563,706

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 7. Pension Plan Obligations

#### Local Government Employees' Retirement System

**Plan Description.** The City is a participating employer in the state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The LGERS is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age or have completed 15 years of service as a LEO and have reached age 50 or have completed five years of creditable service as a LEO and have reached age 55 or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.



# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Washington employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2021 was 10.90% of compensation for law enforcement officers and 10.15% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$1,178,079 for the year ended June 30, 2021.

*Refunds of Contributions* – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the City reported a liability of \$5,683,178 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020 (measurement date), the City's proportion was 0.15904%, which was an increase of 0.004% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$1,911,240. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 717,685	\$ -
Changes of assumptions	422,940	-
Net difference between projected and actual earnings on pension plan investments	799,754	-
Changes in proportion and differences between City contributions and proportionate share of contributions	38,640	79,471
City contributions subsequent to the measurement date	1,178,079	-
Total	<u>\$ 3,157,098</u>	<u>\$ 79,471</u>

## CITY OF WASHINGTON, NORTH CAROLINA

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$1,178,079 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2022	\$ 523,963
2023	712,266
2024	426,633
2025	236,686
Total	<u>\$ 1,899,548</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled, and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019, valuation, with the exception of the discount rate, were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real</u>
		<u>Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 11,530,546</u>	<u>\$ 5,683,178</u>	<u>\$ 823,601</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

### **Law Enforcement Officers' Special Separation Allowance**

*Plan Description.* The City administers a public employee retirement system (the "Separation Allowance"), a single employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the Plan.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>32</u>
Total	<u><u>42</u></u>

### **Summary of Significant Accounting Policies**

*Basis of Accounting.* The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meet the following criteria, which are outlined in GASB Statement 73.

### **Actuarial Assumptions**

The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

## CITY OF WASHINGTON, NORTH CAROLINA

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumption used in the December 31, 2019 valuation was based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ended December 31, 2019.

**Mortality Assumption:** All mortality rates use Pub-2010 amount-weighted tables.

**Mortality Projection:** All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

**Deaths after Retirement (Healthy):** Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

**Deaths before Retirement (Disabled Members at Retirement):** Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

**Deaths after Retirement (Survivors of Deceased Members):** Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

**Deaths prior to Retirement:** Mortality rates are based on the Safety Mortality Table for Employees.

*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 on a pay-as-you-go basis through appropriations made in the General Fund operation budget. There were no contributions made by the 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 Separation Allowance are financed through investment earnings. The City paid \$147,295 as benefits came due for the reporting period.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the City reported a total pension liability of \$2,185,093. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$268,203.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 260,204	\$ 3,348
Changes of assumptions	373,408	25,379
City benefit payments and plan administrative expense made subsequent to the measurement date	<u>75,987</u>	<u>-</u>
Total	<u><u>\$ 709,599</u></u>	<u><u>\$ 28,727</u></u>

\$75,987 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2022	\$ 163,165
2023	162,885
2024	157,735
2025	121,100
2026	-
Thereafter	<u>-</u>
Total	<u><u>\$ 604,885</u></u>

*Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate.* The following presents the City's total pension liability calculated using the discount rate of 1.93%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	<b>1% Decrease (0.93%)</b>	<b>Discount Rate (1.93%)</b>	<b>1% Increase (2.93%)</b>
Total pension liability	<u><u>\$ 2,351,346</u></u>	<u><u>\$ 2,185,093</u></u>	<u><u>\$ 2,032,653</u></u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	<u>2021</u>
Beginning balance	\$ 1,618,592
Service cost	54,579
Interest on the total pension liability	50,365
Differences between expected and actual experience in the measurement of the total pension liability	200,364
Changes of assumptions or other inputs	408,488
Benefit payments	<u>(147,295)</u>
Ending balance of the total pension liability	<u>\$ 2,185,093</u>

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.26% at December 31, 2019 (measurement date) to 1.93% at December 31, 2020 (measurement date).

The plan currently uses mortality tables that vary by age and health status (i.e., disabled, and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

### Supplemental Retirement Income Plans for Law Enforcement Officers and Others

*Plan Description.* The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to 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. Contributions for the year ended June 30, 2021 were \$175,029, which consisted of \$91,129 from the City and \$83,900 from the law enforcement officers. In addition, the City has elected to contribute \$50 bi-weekly in flex funds for other employees. Other employees may also make voluntary contributions to their plan. Contributions to this plan for other employees for the year ended June 30, 2021 were \$366,847, which consisted of \$116,685 from the City and \$250,162 from the employees. No amounts were forfeited.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of these employees who die in active service after one year of contributing membership in the Death Benefit Plan, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Death Benefit Plan at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

### Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 5,683,178	\$ -	\$ 5,683,178
Proportion of the net pension liability (asset)	0.15904%	NA	-
Total pension liability	-	2,185,093	2,185,093
Pension expense	1,911,240	268,203	2,179,443



# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 717,685	\$ 260,204	\$ 977,889
Changes of assumptions	422,940	373,408	796,348
Net difference between projected and actual earnings on pension plan investments	799,754	-	799,754
Changes in proportion and differences between County contributions and proportionate share of contributions	38,640	-	38,640
City contributions (LGERS) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,178,079</u>	<u>75,987</u>	<u>1,254,066</u>
Total	<u>\$ 3,157,098</u>	<u>\$ 709,599</u>	<u>\$ 3,866,697</u>

### Deferred Inflows of Resources:

Differences between expected and actual experience	\$ -	\$ 3,348	\$ 3,348
Changes of assumptions	-	25,379	25,379
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>79,471</u>	<u>-</u>	<u>79,471</u>
Total	<u>\$ 79,471</u>	<u>\$ 28,727</u>	<u>\$ 108,198</u>

### Other Post-Employment Benefits

*Plan Description.* According to a City resolution, the City provides post-employment healthcare benefits to retirees with 30 years of credible service as recognized by the North Carolina Local Governmental Employees' Retirement System, a single-employer defined benefit plan, and have at least ten years of creditable service with the City. Employees retiring on disability through NCLGERS that have completed at least five (5) years of service with the City may participate in the City's group health plan upon retirement for two years. Also, the retiree may continue dependent coverage (and pay a portion of the additional premium) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the spouse becoming eligible for Medicare, upon the retiree becoming eligible for Medicare, or upon the retirees' death, whichever comes first. The City provides medical and drug insurance along with a Health Savings Account (HAS) allocation at no cost to eligible retirees. The City Council may amend the benefit provisions. A separate report is not issued for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

## CITY OF WASHINGTON, NORTH CAROLINA

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Membership of the Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	31
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>224</u>
Total	<u><u>255</u></u>

*Funding Policy.* The City's members pay the current active employee rate for dependent coverage if the retiree elects to purchase the coverage. The City has chosen to fund the healthcare benefits on a pay-as-you-go basis.

#### **Total OPEB Liability**

The City's total OPEB liability of \$7,847,414 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases	
General employees	3.50-7.75 percent
Firefighters	3.50-7.75 percent
Law enforcement officers	3.50-7.35 percent
Municipal bond index rate	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Healthcare cost trend rates	
Pre-Medicare medical and prescription drug	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2020</b>	<b>\$ 5,967,716</b>
<b>Changes for the year:</b>	
Service cost	225,722
Interest	211,485
Differences between expected and actual experience	757,533
Changes of assumptions or other inputs	989,575
Benefit payments	(304,617)
<b>Net changes</b>	<b>1,879,698</b>
<b>Balance at June 30, 2021</b>	<b>\$ 7,847,414</b>

The City selected a Municipal Bond Index Rate equal to the Bond Buyer 20-Year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

*Changes in assumptions* and other inputs reflect a change in the Municipal Bond Index Rate from 3.50% to 2.21%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	<b>1% Decrease 1.21%</b>	<b>Discount Rate 2.21%</b>	<b>1% Increase 3.21%</b>
Total OPEB liability	<u>\$ 8,696,796</u>	<u>\$ 7,847,414</u>	<u>\$ 7,087,959</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	\$ 6,934,342	\$ 7,847,414	\$ 8,942,250

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$741,950. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,055,508	\$ -
Changes of assumptions	1,084,589	147,479
Benefit payments and plan administrative expense made subsequent to the measurement date	348,653	-
Total	\$ 2,488,750	\$ 147,479

\$348,653 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30</b>	<b>Total</b>
2022	\$ 297,832
2023	297,832
2024	297,832
2025	297,832
2026	313,568
Thereafter	487,722
Total	\$ 1,992,618

## CITY OF WASHINGTON, NORTH CAROLINA

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

#### 8. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	\$ 3,866,697
OPEB deferrals	2,488,750
Total	<u>\$ 6,355,447</u>

Deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
Property taxes receivable (General Fund)	\$ 70,337
EMS receivable (General Fund)	192,435
Other receivables (General Fund)	34,172
Prepaid taxes	1,774
Pension deferrals	108,198
OPEB deferrals	147,479
Grant receivable	74,547
Total	<u>\$ 628,942</u>

#### 9. Commitments

##### Construction

The City had outstanding commitments at June 30, 2021 of \$1,042,616 for electric projects, \$662,171 for water and sewer improvements, \$532,480 for storm water drainage improvements, and \$1,500 for airport improvements.

##### Purchases

The City participates in the North Carolina Eastern Municipal Power Agency (the "Agency"). Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set rates at a level such that sufficient electrical revenue is generated to meet obligations to the Agency. The Agency furnishes power to the City by purchasing an undivided interest in some of Progress Energy's generating capacity and by contracting with Progress Energy to furnish all of the Agency's requirements. Under the terms of the agreement with the Agency, the City is obligated to pay a proportionate share of the Agency's obligation to Progress Energy for the purpose of generating capacity whether or not the generator produces power. This is commonly referred to as a "take or pay" contract in the electric industry.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 10. 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; and natural disasters. The City participates in a self-funded risk financing pool administered by the North Carolina League of Municipalities. Through this pool, the City obtains general liability and auto liability coverage of \$2 million per occurrence and property coverage on a scheduled basis. This pool is reinsured through commercial companies for single occurrence claims against general liability, auto liability, police professional's liability and public officials' liability in excess of \$1,000,000 and property in excess of \$500,000 for the 7/1/20-7/1/21 policy period. Specific information on the limits of the reinsurance can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pool is audited annually by certified public accountants, and the audited financial statements are available to the City upon request.

The City carries commercial coverage for risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City's Workers' Compensation Reserve Internal Service Fund was established in 2010 to account for a limited risk, self-insurance program to provide workers' compensation benefits to City employees. Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. The interfund premiums are based upon the claims experience of the insured funds. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. An excess coverage insurance policy provides for individual claims in excess of \$600,000, with the exception of \$750,000 for police and fire. A total of \$3,747 in claims was incurred for benefits during fiscal year 2021.

#### Claims Liability

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Unpaid claims, beginning of year	\$ 183,792	\$ 84,161
Incurred claims (including claims incurred, but not reported, as of fiscal year-end)	3,747	253,188
Payments and reduction in claims estimates	<u>(101,452)</u>	<u>(153,557)</u>
Unpaid claims, end of year	<u>\$ 86,087</u>	<u>\$ 183,792</u>

The City carries additional commercial coverage for flood, marina operator's legal liability, and airport owner/operator's general liability.

In accordance with G.S. 159-29, City employees who have access to \$100 or more of City funds at any given time are performance bonded through a commercial surety bond. The Director of Finance is bonded individually for \$50,000. Also, the Tax Collector is bonded individually for \$10,000. The remaining employees who have access to funds are bonded under a blanket bond for \$100,000.

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

At June 30, 2021, the City was a defendant to various lawsuits. In the opinion of the City's management and the City Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

### **11. Long-Term Obligations**

#### **Revolving Loans Payable**

On November 17, 2003, the City was approved for a maximum loan amount of \$2,986,000 from the United States Environmental Protection Agency, passed through the North Carolina Department of Environment and Natural Resources under the Clean Water State Revolving Fund. The loan proceeds are being used for the construction of the City of Washington Wastewater Treatment Plant – Phase II. The loan is being reported as long-term debt in the Sewer Fund and is repayable at 2.42% for 20 years beginning six months after the completion of the project. The City began repayment of the loan in the fiscal year ended June 30, 2006. The loan repayment schedule based on a loan amount of \$2,636,105 calls for equal principal repayments of \$131,805 annually for 20 years. The total amount outstanding at June 30, 2021 was \$527,221.

On April 23, 2012, the City was approved for a maximum loan amount of \$600,000 from the United States Environmental Protection Agency, passed through the North Carolina Department of Environment and Natural Resources under the Clean Water State Revolving Fund. The loan proceeds are being used for the construction of the Main and Respass Lift Station. The loan is being reported as long-term debt in the Sewer Fund and is repayable at 0.00% for 15 years beginning May 2013. The loan repayment calls for equal principal repayments of \$36,697 annually for 15 years. The total amount outstanding at June 30, 2021 was \$220,187.

On June 30, 2017, the City was approved for a maximum loan amount of \$1,437,496 with principal forgiveness of \$500,000 from United States Environmental Protection Agency, passed through the North Carolina Department of Environmental Quality under the clean water state revolving funds. The loan proceeds are being used for a sanitary sewer project. The loan is being reported as long-term debt in the Sewer Fund and is repayable at 0.00% for 20 years beginning May 2018. The loan repayment calls for equal principal payments of \$46,875 annually for 20 years. The total amount outstanding at June 30, 2021 was \$749,997.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The annual debt service requirements of the revolving loans payable are as follows:

<b>Year Ending June 30</b>	<b>Business-Type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 215,378	\$ 12,759	\$ 228,137
2023	215,378	9,569	224,947
2024	215,378	6,379	221,757
2025	215,378	3,190	218,568
2026	83,573	-	83,573
2027-2031	552,320	-	552,320
Total	<u>\$ 1,497,405</u>	<u>\$ 31,897</u>	<u>\$ 1,529,302</u>

The City's outstanding notes from direct borrowings related to business-type activities of \$527,221 contain provisions that an event of default would result in immediate prepayment of loan in whole and any further commitment of funds may be withdrawn.

The City's outstanding notes from direct borrowings related to business-type activities of \$220,187 contain provisions that an event of default would result in immediate prepayment of loan in whole and any further commitment of funds may be withdrawn.

The City's outstanding notes from direct borrowings related to business-type activities of \$749,997 contain provisions that an event of default would result in immediate prepayment of loan in whole and any further commitment of funds may be withdrawn.

### Installment Notes Payable

Detail of installment notes payable for all fund types is as follows:

<b>Purpose and Collateral</b>	<b>Issue Date</b>	<b>Issue Amount</b>	<b>Terms of Issuance</b>	<b>Interest Rates</b>	<b>Balance June 30, 2021</b>
<b>Governmental Activities:</b>					
Refinance fire station	3/15/2013	\$ 2,075,000	Annual installment of \$166,970 due through March 2028	2.58%	<u>\$ 1,033,350</u>
<b>Business-Type Activities:</b>					
Sanitation Fund loan	6/8/2021	\$ 625,908	Monthly installments of \$10,935 due through May 2026	1.20%	<u>625,908</u>
Total installment note payables					<u>\$ 1,659,258</u>



# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The annual debt service requirements of these installment notes are as follows:

### Governmental Activities:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 141,981	\$ 24,989	\$ 166,970
2023	145,687	21,283	166,970
2024	149,491	17,479	166,970
2025	153,393	13,576	166,969
2026	157,398	9,572	166,970
2027-2028	285,400	6,798	292,198
Total	<u>\$ 1,033,350</u>	<u>\$ 93,697</u>	<u>\$ 1,127,047</u>

The City has outstanding notes from direct borrowings related to governmental activities totaling \$1,033,350. The City has pledged the mortgaged property as collateral for the notes from direct borrowings related to governmental activities. The City's outstanding notes from direct borrowings related to governmental activities of \$1,033,350 contain provisions that an event of default would result in (1) declare the unpaid principal components of the installment payments immediately due and payable; (2) proceed by appropriate court action to enforce the City's performance of the applicable covenants of the financing agreement or to recover for the breach thereof; (3) avail itself of all available remedies under the financing agreement, including execution and foreclosure as provided in the financing agreement, and recovery of attorneys' fees and other expenses.

### Business-Type Activities:

Year Ending June 30	Solid Waste Fund		
	Principal	Interest	Total
2022	\$ 124,292	\$ 6,925	\$ 131,217
2023	125,812	5,404	131,216
2024	127,342	3,875	131,217
2025	128,910	2,307	131,217
2026	119,552	730	120,282
Total	<u>\$ 625,908</u>	<u>\$ 19,241</u>	<u>\$ 645,149</u>

The City has outstanding notes from direct borrowings related to business-type activities totaling \$625,908. The City has pledged the mobile equipment as collateral for the notes from direct borrowings related to business-type activities. The City's outstanding notes from direct borrowings related to business-type activities of \$625,908 contain provisions that an event of default would result in the loan and the indebtedness may, at the lender's sole option, be declared immediately due and payable. Lender may apply the City's bank accounts and any other property held by lender against the indebtedness.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Recovery Zone Economic Development Bonds

On December 10, 2010, the City issued \$5,040,000 Recovery Zone Economic Development bonds. The proceeds are being used for stormwater drainage improvements and a roof replacement at Fire Station #1. The loan is being reported as long-term debt in the Stormwater Fund and the governmental activities and is repayable at 2.695%. The bonds are due in semi-annual equal principal repayments of \$336,000 annually for 15 years. Recovery Zone Economic Development bonds payable and future maturities at June 30, 2021 are comprised of the following:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 2,667	\$ 555	\$ 3,222
2023	2,667	425	3,092
2024	2,667	294	2,961
2025	2,667	163	2,830
2026	1,332	33	1,365
Total	<u>\$ 12,000</u>	<u>\$ 1,470</u>	<u>\$ 13,470</u>

The City's outstanding notes from direct placement related to governmental activities of \$12,000 are secured with a first deed of trust on Fire Station #1 real property in form and substance satisfactory to the Bank of America and in compliance with G.S. 160A-20. The City's outstanding notes from direct placement related to governmental activities of \$12,000 contain provisions that an event of default would result in repayment of balance at once due and payable, regardless of the maturity date or other due date thereof.

Year Ending June 30	Stormwater Fund		
	Principal	Interest	Total
2022	\$ 333,333	\$ 69,417	\$ 402,750
2023	333,333	53,083	386,416
2024	333,333	36,750	370,083
2025	333,333	20,417	353,750
2026	166,668	4,083	170,751
Total	<u>\$ 1,500,000</u>	<u>\$ 183,750</u>	<u>\$ 1,683,750</u>

The City's outstanding notes from direct placement related to business-type activities of \$1,500,000 are secured with a first deed of trust on Fire Station #1 real property in form and substance satisfactory to the Bank of America and in compliance with G.S. 160A-20. The City's outstanding notes from direct placement related to business-type activities of \$1,500,000 contain provisions that an event of default would result in repayment of balance at once due and payable, regardless of the maturity date or other due date thereof.

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### Long-Term Obligation Activity

The following is a summary of changes in the City's long-term debt as of June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion of Long-Term Liabilities
<b>Governmental Activities:</b>					
Notes from direct borrowings	\$ 1,171,719	\$ -	\$ (138,369)	\$ 1,033,350	\$ 141,981
Recovery Zone Economic					
Development bonds - Direct Placement	14,667	-	(2,667)	12,000	2,667
Compensated absences	648,538	478,265	(456,701)	670,102	670,102
Total OPEB liability	3,828,846	1,075,789	-	4,904,635	-
Net pension liability (LGERS)	2,621,200	916,925	-	3,538,125	-
Total pension liability (LEOSSA)	1,618,592	566,501	-	2,185,093	-
Total governmental activities	<u>\$ 9,903,562</u>	<u>\$ 3,037,480</u>	<u>\$ (597,737)</u>	<u>\$ 12,343,305</u>	<u>\$ 814,750</u>
<b>Business-Type Activities:</b>					
Notes from direct borrowings	\$ 1,712,783	\$ 625,908	\$ (215,378)	\$ 2,123,313	\$ 339,670
Recovery Zone Economic					
Development bonds - Direct Placement	1,833,333	-	(333,333)	1,500,000	333,333
Compensated absences	331,526	406,937	(369,182)	369,281	369,281
Total OPEB liability	2,138,870	963,391	(159,482)	2,942,779	-
Net pension liability (LGERS)	1,606,540	538,513	-	2,145,053	-
Total business-type activities	<u>\$ 7,623,052</u>	<u>\$ 2,534,749</u>	<u>\$ (1,077,375)</u>	<u>\$ 9,080,426</u>	<u>\$ 1,042,284</u>

### Business-Type Activities

Major Enterprise Funds:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion of Long-Term Debt
<b>Water Fund:</b>					
Compensated absences	\$ 77,879	\$ 65,160	\$ (70,825)	\$ 72,214	\$ 72,214
Total OPEB liability	396,087	409,674	-	805,761	-
Net pension liability (LGERS)	295,942	145,544	-	441,486	-
Total Water Fund activities	<u>\$ 769,908</u>	<u>\$ 620,378</u>	<u>\$ (70,825)</u>	<u>\$ 1,319,461</u>	<u>\$ 72,214</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion of</u> <u>Long-Term</u> <u>Debt</u>
<b>Sewer Fund:</b>					
Notes from direct borrowings	\$ 1,712,783	\$ -	\$ (215,378)	\$ 1,497,405	\$ 215,378
Compensated absences	63,849	66,773	(61,687)	68,935	68,935
Total OPEB liability	369,681	-	(159,482)	210,199	-
Net pension liability (LGERS)	295,942	43,663	-	339,605	-
Total Sewer Fund activities	<u>\$ 2,442,255</u>	<u>\$ 110,436</u>	<u>\$ (436,547)</u>	<u>\$ 2,116,144</u>	<u>\$ 284,313</u>

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion of</u> <u>Long-Term</u> <u>Debt</u>
<b>Electric Fund:</b>					
Compensated absences	\$ 123,934	\$ 161,707	\$ (152,278)	\$ 133,363	\$ 133,363
Total OPEB liability	950,609	205,483	-	1,156,092	-
Net pension liability (LGERS)	676,439	218,316	-	894,755	-
Total Electric Fund activities	<u>\$ 1,750,982</u>	<u>\$ 585,506</u>	<u>\$ (152,278)</u>	<u>\$ 2,184,210</u>	<u>\$ 133,363</u>

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion of</u> <u>Long-Term</u> <u>Debt</u>
<b>Stormwater Fund:</b>					
Recovery Zone Economic					
Development bonds - Direct					
Placement	\$ 1,833,333	\$ -	\$ (333,333)	\$ 1,500,000	\$ 333,333
Compensated absences	-	60,074	(33,271)	26,803	26,803
OPEB accrued liability	-	175,165	-	175,165	-
Net pension liability (LGERS)	-	29,109	-	29,109	-
Total stormwater activities	<u>\$ 1,833,333</u>	<u>\$ 264,348</u>	<u>\$ (366,604)</u>	<u>\$ 1,731,077</u>	<u>\$ 360,136</u>

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion of</u> <u>Long-Term</u> <u>Debt</u>
<b>Airport Fund:</b>					
Compensated absences	\$ 1,602	\$ 4,067	\$ (3,948)	\$ 1,721	\$ 1,721
Total OPEB liability	26,406	8,627	-	35,033	-
Total Airport Fund	<u>\$ 28,008</u>	<u>\$ 12,694</u>	<u>\$ (3,948)</u>	<u>\$ 36,754</u>	<u>\$ 1,721</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Nonmajor Enterprise Funds:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion of</u> <u>Long-Term</u> <u>Debt</u>
<b>Solid Waste Fund:</b>					
Installment notes payable	\$ -	\$ 625,908	\$ -	\$ 625,908	\$ 124,292
Compensated absences	52,951	43,409	(43,243)	53,117	53,117
Total OPEB liability	290,464	129,933	-	420,397	-
Net pension liability (LGERS)	<u>253,663</u>	<u>72,772</u>	<u>-</u>	<u>326,435</u>	<u>-</u>
Total Solid Waste Fund	<u>\$ 597,078</u>	<u>\$ 872,022</u>	<u>\$ (43,243)</u>	<u>\$ 1,425,857</u>	<u>\$ 177,409</u>

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion of</u> <u>Long-Term</u> <u>Debt</u>
<b>Cemetery Fund:</b>					
Compensated absences	\$ 11,311	\$ 5,747	\$ (3,930)	\$ 13,128	\$ 13,128
Total OPEB liability	105,623	34,509	-	140,132	-
Net pension liability (LGERS)	<u>84,554</u>	<u>29,109</u>	<u>-</u>	<u>113,663</u>	<u>-</u>
Total Cemetery Fund	<u>\$ 201,488</u>	<u>\$ 69,365</u>	<u>\$ (3,930)</u>	<u>\$ 266,923</u>	<u>\$ 13,128</u>

Compensated absences, net pension liabilities, and other post-employment benefits have been liquidated in the General Fund. Compensated absences are accounted for on an LIFO basis, assuming that employees are taking leave as it is earned.

At June 30, 2021, the City has a legal debt margin of approximately \$67,442,129.

### Net Investment in Capital Assets

Net investment in capital assets at June 30, 2021 is computed as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets, net of accumulated depreciation	\$ 26,949,845	\$ 84,985,723
Less: capital debt		
Gross debt	<u>1,045,350</u>	<u>3,623,313</u>
Net investment in capital assets	<u>\$ 25,904,495</u>	<u>\$ 81,362,410</u>

# CITY OF WASHINGTON, NORTH CAROLINA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 12. Interfund Balances and Activity

#### Due To/From Other Funds:

Balances due to/from other funds at June 30, 2021 consist of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Purpose</u>
	<u>General Fund</u>	
Nonmajor governmental funds	\$ 212,058	Advances of grant expenditures

#### Transfers To/From Other Funds:

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

	<u>Transfers Out</u>						
	<u>Major General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Major Electric</u>	<u>Major Water</u>	<u>Major Sewer</u>	<u>Major Airport</u>	<u>Total</u>
<b>Transfers In:</b>							
Major General Fund	\$ -	\$ 213,082	\$ 1,684,341	\$ 148,365	\$ 116,934	\$ 48,048	\$ 2,210,770
Nonmajor governmental funds	739,939	-	-	-	-	-	739,939
Nonmajor enterprise funds	-	-	155,312	-	-	-	155,312
Major airport	232,842	-	-	-	-	-	232,842
Total	<u>\$ 972,781</u>	<u>\$ 213,082</u>	<u>\$ 1,839,653</u>	<u>\$ 148,365</u>	<u>\$ 116,934</u>	<u>\$ 48,048</u>	<u>\$ 3,338,863</u>

Transfers to and from the General Fund to the Public Safety Capital Reserve Fund were for support for debt payments. Other transfers to and from the General Fund to the nonmajor governmental funds were transfers to close out the various projects and City contributions to the various projects. Transfers from the General Fund to the Airport Fund were for operational needs. Transfers from the Electric Fund to the General Fund were annual dividends from the Electric Fund and the Electric Fund's share of economic development expenses. Transfers from the Electric Fund to the Cemetery Fund were for operational needs. Transfers from the Water Fund to the General Fund were for the annual Highway 17 debt service and the Water Fund's share of economic development expenses. The transfers from the Sewer Fund to the General Fund were for the annual Highway 17 debt service and the Sewer Fund's share of economic development expenses.

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **13. Jointly Governed Organizations**

#### **Mid-East Commission**

The City, in conjunction with five counties and 28 other municipalities, established the Mid-East Commission (the "Commission"). The participating governments established the Commission to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Commission's governing board. The City paid membership fees of \$3,142 to the Commission during the fiscal year ended June 30, 2021.

#### **North Carolina Eastern Municipal Power Agency**

The City, in conjunction with 32 other local governments, is a member of the North Carolina Eastern Municipal Power Agency (the "Agency"). The Agency was formed to finance, construct, own, operate and maintain generation facilities. Each participating member appoints one Commissioner to the Agency's governing board. The 32 members, who receive power from the Agency, have signed power sales agreements to purchase wholesale power from the Agency. The City's purchases of power for the fiscal year ended June 30, 2021 were \$21,298,091.

On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to decrease the NCEMPA's outstanding revenue bonds. The NCEMPA entered into contractual arrangements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA's new revenue bonds.

### **14. Related Party Transactions**

During fiscal year ended June 30, 2021, the City of Washington contributed \$47,475 to the Tourism Development Authority to assist in the operation of the Civic Center, per the lease and management agreement between the City and the Authority. The City also remitted \$314,823 during fiscal year ended June 30, 2021, which is the collection fee of 3% of gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the City.

### **15. Joint Ventures**

The City and the members of the City's fire department each appoint two members to the five-member local Board of Trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local Board of Trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the state. The state passes these monies to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The City obtains an ongoing financial benefit from the fund for the on-behalf of payments for salaries and fringe benefits made to members of the City's fire department by the Board of Trustees. During the fiscal year

# **CITY OF WASHINGTON, NORTH CAROLINA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

ended June 30, 2021, the City reported revenues and expenditures for the payments of \$10,059 made through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2021. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local Board of Trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

### **16. Related Organization**

The Board of the City of Washington Housing Authority is appointed by the City of Washington. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority.

### **17. Summary Disclosure of Significant Commitments and Contingencies**

#### **Federal and State-Assisted Programs**

In 2010, the Department of Transportation, as part of a Highway 17 expansion project, moved water and sewer lines in the City of Washington at a cost of \$1,687,430 and determined that the City is responsible for the cost of these relocations. The City is contesting the responsibility. As a result, the state began reducing the City's annual Powell Bill grant allocation in fiscal year 2010 by \$112,495, which represents one fifteenth of the utility relocation cost. No additional liability has been booked for this relocation cost.

#### **Coronavirus Disease (COVID-19)**

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 is expected to impact various parts of its fiscal year 2021-2022 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

### **18. Subsequent Events**

As part of the pandemic relief provided by the federal government, the City of Washington was awarded \$3,026,670 from the American Rescue Plan (ARP). The City received the first installment of \$1,513,335 subsequent to year-end, with the remaining \$1,513,335 expected to be received within the next 12 months.



## **Required Supplemental Financial Data**

This section contains additional information required by generally accepted accounting principles.

- Schedule of Changes in Total Pension Liability (LEO)
- Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEO)
- Schedule of Changes in the Total OPEB Liability and Related Ratios (OPEB)
- Proportionate Share of Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System (LGERS)
- Contributions for the Local Governmental Employees' Retirement System (LGERS)

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## CITY OF WASHINGTON, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**LAST FIVE FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	\$ 1,618,592	\$ 1,477,260	\$ 1,473,901	\$ 1,369,052	\$ 1,347,579
Service cost	54,579	48,837	45,611	44,043	49,469
Interest on the total pension liability	50,365	51,245	45,358	51,760	47,306
Differences between expected and actual experience in the measurement of the total pension liability	200,364	137,815	37,672	(11,880)	-
Changes of assumptions or other inputs	408,488	42,278	(48,231)	77,166	(30,360)
Benefit payments	(147,295)	(138,843)	(77,051)	(56,240)	(44,942)
Ending balance of the total pension liability	<u>\$ 2,185,093</u>	<u>\$ 1,618,592</u>	<u>\$ 1,477,260</u>	<u>\$ 1,473,901</u>	<u>\$ 1,369,052</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF WASHINGTON, NORTH CAROLINA**
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL  
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
 LAST FIVE FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 2,185,093	\$ 1,618,592	\$ 1,477,260	\$ 1,473,901	\$ 1,369,052
Covered payroll	1,716,445	1,721,449	1,473,989	1,570,984	1,692,125
Total pension liability as a percentage of covered employee payroll	127.30%	94.02%	100.22%	93.82%	80.91%

**Notes to the Schedules:**

The City of Washington has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## CITY OF WASHINGTON, NORTH CAROLINA

## OTHER POST-EMPLOYMENT BENEFITS

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

## LAST FOUR FISCAL YEARS

Other Post-Employment Benefits				
	2021	2020	2019	2018
Service cost	\$ 225,722	\$ 206,727	\$ 186,080	\$ 203,286
Interest	211,485	211,630	167,098	145,784
Differences between expected and actual experience	757,533	23,209	592,773	4,889
Changes of assumptions or other inputs	989,575	232,542	68,019	(278,278)
Benefit payments	(304,617)	(290,710)	(244,688)	(206,395)
Net change in total OPEB liability	1,879,698	383,398	769,282	(130,714)
Total OPEB liability - beginning	5,967,716	5,584,318	4,815,036	4,945,750
Total OPEB liability - ending	<u>\$ 7,847,414</u>	<u>\$ 5,967,716</u>	<u>\$ 5,584,318</u>	<u>\$ 4,815,036</u>
Covered employee payroll	\$ 10,235,172	\$ 9,452,456	\$ 9,452,456	\$ 9,622,977
Total OPEB liability as a percentage of covered employee payroll	76.67%	63.13%	59.08%	50.04%

**Notes to the Required Schedules:**

*Changes of Assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

# CITY OF WASHINGTON, NORTH CAROLINA

## PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS \*

	Local Governmental Employees' Retirement System			
	2021	2020	2019	2018
City's proportion of the net pension liability (asset) (%)	0.15904%	0.15481%	0.16165%	0.16877%
City's proportion of the net pension liability (asset) (\$)	\$ 5,683,178	\$ 4,227,740	\$ 3,834,891	\$ 2,578,338
City's covered payroll	\$ 10,787,945	\$ 10,507,832	\$ 10,283,390	\$ 10,586,622
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.68%	40.23%	37.29%	24.35%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**CITY OF WASHINGTON, NORTH CAROLINA**

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST EIGHT FISCAL YEARS \***

	<b>Local Governmental Employees' Retirement System</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's proportion of the net pension liability (asset) (%)	0.17302%	0.18802%	0.19138%	0.19320%
City's proportion of the net pension liability (asset) (\$)	\$ 3,672,064	\$ 523,170	\$ (1,128,655)	\$ 2,328,802
City's covered payroll	\$ 8,943,238	\$ 10,055,380	\$ 9,991,016	\$ 9,352,659
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.06%	5.20%	( 11.30%)	24.90%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

# CITY OF WASHINGTON, NORTH CAROLINA

## CITY OF WASHINGTON'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS

<b>Local Governmental Employees' Retirement System</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 1,178,079	\$ 981,029	\$ 829,894	\$ 788,407
Contributions in relation to the contractually required contribution	<u>1,178,079</u>	<u>981,029</u>	<u>829,894</u>	<u>788,407</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Washington's covered payroll	\$ 11,445,189	\$ 10,787,945	\$ 10,507,832	\$ 10,283,390
Contributions as a percentage of covered payroll	10.29%	9.09%	7.90%	7.67%

Pension schedules in the required supplementary information are intended to show information for ten years.  
Additional years' information will be displayed as it becomes available.



**CITY OF WASHINGTON, NORTH CAROLINA**

**CITY OF WASHINGTON'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST EIGHT FISCAL YEARS**

<b>Local Governmental Employees' Retirement System</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 784,712	\$ 596,514	\$ 713,653	\$ 708,333
Contributions in relation to the contractually required contribution	<u>784,712</u>	<u>596,514</u>	<u>713,653</u>	<u>708,333</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Washington's covered payroll	\$ 10,586,622	\$ 8,943,238	\$ 10,055,380	\$ 9,991,016
Contributions as a percentage of covered payroll	7.41%	6.67%	7.10%	7.09%

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## **Major Governmental Fund**

### **General Fund**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. The City has legally adopted an Economic Development Fund. Under GASB 54 guidance the Economic Development Capital Reserve Fund is consolidated in the General Fund.

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## CITY OF WASHINGTON, NORTH CAROLINA

## GENERAL FUND

## COMPARATIVE BALANCE SHEETS - GENERAL FUND

JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR JUNE 30, 2020

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 5,647,371	\$ 4,127,556
Taxes receivable, net	70,337	76,386
Accounts receivable, net	2,307,572	1,771,884
Due from other funds	212,058	1,576,978
Inventories	74,764	47,197
Restricted cash and investments	2,073	6,053
Total assets	<u>\$ 8,314,175</u>	<u>\$ 7,606,054</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 767,824	\$ 519,941
Liabilities payable from restricted assets:		
Customer deposits	<u>2,073</u>	<u>6,053</u>
Total liabilities	<u>769,897</u>	<u>525,994</u>
<b>Deferred Inflows of Resources:</b>		
Taxes receivable	70,337	76,386
Prepaid taxes	1,774	-
EMS receivable	192,435	155,382
Unavailable revenue	74,547	-
Other accounts receivable	<u>34,172</u>	<u>-</u>
Total deferred inflows of resources	<u>373,265</u>	<u>231,768</u>
<b>Fund Balances:</b>		
Non-spendable, not in spendable form:		
Inventories	74,764	47,197
Restricted:		
Stabilization by state statute	2,555,461	3,856,584
Restricted, all other	236,977	211,121
Committed	2,521	2,521
Assigned	68,917	36,111
Unassigned	<u>4,232,373</u>	<u>2,694,758</u>
Total fund balances	<u>7,171,013</u>	<u>6,848,292</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,314,175</u>	<u>\$ 7,606,054</u>

## CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND CONSOLIDATED  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>General Fund</b>	<b>Economic Development Capital Reserve Fund</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,833,834	\$ -	\$ 4,833,834
Other taxes and licenses	3,742,408	-	3,742,408
Unrestricted intergovernmental	2,040,138	-	2,040,138
Restricted intergovernmental	803,751	-	803,751
Permits and fees	141,401	-	141,401
Sales and services	919,170	-	919,170
Investment earnings	12,653	-	12,653
Miscellaneous	54,807	-	54,807
Total revenues	<u>12,548,162</u>	<u>-</u>	<u>12,548,162</u>
<b>Expenditures:</b>			
General government	2,096,303	-	2,096,303
Public safety	7,119,530	-	7,119,530
Transportation	1,229,946	-	1,229,946
Environmental protection	102,353	-	102,353
Cultural and recreation	2,744,977	-	2,744,977
Debt service:			
Principal retirement	141,036	-	141,036
Interest and fees	29,285	-	29,285
Total expenditures	<u>13,463,430</u>	<u>-</u>	<u>13,463,430</u>
Revenues over (under) expenditures	<u>(915,268)</u>	<u>-</u>	<u>(915,268)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	2,210,770	-	2,210,770
Transfers to other funds	(972,781)	-	(972,781)
Total other financing sources (uses)	<u>1,237,989</u>	<u>-</u>	<u>1,237,989</u>
Net change in fund balances	322,721	-	322,721
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>6,845,771</u>	<u>2,521</u>	<u>6,848,292</u>
End of year - June 30	<u>\$ 7,168,492</u>	<u>\$ 2,521</u>	<u>\$ 7,171,013</u>

# CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Taxes	\$ 4,468,737	\$ 4,794,252	\$ 325,515	\$ 4,561,325
Penalties and interest	25,000	39,582	14,582	32,305
Total	<u>4,493,737</u>	<u>4,833,834</u>	<u>340,097</u>	<u>4,593,630</u>
<b>Other Taxes and Licenses:</b>				
Local option sales tax	2,650,000	3,313,783	663,783	2,680,618
Local occupancy tax	350,575	324,560	(26,015)	293,437
Automotive licenses	45,000	48,874	3,874	44,791
Rental vehicle tax	20,000	27,483	7,483	22,743
Privilege licenses	1,000	1,060	60	1,140
PEG channel tax	27,087	26,648	(439)	20,283
Total	<u>3,093,662</u>	<u>3,742,408</u>	<u>648,746</u>	<u>3,063,012</u>
<b>Unrestricted Intergovernmental:</b>				
Return on investment-property taxes	754,477	754,477	-	743,301
Franchise tax	1,234,848	1,185,445	(49,403)	1,230,024
Beer and wine tax	40,000	38,917	(1,083)	40,236
Court costs and fines	3,000	4,577	1,577	4,502
ABC Board distributions	17,000	11,940	(5,060)	8,531
Police citations	2,000	610	(1,390)	2,087
Public housing payment	43,821	44,172	351	43,821
Total	<u>2,095,146</u>	<u>2,040,138</u>	<u>(55,008)</u>	<u>2,072,502</u>
<b>Restricted Intergovernmental:</b>				
Local forfeiture	1,000	680	(320)	845
Powell Bill	155,667	144,851	(10,816)	160,981
Beaufort County - recreation	20,000	20,000	-	20,000
Controlled substance tax	5,000	3,533	(1,467)	9,863
Washington Park - firefighting	42,352	42,352	-	41,522
State reimbursement for Medicaid EMS	140,000	188,694	48,694	152,038
State aid to public libraries	9,000	9,542	542	8,468
Mid-East Commission - recreation	35,225	34,519	(706)	35,105
Hurricane FEMA grant	60,000	-	(60,000)	167,951
Other grants	416,404	359,580	(56,824)	30,126
Total	<u>884,648</u>	<u>803,751</u>	<u>(80,897)</u>	<u>626,899</u>
<b>Permits and Fees:</b>				
Fire permit and inspection fees	6,000	5,110	(890)	7,233
License plate agency fees	-	7,614	7,614	-
Building permits	110,000	128,677	18,677	110,997
Total	<u>116,000</u>	<u>141,401</u>	<u>25,401</u>	<u>118,230</u>

# CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Sales and Services:</b>				
Rents	43,076	43,900	824	43,418
Fire contracts	1,400	1,376	(24)	1,414
Public works fees	5,500	3,885	(1,615)	3,345
Administrative charges -gas	16,500	10,765	(5,735)	19,035
Recreation fees and assessments	134,400	148,240	13,840	117,374
Sale of materials and property	5,000	4,970	(30)	6,630
Grass mowing and lot cleaning	6,000	2,940	(3,060)	2,795
Rescue squad	500,000	540,330	40,330	598,397
Library fees and fines	12,100	4,876	(7,224)	14,095
Development filing fees	3,000	10,121	7,121	4,617
Sale of capital assets	-	-	-	5,019
Aquatic Center	96,500	58,860	(37,640)	77,816
Civic Center	-	6,000	6,000	-
Contracted police services	30,000	17,753	(12,247)	31,523
Paving assessments	-	-	-	9
License plate agency	360,000	65,130	(294,870)	-
Other	20	24	4	47
Total	1,213,496	919,170	(294,326)	925,534
<b>Investment Earnings:</b>				
Interest	165,300	12,653	(152,647)	134,541
<b>Miscellaneous:</b>				
Contributions	25,000	20,182	(4,818)	25,048
Other	22,000	34,625	12,625	52,604
Total	47,000	54,807	7,807	77,652
<b>Total revenues</b>	<b>12,108,989</b>	<b>12,548,162</b>	<b>439,173</b>	<b>11,612,000</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>City Council:</b>				
Salaries and employee benefits	40,860	40,780	80	35,646
Professional services	8,300	3,221	5,079	8,256
Other operating expenditures	13,005	6,302	6,703	5,838
Election expenses	-	-	-	6,000
Total	62,165	50,303	11,862	55,740
<b>Mayor's Office:</b>				
Salaries and employee benefits	13,346	13,331	15	12,074
Other operating expenditures	7,110	2,834	4,276	3,889
Election expenses	-	-	-	1,000
Total	20,456	16,165	4,291	16,963



## CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>City Manager:</b>				
Salaries and employee benefits	380,330	369,048	11,282	349,575
Professional services	14,548	12,927	1,621	11,200
Other operating expenditures	21,912	19,640	2,272	10,832
Total	416,790	401,615	15,175	371,607
<b>Human Resources:</b>				
Salaries and employee benefits	286,388	269,102	17,286	265,342
Professional services	21,072	13,060	8,012	5,658
Other operating expenditures	69,723	31,694	38,029	54,416
Maintenance and repairs	4,150	3,865	285	2,987
Contracted services	26,000	25,254	746	21,311
Total	407,333	342,975	64,358	349,714
<b>Communications:</b>				
Salaries and employee benefits	35,052	28,791	6,261	-
Other operating expenditures	33,122	12,330	20,792	-
Total	68,174	41,121	27,053	-
<b>Tourism Director:</b>				
Salaries and employee benefits	165,983	107,914	58,069	142,584
Professional services	250	-	250	2,552
Other operating expenditures	1,600	414	1,186	763
Total	167,833	108,328	59,505	145,899
<b>Finance Director:</b>				
Salaries and employee benefits	511,914	465,092	46,822	456,328
Professional services	100,914	89,742	11,172	107,134
Other operating expenditures	34,575	21,337	13,238	15,853
Total	647,403	576,171	71,232	579,315
<b>Purchasing and Supply:</b>				
Salaries and employee benefits	131,324	127,354	3,970	117,542
Professional services	36	36	-	108
Other operating expenditures	24,341	22,473	1,868	20,321
Maintenance and repairs	6,700	5,721	979	32,993
Total	162,401	155,584	6,817	170,964
<b>Customer Service:</b>				
Salaries and employee benefits	462,676	420,011	42,665	402,231
Professional services	6,000	252	5,748	-
Other operating expenditures	171,565	162,722	8,843	337,638
Total	640,241	582,985	57,256	739,869

# CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>License Plate Agency:</b>				
Salaries and employee benefits	123,784	66,514	57,270	-
Professional services	7,480	2,363	5,117	4,830
Other operating expenditures	43,090	36,619	6,471	-
Total	174,354	105,496	68,858	4,830
<b>Billing Department:</b>				
Salaries and employee benefits	94,538	89,406	5,132	85,654
Other operating expenditures	90,600	69,642	20,958	67,824
Total	185,138	159,048	26,090	153,478
<b>Information Services:</b>				
Salaries and employee benefits	15,720	12,239	3,481	13,818
Contract services	300,396	277,717	22,679	260,443
Other operating expenditures	28,100	14,766	13,334	27,365
Maintenance and repairs	9,500	2,615	6,885	3,565
Capital outlay	157,830	119,920	37,910	129,932
Total	511,546	427,257	84,289	435,123
<b>Municipal Building:</b>				
Salaries and employee benefits	101,030	98,830	2,200	91,708
Contracted services	9,200	7,431	1,769	8,671
Other operating expenditures	67,425	55,336	12,089	55,166
Maintenance and repairs	76,500	67,871	8,629	48,422
Capital outlay	100,105	48,605	51,500	-
Total	354,260	278,073	76,187	203,967
<b>Legal Services:</b>				
Professional services	155,300	154,681	619	142,475
<b>Non-Departmental:</b>				
Other operating expenditures	899,194	613,384	285,810	605,955
Maintenance and repairs	1,000	-	1,000	-
Hurricane FEMA expenses	710	709	1	74,761
Total	900,904	614,093	286,811	680,716
<b>Economic Development:</b>				
Operating expenditures	193,131	150,689	42,442	290,874
Professional services	4,240	-	4,240	(1,599)
Total	197,371	150,689	46,682	289,275

# CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Planning/Zoning:</b>				
Salaries and employee benefits	356,740	341,686	15,054	316,095
Professional services	61,225	43,840	17,385	11,919
Contract services	125	100	25	-
Other operating expenditures	25,535	22,248	3,287	22,501
Capital outlay	2,075	2,066	9	1,956
Total	445,700	409,940	35,760	352,471
<b>Code Enforcement/Inspections:</b>				
Salaries and employee benefits	300,157	284,678	15,479	258,930
Professional services	2,250	986	1,264	-
Contract services	33,800	25,189	8,611	31,954
Other operating expenditures	24,749	20,417	4,332	17,189
Maintenance and repairs	2,200	1,357	843	2,515
Total	363,156	332,627	30,529	310,588
<b>Reimbursement:</b>				
Enterprise funds	(2,688,753)	(2,688,753)	-	(2,529,096)
Tourism Authority	(179,070)	(122,095)	(56,975)	(157,668)
Total	(2,867,823)	(2,810,848)	(56,975)	(2,686,764)
<b>Total general government</b>	<b>3,012,702</b>	<b>2,096,303</b>	<b>916,399</b>	<b>2,316,230</b>
<b>Public Safety:</b>				
<b>Police:</b>				
Salaries and employee benefits	3,287,769	3,133,615	154,154	2,766,659
Professional services	9,900	5,586	4,314	7,125
Other operating expenditures	445,423	389,486	55,937	366,506
Maintenance and repairs	133,425	91,088	42,337	87,783
Contracted services	111,180	106,122	5,058	82,169
Total	3,987,697	3,725,897	261,800	3,310,242
<b>E-911 Communication:</b>				
Salaries and employee benefits	320,453	304,948	15,505	294,808
Other operating expenditures	38,350	32,767	5,583	28,017
Maintenance and repairs	10,800	4,572	6,228	3,775
Total	369,603	342,287	27,316	326,600
<b>Fire:</b>				
Salaries and employee benefits	613,551	572,094	41,457	533,202
Professional services	8,307	1,938	6,369	3,794
Contracted services	4,500	3,361	1,139	3,001
Other operating expenditures	395,508	373,027	22,481	339,968

**CITY OF WASHINGTON, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<b>2021</b>			<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
Maintenance and repairs	79,350	65,277	14,073	113,210
Capital outlay	-	-	-	59,784
Contribution to Fireman's Association	5,925	2,255	3,670	3,238
Total	1,107,141	1,017,952	89,189	1,056,197
<b>Rescue:</b>				
Salaries and employee benefits	1,896,399	1,816,987	79,412	1,678,961
Professional services	52,062	37,660	14,402	41,659
Other operating expenditures	181,126	165,525	15,601	154,949
Maintenance and repairs	30,440	13,222	17,218	15,605
Capital outlay	19,000	-	19,000	28,916
Total	2,179,027	2,033,394	145,633	1,920,090
<b>Total public safety</b>	<b>7,643,468</b>	<b>7,119,530</b>	<b>523,938</b>	<b>6,613,129</b>
<b>Transportation:</b>				
<b>Street Maintenance:</b>				
Salaries and employee benefits	444,478	432,055	12,423	381,869
Professional services	436,672	222,425	214,247	341,185
Other operating expenditures	109,092	106,455	2,637	92,187
Maintenance and repairs	78,097	77,287	810	41,702
Contracted services	370	201	169	-
Capital outlay	1,200	1,194	6	1,142
Total	1,069,909	839,617	230,292	858,085
<b>Street Construction - Powell Bill:</b>				
Salaries and employee benefits	149,528	143,426	6,102	136,199
Professional services	1,075	-	1,075	1,071
Other operating expenditures	85,765	67,340	18,425	52,670
Maintenance and repairs	23,950	8,700	15,250	18,349
Contracted services	51,094	5,434	45,660	186,172
Total	311,412	224,900	86,512	394,461
<b>Equipment Services:</b>				
Salaries and employee benefits	117,810	108,505	9,305	107,367
Professional services	450	100	350	150
Other operating expenditures	42,324	33,658	8,666	24,966
Maintenance and repairs	5,500	3,891	1,609	1,513
Capital outlay	21,200	19,275	1,925	9,345
Total	187,284	165,429	21,855	143,341
<b>Total transportation</b>	<b>1,568,605</b>	<b>1,229,946</b>	<b>338,659</b>	<b>1,395,887</b>

**CITY OF WASHINGTON, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Environmental Protection:</b>				
<b>Public Works Director:</b>				
Salaries and employee benefits	102,585	97,013	5,572	98,973
Professional services	1,500	379	1,121	-
Other operating expenditures	6,200	4,961	1,239	1,623
Maintenance and repairs	250	-	250	500
Total	110,535	102,353	8,182	101,096
<b>Drainage Improvements:</b>				
Salaries and employee benefits	-	-	-	332,794
Other operating expenditures	-	-	-	60
Total	-	-	-	332,854
<b>Total environmental protection</b>	110,535	102,353	8,182	433,950
<b>Cultural and Recreational:</b>				
<b>Recreation Centers:</b>				
Salaries and employee benefits	118,442	115,173	3,269	115,118
Professional services	754	408	346	1,515
Other operating expenditures	38,415	28,239	10,176	35,870
Maintenance and repairs	18,470	6,939	11,531	55,104
Programs	59,275	33,349	25,926	15,159
Capital outlay	2,350	2,350	-	-
Total	237,706	186,458	51,248	222,766
<b>Senior Citizens Programs:</b>				
Salaries and employee benefits	122,320	108,795	13,525	102,372
Professional services	1,700	70	1,630	3,916
Other operating expenditures	48,845	37,441	11,404	32,481
Programs	18,949	13,737	5,212	15,941
Maintenance and repairs	29,740	22,090	7,650	37,158
Capital outlay	-	-	-	19,771
Total	221,554	182,133	39,421	211,639
<b>Recreation Administration:</b>				
Salaries and employee benefits	92,994	89,136	3,858	87,954
Professional services	8,050	2,369	5,681	800
Other operating expenditures	44,839	42,000	2,839	42,315
Maintenance and repairs	1,840	1,660	180	1,540
Total	147,723	135,165	12,558	132,609

# CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Library:</b>				
Salaries and employee benefits	406,565	397,152	9,413	366,434
Contract services	28,932	28,279	653	26,735
Professional services	500	75	425	321
Other operating expenditures	118,992	114,118	4,874	112,272
Maintenance and repairs	16,494	15,504	990	17,176
Capital outlay	30,150	24,911	5,239	43,681
Total	601,633	580,039	21,594	566,619
<b>Parks and Grounds Maintenance:</b>				
Salaries and employee benefits	431,583	363,753	67,830	355,208
Professional services	300	281	19	217
Contracted services	1,950	1,950	-	16,260
Other operating expenditures	150,744	136,782	13,962	131,646
Maintenance and repairs	189,855	163,875	25,980	119,375
Capital outlay	506,505	386,928	119,577	117,213
Total	1,280,937	1,053,569	227,368	739,919
<b>Waterfront Docks:</b>				
Salaries and employee benefits	70,800	69,292	1,508	62,458
Professional services	200	131	69	34
Other operating expenditures	21,485	20,969	516	13,868
Maintenance and repairs	22,343	21,805	538	16,666
Capital outlay	94,616	90,354	4,262	13,339
Total	209,444	202,551	6,893	106,365
<b>Contributions to Outside Agencies:</b>				
Zion Shelter	6,100	6,100	-	6,100
Boys and Girls Club	10,500	10,500	-	10,500
The Blind Center	800	800	-	800
Purpose of God	13,000	13,000	-	13,000
Wright Flight	2,250	2,250	-	2,250
Eagle Wings	1,000	1,000	-	1,000
Corner Stone	6,480	6,480	-	6,480
Total	40,130	40,130	-	40,130
<b>Civic Center:</b>				
Salaries and employee benefits	85,347	66,276	19,071	74,889
Other operating expenditures	450	-	450	189
Maintenance and repairs	3,758	2,844	914	-
Professional services	300	296	4	-
Capital outlay	43,034	6,350	36,684	121,795
Total	132,889	75,766	57,123	196,873

**CITY OF WASHINGTON, NORTH CAROLINA**

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<b>2021</b>			<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>	<b>Actual</b>
<b>Aquatic Center:</b>				
Salaries and employee benefits	161,450	156,921	4,529	144,207
Professional services	7,130	7,090	40	546
Other operating expenditures	130,185	116,616	13,569	101,388
Maintenance and repairs	72,117	59,590	12,527	65,882
Program expenses	2,800	2,428	372	2,453
Capital outlay	28,000	28,000	-	-
Total	401,682	370,645	31,037	314,476
<b>Reimbursement:</b>				
Civic Center	(99,527)	(81,142)	(18,385)	(79,132)
Library Trust Fund	(3,000)	(337)	(2,663)	(1,623)
Total	(102,527)	(81,479)	(21,048)	(80,755)
<b>Total cultural and recreation</b>	<b>3,171,171</b>	<b>2,744,977</b>	<b>426,194</b>	<b>2,450,641</b>
<b>Debt Service:</b>				
Principal retirement	141,038	141,036	2	137,514
Interest and fees	29,289	29,285	4	32,870
Total debt service	170,327	170,321	6	170,384
<b>Total expenditures</b>	<b>15,676,808</b>	<b>13,463,430</b>	<b>2,213,378</b>	<b>13,380,221</b>
<b>Revenues over (under) expenditures</b>	<b>(3,567,819)</b>	<b>(915,268)</b>	<b>2,652,551</b>	<b>(1,768,221)</b>
<b>Other Financing Sources (Uses):</b>				
<b>Transfer From:</b>				
From Economic Development Capital Reserve Fund	424,455	424,455	-	-
From Electric Fund	1,412,690	1,412,690	-	1,312,690
From Water Fund	71,963	71,963	-	71,963
From Sewer Fund	40,532	40,532	-	40,532
From Aquatic Center Fund	-	-	-	435,830
From Public Safety Capital Reserve Fund	166,970	166,970	-	166,970
From capital project funds	94,162	94,160	(2)	1,489
<b>Transfer To:</b>				
To Public Safety Capital Reserve Fund	(166,970)	(166,970)	-	(166,970)
To Airport Fund	(232,842)	(232,842)	-	(244,219)
To Facade Program Fund	(20,000)	(20,000)	-	(30,000)
To CPF	(100,000)	(100,000)	-	(3,212,152)
To other funds	-	-	-	(630,031)
To Kayak Access Grant #7663	(26,918)	(26,918)	-	-
To Kate B. Reynolds Trust Grant	(130,000)	(130,000)	-	-
To DEQ Recycling Grant	(5,601)	(5,601)	-	-
To DEQ Wetlands Boardwalk Reconstruction	(290,450)	(290,450)	-	-
Appropriated fund balance	2,329,828	-	(2,329,828)	-
Total other financing sources (uses)	3,567,819	1,237,989	(2,329,830)	(2,253,898)

**CITY OF WASHINGTON, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ <u>-</u>	322,721	\$ <u>322,721</u>	(4,022,119)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>6,845,771</u>		<u>10,867,890</u>
End of year - June 30		\$ <u>7,168,492</u>		\$ <u>6,845,771</u>



## CITY OF WASHINGTON, NORTH CAROLINA

**ECONOMIC DEVELOPMENT CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		\$ 2,521		\$ 2,521
End of year - June 30		\$ 2,521		\$ 2,521

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## **Nonmajor Governmental Funds**

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## CITY OF WASHINGTON, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

	<b>Special Revenue Fund</b>	<b>Capital Project Funds</b>	<b>Permanent Funds</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 30,234	\$ 1,828,261	\$ 549,853	\$ 2,408,348
Accounts receivable, net	157	286,743	-	286,900
Notes receivable, net	188,000	-	-	188,000
Total assets	<u>\$ 218,391</u>	<u>\$ 2,115,004</u>	<u>\$ 549,853</u>	<u>\$ 2,883,248</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 41,777	\$ -	\$ 41,777
Due to other funds	-	212,058	-	212,058
Total liabilities	<u>-</u>	<u>253,835</u>	<u>-</u>	<u>253,835</u>
<b>Fund Balances:</b>				
Non-spendable, not in spendable form:				
Perpetual maintenance - library care	-	-	95,395	95,395
Perpetual maintenance - cemetery care	-	-	454,458	454,458
Restricted:				
Stabilization by state statute	188,157	666,248	-	854,405
Restricted, all other	30,234	-	-	30,234
Committed	-	1,506,736	-	1,506,736
Assigned	-	39,343	-	39,343
Unassigned	-	(351,158)	-	(351,158)
Total fund balances	<u>218,391</u>	<u>1,861,169</u>	<u>549,853</u>	<u>2,629,413</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 218,391</u>	<u>\$ 2,115,004</u>	<u>\$ 549,853</u>	<u>\$ 2,883,248</u>

## CITY OF WASHINGTON, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Special Revenue Fund</b>	<b>Capital Project Funds</b>	<b>Permanent Funds</b>	<b>Total</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 1,880	\$ 864,547	\$ -	\$ 866,427
Investment earnings	-	5,820	1,962	7,782
Miscellaneous revenue	-	(4,500)	-	(4,500)
Total revenues	<u>1,880</u>	<u>865,867</u>	<u>1,962</u>	<u>869,709</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	-	290,512	-	290,512
Environmental protection	-	-	1,625	1,625
Cultural and recreation	-	21,680	337	22,017
Economic and physical development	-	4,064,349	-	4,064,349
General government	-	2,500	-	2,500
Total expenditures	<u>-</u>	<u>4,379,041</u>	<u>1,962</u>	<u>4,381,003</u>
Revenues over (under) expenditures	<u>1,880</u>	<u>(3,513,174)</u>	<u>-</u>	<u>(3,511,294)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	739,939	-	739,939
Transfers out	-	(213,082)	-	(213,082)
Total other financing sources (uses)	<u>-</u>	<u>526,857</u>	<u>-</u>	<u>526,857</u>
Net change in fund balances	1,880	(2,986,317)	-	(2,984,437)
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>216,511</u>	<u>4,847,486</u>	<u>549,853</u>	<u>5,613,850</u>
End of year - June 30	<u>\$ 218,391</u>	<u>\$ 1,861,169</u>	<u>\$ 549,853</u>	<u>\$ 2,629,413</u>

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

- CDBG Program Income Fund

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## CITY OF WASHINGTON, NORTH CAROLINA

## SPECIAL REVENUE FUND - CDBG PROGRAM INCOME FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Economic development loan repayments and interest	\$ -	\$ 1,880	\$ 1,880	\$ 1,723
Net change in fund balance	\$ -	1,880	\$ 1,880	1,723
<b>Reconciliation from Budgetary Basis to Modified Accrual Basis:</b>				
Current year economic development loan repayments		-		-
Net change in fund balance - modified accrual basis		1,880		1,723
<b>Fund Balance:</b>				
Beginning of year - July 1		216,511		214,788
End of year - June 30		\$ 218,391		\$ 216,511

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## **Nonmajor Governmental Funds**

### **Capital Project Funds**

Capital Project Funds account for funds to be used for the acquisition or construction of major capital facilities.

- New Police Station Fund
- Public Safety Capital Reserve Fund
- Facade Program Fund
- Way Finding Project Fund
- Financial and Utility Software Project Fund
- Castle Island CDBG Grant Fund
- Streetscape Improvement Fund
- Library Expansion
- Kayak Access Grant Fund
- EPA Brownsfield Grant
- CDBG-NR
- Kate B. Reynolds Trust Grant
- DEQ Recycling Grant
- DEQ Wetlands Boardwalk Reconstruction Phase I Grant

CITY OF WASHINGTON, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021

	New Police Station Fund	Public Safety Capital Reserve Fund	Facade Program Fund	Way Finding Project	Financial and Utility Billing Software Project	Castle Island CDBG Grant	Streetscape Improvement
<b>Assets:</b>							
Cash and cash equivalents	\$ 1,369,976	\$ 1,277	\$ 43,343	\$ -	\$ -	\$ -	\$ 284,165
Accounts receivable, net	-	-	-	-	-	-	-
Total assets	<u>\$ 1,369,976</u>	<u>\$ 1,277</u>	<u>\$ 43,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,165</u>
<b>Liabilities and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 455	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 28,039
Due to General Fund	-	-	-	-	-	-	-
Total liabilities	<u>455</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,039</u>
<b>Fund Balances:</b>							
Restricted:							
Stabilization by state statute	174,494	-	2,000	-	-	-	72,694
Committed	1,195,027	1,277	-	-	-	-	183,432
Assigned	-	-	39,343	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,369,521</u>	<u>1,277</u>	<u>41,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,126</u>
Total liabilities and fund balances	<u>\$ 1,369,976</u>	<u>\$ 1,277</u>	<u>\$ 43,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,165</u>

CITY OF WASHINGTON, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021

	Library Expansion	Kayak Access Grant	EPA Brownsfield Grant	CDBG-NR	Kate B. Reynolds Trust Grant	DEQ Recycling Grant	DEQ Wetlands Boardwalk Reconstruction Phase 1 Grant	Total Nonmajor Capital Project Funds
<b>Assets:</b>								
Cash and cash equivalents	\$ 102,000	\$ 2,500	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 1,828,261
Accounts receivable, net	-	-	3,783	-	-	2,400	280,560	286,743
Total assets	<u>\$ 102,000</u>	<u>\$ 2,500</u>	<u>\$ 3,783</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ 280,560</u>	<u>\$ 2,115,004</u>
<b>Liabilities and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ 2,500	3,783	\$ -	\$ -	\$ -	\$ 5,000	\$ 41,777
Due to General Fund	-	-	-	-	-	2,400	209,658	212,058
Total liabilities	<u>-</u>	<u>2,500</u>	<u>3,783</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>214,658</u>	<u>253,835</u>
<b>Fund Balances:</b>								
Restricted:								
Stabilization by state statute	-	-	69,770	-	-	2,400	344,890	666,248
Committed	102,000	-	-	25,000	-	-	-	1,506,736
Assigned	-	-	-	-	-	-	-	39,343
Unassigned	-	-	(69,770)	-	-	(2,400)	(278,988)	(351,158)
Total fund balances	<u>102,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>65,902</u>	<u>1,861,169</u>
Total liabilities and fund balances	<u>\$ 102,000</u>	<u>\$ 2,500</u>	<u>\$ 3,783</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ 280,560</u>	<u>\$ 2,115,004</u>

CITY OF WASHINGTON, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	New Police Station Fund	Public Safety Capital Reserve Fund	Façade Program Fund	Way Finding Project	Financial and Utility Billing Software Project	Castle Island CDBG Grant	Streetscape Improvement
<b>Revenues:</b>							
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,168	\$ -
Contributions	-	-	-	-	-	-	-
Investment earnings	5,625	4	72	-	119	-	-
Total revenues	5,625	4	72	-	119	365,168	-
<b>Expenditures:</b>							
Public safety	290,512	-	-	-	-	-	-
General government	-	-	-	-	2,500	-	-
Cultural and recreational	-	-	-	-	-	-	-
Economic and physical development	-	-	15,885	-	-	365,168	2,823,030
Total expenditures	290,512	-	15,885	-	2,500	365,168	2,823,030
Revenues over (under) expenditures	(284,887)	4	(15,813)	-	(2,381)	-	(2,823,030)
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	166,970	20,000	-	-	-	-
Transfers out	-	(166,970)	-	(357)	(45,755)	-	-
Total other financing sources (uses)	-	-	20,000	(357)	(45,755)	-	-
Net change in fund balances	(284,887)	4	4,187	(357)	(48,136)	-	(2,823,030)
<b>Fund Balances:</b>							
Beginning of year - July 1	1,654,408	1,273	37,156	357	48,136	-	3,079,156
End of year - June 30	\$ 1,369,521	\$ 1,277	\$ 41,343	\$ -	\$ -	\$ -	\$ 256,126

CITY OF WASHINGTON, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Library Expansion	Kayak Access Grant	EPA Brownsfield Grant	CDBG-NR	Kate B. Reynolds Trust Grant	DEQ Recycling Grant	DEQ Wetlands Boardwalk Reconstruction Phase 1 Grant	Total Nonmajor Capital Project Funds
<b>Revenues:</b>								
Restricted intergovernmental	\$ -	\$ (738)	\$ 113,057	\$ -	\$ 82,500	\$ 24,000	\$ 280,560	\$ 864,547
Local contributions	-	(4,500)	-	-	-	-	-	(4,500)
Investment earnings	-	-	-	-	-	-	-	5,820
Total revenues	-	(5,238)	113,057	-	82,500	24,000	280,560	865,867
<b>Expenditures:</b>								
Public safety	-	-	-	-	-	-	-	290,512
General government	-	-	-	-	-	-	-	2,500
Cultural and recreational	-	21,680	-	-	-	-	-	21,680
Economic and physical development	-	-	113,057	-	212,500	29,601	505,108	4,064,349
Total expenditures	-	21,680	113,057	-	212,500	29,601	505,108	4,379,041
Revenues over (under) expenditures	-	(26,918)	-	-	(130,000)	(5,601)	(224,548)	(3,513,174)
<b>Other Financing Sources (Uses):</b>								
Transfers in	100,000	26,918	-	-	130,000	5,601	290,450	739,939
Transfers out	-	-	-	-	-	-	-	(213,082)
Total other financing sources (uses)	100,000	26,918	-	-	130,000	5,601	290,450	526,857
Net change in fund balances	100,000	-	-	-	-	-	65,902	(2,986,317)
<b>Fund Balances:</b>								
Beginning of year - July 1	2,000	-	-	25,000	-	-	-	4,847,486
End of year - June 30	\$ 102,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 65,902	\$ 1,861,169

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - NEW POLICE STATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Investment earnings	\$ 92,965	\$ 92,047	\$ 5,625	\$ 97,672	\$ 4,707
<b>Expenditures:</b>					
<b>Public Safety:</b>					
Legal fees	54,000	33,888	3,610	37,498	16,502
Engineering fees	578,974	143,224	43,049	186,273	392,701
Equipment	1,224,264	127,981	243,853	371,834	852,430
Land acquisition	923,143	819,962	-	819,962	103,181
Total expenditures	2,780,381	1,125,055	290,512	1,415,567	1,364,814
Revenues over (under) expenditures	(2,687,416)	(1,033,008)	(284,887)	(1,317,895)	1,369,521
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	2,687,416	2,687,416	-	2,687,416	-
Net change in fund balance	\$ -	\$ 1,654,408	(284,887)	\$ 1,369,521	\$ 1,369,521
<b>Fund Balance:</b>					
Beginning of year - July 1			1,654,408		
End of year - June 30			\$ 1,369,521		



## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - PUBLIC SAFETY CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
Investment earnings	\$ -	\$ 4	\$ 4	\$ 18
<b>Other Financing Sources (Uses):</b>				
Transfers from General Fund	166,970	166,970	-	166,970
Transfers to General Fund	<u>(166,970)</u>	<u>(166,970)</u>	-	<u>(166,970)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4</u>	<u>\$ 4</u>	<u>18</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,273</u>		<u>1,255</u>
End of year - June 30		<u>\$ 1,277</u>		<u>\$ 1,273</u>

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - FACADE PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 72	\$ 72	\$ 425
<b>Expenditures:</b>				
<b>Economic Development:</b>				
Facade grants	27,885	15,885	12,000	21,470
Revenues over (under) expenditures	(27,885)	(15,813)	12,072	(21,045)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	7,885	-	(7,885)	-
Transfer from General Fund	20,000	20,000	-	30,000
Total other financing sources (uses)	27,885	20,000	(7,885)	30,000
Net change in fund balance	\$ -	4,187	\$ 4,187	8,955
<b>Fund Balance:</b>				
Beginning of year - July 1		37,156		28,201
End of year - June 30		\$ 41,343		\$ 37,156

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - WAY FINDING PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Investment earnings	\$ 3,038	\$ 3,384	\$ -	\$ 3,384	\$ 346
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Design	49,913	49,913	-	49,913	-
Installation	122,724	122,714	-	122,714	10
Total expenditures	172,637	172,627	-	172,627	10
Revenues over (under) expenditures	(169,599)	(169,243)	-	(169,243)	356
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	169,600	169,600	-	169,600	-
Transfer to other funds	(358)	-	(357)	(357)	1
Appropriated fund balance	357	-	-	-	(357)
Total other financing sources (uses)	169,599	169,600	(357)	169,243	(356)
Net change in fund balance	\$ -	\$ 357	(357)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			357		
End of year - June 30			\$ -		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - FINANCIAL AND UTILITY SOFTWARE PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Interest earnings	\$ -	\$ 5,041	\$ 119	\$ 5,160	\$ 5,160
<b>Expenditures:</b>					
<b>General government:</b>					
Software	400,000	356,905	2,500	359,405	40,595
Revenues over (under) expenditures	(400,000)	(351,864)	(2,381)	(354,245)	45,755
<b>Other Financing Sources (Uses):</b>					
Transfer to other funds	(45,755)	-	(45,755)	(45,755)	-
Transfer from other funds	400,000	400,000	-	400,000	-
Appropriated fund balance	45,755	-	-	-	(45,755)
Total other financing sources (uses)	400,000	400,000	(45,755)	354,245	(45,755)
Net change in fund balance	\$ -	\$ 48,136	(48,136)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			48,136		
End of year - June 30			\$ -		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - CASTLE ISLAND CDBG GRANT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
CDBG grant funds	\$ 500,000	\$ 95,693	\$ 365,168	\$ 460,861	\$ (39,139)
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Building rehabilitation	500,000	95,693	365,168	460,861	39,139
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - STREETSCAPE IMPROVEMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Water tap fees	\$ -	\$ 24,000	\$ -	\$ 24,000	\$ 24,000
Interest earnings	12,599	15,197	-	15,197	2,598
Total revenues	<u>12,599</u>	<u>39,197</u>	<u>-</u>	<u>39,197</u>	<u>26,598</u>
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Improvements	<u>4,092,178</u>	<u>1,039,620</u>	<u>2,823,030</u>	<u>3,862,650</u>	<u>229,528</u>
Revenues over (under) expenditures	(4,079,579)	(1,000,423)	(2,823,030)	(3,823,453)	256,126
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	<u>4,079,579</u>	<u>4,079,579</u>	<u>-</u>	<u>4,079,579</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,079,156</u>	<u>(2,823,030)</u>	<u>\$ 256,126</u>	<u>\$ 256,126</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>3,079,156</u>		
End of year - June 30			<u>\$ 256,126</u>		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - LIBRARY EXPANSION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Grant administration	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000
Revenues over (under) expenditures	(102,000)	-	-	-	102,000
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	102,000	2,000	100,000	102,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,000</u>	100,000	<u>\$ 102,000</u>	<u>\$ 102,000</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>2,000</u>		
End of year - June 30			<u>\$ 102,000</u>		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - KAYAK ACCESS GRANT #7663**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
NCDEQ grant	\$ 23,518	\$ 18,137	\$ (738)	\$ 17,399	\$ (6,119)
Sound Rivers, local contribution	30,391	30,549	(4,500)	26,049	(4,342)
Total revenues	<u>53,909</u>	<u>48,686</u>	<u>(5,238)</u>	<u>43,448</u>	<u>(10,461)</u>
<b>Expenditures:</b>					
<b>Cultural and Recreation:</b>					
Construction	<u>80,827</u>	<u>48,686</u>	<u>21,680</u>	<u>70,366</u>	<u>10,461</u>
Revenues over (under) expenditures	(26,918)	-	(26,918)	(26,918)	-
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	<u>26,918</u>	<u>-</u>	<u>26,918</u>	<u>26,918</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		



## CITY OF WASHINGTON, NORTH CAROLINA

## CAPITAL PROJECT FUND - EPA BROWNSFIELD GRANT #00D72918

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
EPA grant funds	\$ 300,000	\$ 116,956	\$ 113,057	\$ 230,013	\$ (69,987)
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Professional services	296,000	116,956	113,057	230,013	65,987
Administration/training	4,000	-	-	-	4,000
Total expenditures	300,000	116,956	113,057	230,013	69,987
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - CDBG-NR #14-D-2971**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
NC Dept. of Commerce grant	\$ 750,000	\$ 61,655	\$ -	\$ 61,655	\$ (688,345)
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Program administration	72,000	61,655	-	61,655	10,345
Planning	3,000	-	-	-	3,000
Rehabilitation	310,000	-	-	-	310,000
Relocation assistance	110,000	-	-	-	110,000
Demolition	25,000	-	-	-	25,000
Acquisition	255,000	-	-	-	255,000
Total expenditures	775,000	61,655	-	61,655	713,345
Revenues over (under) expenditures	(25,000)	-	-	-	25,000
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	25,000	25,000	-	25,000	-
Net change in fund balance	\$ -	\$ 25,000	-	\$ 25,000	\$ 25,000
<b>Fund Balance:</b>					
Beginning of year - July 1			25,000		
End of year - June 30			\$ 25,000		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - KATE B. REYNOLDS TRUST GRANT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
Kate B. Reynolds Trust	\$ 82,500	\$ -	\$ 82,500	\$ 82,500	\$ -
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Construction	212,500	-	212,500	212,500	-
Revenues over (under) expenditures	(130,000)	-	(130,000)	(130,000)	-
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	130,000	-	130,000	130,000	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - DEQ RECYCLING GRANT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
NC DEQ Recycling grant	\$ 24,000	\$ -	\$ 24,000	\$ 24,000	\$ -
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Receptacles and signage	29,601	-	29,601	29,601	-
Revenues over (under) expenditures	(5,601)	-	(5,601)	(5,601)	-
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	5,601	-	5,601	5,601	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

## CITY OF WASHINGTON, NORTH CAROLINA

**CAPITAL PROJECT FUND - DEQ WETLANDS BOARDWALK RECONSTRUCTION  
 PHASE I GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>					
NC DEQ Boardwalk grant	\$ 280,560	\$ -	\$ 280,560	\$ 280,560	\$ -
<b>Expenditures:</b>					
<b>Economic and Physical Development:</b>					
Construction and engineering	571,010	-	505,108	505,108	65,902
Revenues over (under) expenditures	(290,450)	-	(224,548)	(224,548)	65,902
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	290,450	-	290,450	290,450	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	65,902	<u>\$ 65,902</u>	<u>\$ 65,902</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 65,902</u>		

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## **Nonmajor Governmental Funds**

### **Permanent Funds**

Permanent Funds are used to account for the fiduciary relationship in which the trust corpus may not be expended but must be kept intact.

- Library Trust Fund - This fund is used to account for the corpus of the George H. and Laura E. Brown Trust which was transferred to the City for the benefit of the Brown Library. Interest earned on the corpus is paid to the General Fund to help defray a portion of the costs associated with the upkeep of the library.
- Cemetery Trust Fund - This fund is used to account for payments which have been received for the continued upkeep of certain lots within the City's two cemeteries. Interest earned on the corpus is paid to the Cemetery Fund to help defray a portion of the costs associated with the upkeep of the cemeteries.

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## CITY OF WASHINGTON, NORTH CAROLINA

**NONMAJOR PERMANENT FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

	<b>Library Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Permanent Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 95,395	\$ 454,458	\$ 549,853
<b>Fund Balances:</b>			
Non-spendable, not in spendable form:			
Perpetual maintenance - library care	\$ 95,395	\$ -	\$ 95,395
Perpetual maintenance - cemetery care	-	454,458	454,458
Total fund balances	\$ 95,395	\$ 454,458	\$ 549,853

## CITY OF WASHINGTON, NORTH CAROLINA

**NONMAJOR PERMANENT FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Library Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Permanent Funds</b>
<b>Revenues:</b>			
Interest earnings	\$ 337	\$ 1,625	\$ 1,962
<b>Expenditures:</b>			
<b>Current:</b>			
Environmental protection	-	1,625	1,625
Cultural and recreation	337	-	337
Total expenditures	337	1,625	1,962
Net change in fund balances	-	-	-
<b>Fund Balances:</b>			
Beginning of year - July 1	95,395	454,458	549,853
End of year - June 30	<u>\$ 95,395</u>	<u>\$ 454,458</u>	<u>\$ 549,853</u>

## CITY OF WASHINGTON, NORTH CAROLINA

## NONMAJOR PERMANENT FUND - LIBRARY FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Interest earnings	\$ 3,000	\$ 337	\$ (2,663)	\$ 1,623
<b>Expenditures:</b>				
Administration	3,000	337	2,663	1,623
Net change in fund balance	\$ -	-	\$ -	-
<b>Fund Balance:</b>				
Beginning of year - July 1		95,395		95,395
End of year - June 30		\$ 95,395		\$ 95,395

## CITY OF WASHINGTON, NORTH CAROLINA

## NONMAJOR PERMANENT FUND - CEMETERY FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Interest earnings	\$ 9,000	\$ 1,625	\$ (7,375)	\$ 7,849
<b>Expenditures:</b>				
Administration	9,000	1,625	7,375	7,849
Net change in fund balance	\$ -	-	\$ -	-
<b>Fund Balance:</b>				
Beginning of year - July 1		454,458		454,458
End of year - June 30		\$ 454,458		\$ 454,458

## **Major Enterprise Funds**

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

- Water Fund - This fund is used to account for the City's water utility operations.
- Sewer Fund - This fund is used to account for the City's sewer utility operations.
- Electric Fund - This fund is used to account for the City's electric utility operations.
- Stormwater Utility Fund - This fund is used to account for the City's stormwater operations.
- Warren Field Airport Fund - This fund is used to account for the operations of the City's airfield operations.
- Water Capital Reserve Fund - This fund is used to account for the accumulation of funds for future water fund capital outlays.
- DOT Bridge #3 Pipeline Relocation - This fund is used to account for the construction of DOT bridge #3 pipeline relocation.
- Water Capital Project Fund - This fund is used to account for expansion or upgrades to the water system.
- Water Asset Inventory Grant #H-AIA-D-20-0192 - This fund is used to account for the existing water system and document condition of the inventoried items.
- Water Fund Grant Fund - This fund is used to account for the existing water system and document condition of the inventoried items.
- Sewer Capital Reserve Fund - This fund is used to account for the accumulation of funds for future sewer fund capital outlays.
- Sewer Plant Expansion Fund – This fund is used to account for future sewer plant expansion.
- Sewer Fund Grant Fund – This fund is used to account for future sewer plant expansion.

- DOT Highway 17 Electric Relocation – This fund is used to account for the construction of DOT Highway 17 relocation.
- Electric Capital Project Fund – This fund is used to account for the design and construction of electrical improvements.
- Stormwater Capital Project Fund - This fund is used to account for the design and construction of stormwater improvements.
- Medical District Drainage Stormwater Grant - This fund is used to account for the design and construction of stormwater improvements.
- Airport Runway Capital Project Fund - This fund is used to account for the NC Division of Aviation Runway 5-23 Pavement Rehabilitation Overlay Design Project.
- Airport Rehabilitation Capital Project Fund - This fund is used to account for the rehabilitation projects at the airport.
- Corporate Hanger Design Grant Capital Project Fund - This fund is used to account for the NC Division of Aviation Corporate Hanger Design Project.
- Airport Taxiway/Apron Pavement Rehabilitation 36244.51.11.2 - This fund is used to account for the construction, administration of runway 5/23 taxiway, A, B, C, and terminal Airport Rehab.
- Airport Pavement Rehabilitation 36237.38.17.1 - This fund is used to account for the construction, administration of runway 5/23 taxiway, A, B, C, and terminal Airport Rehab.
- Airport Grant Fund - This fund is used to account for the design and construction of all airport grant projects.

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Water sales	\$ 3,100,000	\$ 3,252,728	\$ 152,728	\$ 3,156,660
<b>Other Operating Revenues:</b>				
Connection and reconnection fees	40,000	62,232	22,232	47,903
Water taps	18,000	28,800	10,800	33,800
Fire hydrants	15,000	15,000	-	15,000
Late penalty charges	21,000	17,281	(3,719)	16,333
Total operating revenues	3,194,000	3,376,041	182,041	3,269,696
<b>Non-Operating Revenues:</b>				
Rents	37,400	40,407	3,007	39,811
Recovery of doubtful accounts	300	1,140	840	1,103
Interest earnings	72,000	1,755	(70,245)	61,854
Sale of surplus and scrap	-	10,850	10,850	490
Miscellaneous	24,975	25,068	93	693
Total non-operating revenues	134,675	79,220	(55,455)	103,951
Total revenues	3,328,675	3,455,261	126,586	3,373,647
<b>Operating Expenditures:</b>				
<b>Water Administration:</b>				
<b>Public Works Director:</b>				
Salaries and employee benefits	132,414	112,481	19,933	115,250
Supplies	1,610	1,603	7	746
Employee development	540	245	295	570
Telephone	800	595	205	740
Repair and maintenance	600	597	3	-
Professional services	5,500	4,321	1,179	1,892
Total public works director	141,464	119,842	21,622	119,198
<b>Miscellaneous - Non-Departmental:</b>				
Workers' compensation	5,892	5,171	721	6,459
Unemployment wages	407	400	7	239
Insurance and bonds	47,791	47,268	523	44,966
Printing and publishing	2,700	2,254	446	2,228
Utility service fee - General Fund	610,445	610,445	-	575,134
Utility service fee - Electric Fund	198,347	198,347	-	192,495
Repair and maintenance	500	-	500	-
Other expenses	18,397	18,173	224	2,376
Total miscellaneous - non-departmental	884,479	882,058	2,421	823,897
Total water administration	1,025,943	1,001,900	24,043	943,095

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Water Treatment and Distribution:</b>				
<b>Water Meter Services:</b>				
Salaries and employee benefits	120,043	115,588	4,455	110,127
Telephone	3,050	2,980	70	2,889
Employee development	1,600	1,426	174	520
Repair and maintenance	99,090	94,499	4,591	9,047
Supplies	1,603	1,569	34	1,759
Materials	4,000	3,918	82	602
OSHA safety mandates	1,000	792	208	90
Professional services	500	94	406	72
Total water meter services	230,886	220,866	10,020	125,106
<b>Water Treatment Plant:</b>				
Salaries and employee benefits	579,532	561,562	17,970	532,727
OSHA safety mandates	3,200	2,537	663	2,277
Employee development	3,400	2,684	716	3,462
Telephone	5,305	3,482	1,823	3,528
Printing and publishing	600	448	152	305
Water and electric services	244,900	223,998	20,902	215,013
Repair and maintenance	134,995	124,692	10,303	127,198
Supplies	6,300	5,617	683	4,875
Chemicals and lab supplies	381,000	309,602	71,398	327,147
Dues and subscriptions	7,500	5,397	2,103	5,560
Professional services	14,684	5,827	8,857	700
Contract services	9,195	7,433	1,762	9,144
Employee advertisement	300	-	300	221
Total water treatment plant	1,390,911	1,253,279	137,632	1,232,157
<b>Water Distribution Maintenance:</b>				
Salaries and employee benefits	195,763	186,160	9,603	165,969
Contract services	167,855	57,817	110,038	53,839
Water and electric services	8,880	8,663	217	7,519
Repair and maintenance	14,930	14,504	426	9,910
Supplies	2,516	2,515	1	754
Materials	10,820	10,815	5	11,919
Professional services	16,330	236	16,094	108
Total water distribution maintenance	417,094	280,710	136,384	250,018
Total water treatment and distribution	2,038,891	1,754,855	284,036	1,607,281
Capital outlay	476,068	408,661	67,407	325,084
Total operating expenditures	3,540,902	3,165,416	375,486	2,875,460
Revenues over (under) expenditures	(212,227)	289,845	502,072	498,187



CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
Appropriated net position	393,392	-	(393,392)	-
<b>Transfers to:</b>				
Capital Project Fund	(32,800)	(32,800)	-	(413,595)
Economic Development Fund	(76,402)	(76,402)	-	(78,450)
General Fund	(71,963)	(71,963)	-	(71,963)
Total other financing sources (uses)	<u>212,227</u>	<u>(181,165)</u>	<u>(393,392)</u>	<u>(564,008)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 108,680</u>	<u>\$ 108,680</u>	<u>\$ (65,821)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 108,680		\$ (65,821)
Capital outlay		408,661		325,084
Change in compensated absences		5,665		(9,360)
Change in OPEB liability		(409,674)		(30,757)
Change in deferred outflows of resources - OPEB		187,269		17,197
Change in deferred inflows of resources - OPEB		(3,184)		1,969
Change in deferred outflows of resources - pension		66,000		(32,794)
Change in deferred inflows of resources - pension		6,227		2,144
Change in net pension liability		(145,544)		(27,499)
Depreciation		(796,235)		(762,109)
Bad debt provision		(1,686)		(40,972)
Inventory adjustment		(252)		318
Capital contributions		(8,931)		-
Transfer to Water Capital project		32,800		40,300
Capital contributions, revenue from:				
Water Capital Reserve Fund		1,152		5,513
Water Capital Project Fund		<u>137,576</u>		<u>60,455</u>
Change in net position		<u>\$ (411,476)</u>		<u>\$ (516,332)</u>

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Sewer sales	\$ 3,300,000	\$ 3,401,337	\$ 101,337	\$ 3,259,524
<b>Other Operating Revenues:</b>				
Sewer taps	10,000	37,520	27,520	23,600
Late penalty charges	26,000	22,433	(3,567)	21,879
Total operating revenues	3,336,000	3,461,290	125,290	3,305,003
<b>Non-Operating Revenues:</b>				
Recovery of doubtful accounts	100	1,897	1,797	1,280
Interest earnings	44,000	3,596	(40,404)	42,880
Sewer assessments	1,596	-	(1,596)	1,597
Miscellaneous	1,000	9,886	8,886	7,622
Total non-operating revenues	46,696	15,379	(31,317)	53,379
Total revenues	3,382,696	3,476,669	93,973	3,358,382
<b>Operating Expenditures:</b>				
<b>Sewer Administration:</b>				
<b>Public Works Director:</b>				
Salaries and employee benefits	123,017	112,480	10,537	115,249
Supplies	1,050	1,029	21	245
Employee development	600	-	600	-
Dues and subscriptions	800	597	203	194
Telephone	800	595	205	740
Professional services	1,500	533	967	-
Total public works director	127,767	115,234	12,533	116,428
<b>Miscellaneous - Non-Departmental:</b>				
Workers' compensation	6,642	5,171	1,471	6,459
Printing and publishing	2,270	2,254	16	2,228
Insurance and bonds	48,750	48,749	1	44,871
Utility service fee - General Fund	649,228	649,228	-	630,784
Repair and maintenance	425	-	425	-
Other expenses	28,538	20,830	7,708	2,631
Utility service fee - Electric Fund	72,554	72,554	-	64,390
Total miscellaneous - non-departmental	808,407	798,786	9,621	751,363
Total sewer administration	936,174	914,020	22,154	867,791

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SEWER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Waste Collection and Treatment:</b>				
<b>Wastewater Treatment:</b>				
Salaries and employee benefits	580,518	559,395	21,123	524,913
Employee development	2,000	1,750	250	4,083
Telephone	900	798	102	796
Printing and publishing	1,000	215	785	-
Water and electric service	270,925	265,962	4,963	246,191
Repair and maintenance	160,313	130,368	29,945	106,593
Supplies	99,500	80,641	18,859	74,124
Dues	6,600	6,375	225	6,290
Professional services	1,350	364	986	344
Contract services	119,150	104,425	14,725	118,257
Licenses and permits	7,485	7,310	175	7,345
OSHA safety mandates	3,500	2,860	640	2,412
Total wastewater treatment	1,253,241	1,160,463	92,778	1,091,348
<b>Wastewater Collection Maintenance:</b>				
Salaries and employee benefits	191,679	186,898	4,781	160,057
OSHA safety mandates	1,250	791	459	663
Employee development	375	307	68	3,030
Telephone	3,600	2,334	1,266	2,521
Repair and maintenance	16,505	14,493	2,012	13,081
Supplies	2,985	1,946	1,039	1,263
Materials	11,000	9,340	1,660	20,244
Contract services	100,115	31,943	68,172	14,613
Professional services	42,150	36	42,114	10,068
Total wastewater collection maintenance	369,659	248,088	121,571	225,540
<b>Sewer Pumping Station:</b>				
Salaries and employee benefits	74,599	72,923	1,676	70,668
Water and electrical service	165,000	157,814	7,186	140,873
Repair and maintenance	122,100	115,216	6,884	108,584
Supplies	2,300	1,770	530	1,210
Professional services	6,700	5,022	1,678	36
Total sewer pumping station	370,699	352,745	17,954	321,371
Total waste collection and treatment	1,993,599	1,761,296	232,303	1,638,259

# CITY OF WASHINGTON, NORTH CAROLINA

**ENTERPRISE FUND - SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Debt Service:</b>				
<b>State Loan:</b>				
Principal retirement	215,378	215,378	-	215,378
Interest	15,952	15,948	4	18,618
Total debt service	231,330	231,326	4	233,996
Capital outlay	762,731	667,205	95,526	440,294
Total operating expenditures	3,923,834	3,573,847	349,987	3,180,340
Revenues over (under) expenditures	(541,138)	(97,178)	443,960	178,042
<b>Other Financing Sources (Uses):</b>				
Appropriated net position	783,072	-	(783,072)	-
<b>Transfer to:</b>				
Economic Development Fund	(76,402)	(76,402)	-	(78,450)
Capital Project Fund	(125,000)	(125,000)	-	(221,816)
General Fund	(40,532)	(40,532)	-	(40,532)
Total other financing sources (uses)	541,138	(241,934)	(783,072)	(340,798)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (339,112)	\$ (339,112)	\$ (162,756)
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (339,112)		\$ (162,756)
Capital outlay		667,205		440,294
Principal retirement		215,378		215,378
Change in compensated absences		(5,086)		(8,080)
Change in OPEB liability		159,482		21,743
Change in deferred outflows of resources - OPEB		2,942		11,036
Change in deferred inflows of resources - OPEB		7,211		3,760
Change in deferred outflows of resources - pension		19,800		(32,794)
Change in deferred inflows of resources - pension		1,868		2,144
Change in net pension liability		(43,663)		(27,499)
Depreciation		(929,748)		(922,396)
Bad debt (provision) recovery		399		(49,406)
Inventory adjustment		2,010		(1,336)
Capital contributions, revenue from:				
Sewer Capital Reserve Fund		365		1,745
Transfer to Water Project Fund		125,000		125,000
Change in net position		\$ (115,949)		\$ (383,167)

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - ELECTRIC FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
Electric sales	\$ 34,188,162	\$ 32,894,397	\$ (1,293,765)	\$ 31,668,331
<b>Other Operating Revenues:</b>				
Underground services	45,000	94,298	49,298	38,133
Reconnection fees	60,000	76,025	16,025	38,445
Facility connection fees	5,000	5,018	18	5,017
Pole attachment fees - cable TV	18,000	17,943	(57)	-
Connection fees	45,000	57,180	12,180	56,489
Late penalty charges	280,000	187,265	(92,735)	176,565
New construction fee	1,500	-	(1,500)	-
Total operating revenues	34,642,662	33,332,126	(1,310,536)	31,982,980
<b>Non-Operating Revenues:</b>				
Recovery of doubtful accounts	2,500	15,528	13,028	10,375
Interest earnings	51,900	13,931	(37,969)	254,346
Sale of surplus and scrap	28,000	45,358	17,358	14,081
Fines and meters	13,000	9,297	(3,703)	10,091
FEMA assistance	134,575	89,679	(44,896)	247,170
Miscellaneous	165,300	82,845	(82,455)	79,341
Total non-operating revenues	395,275	256,638	(138,637)	615,404
Total revenues	35,037,937	33,588,764	(1,449,173)	32,598,384
<b>Operating Expenditures:</b>				
<b>Administration:</b>				
<b>Office of Electric Director:</b>				
Salaries and employee benefits	338,868	260,032	78,836	190,382
Employee development	15,000	312	14,688	10,409
Professional services	138,911	93,740	45,171	186,689
Telephone	2,500	1,187	1,313	1,120
Printing and publishing	2,500	1,377	1,123	1,732
Maintenance	8,600	3,767	4,833	5,126
Supplies	5,500	63	5,437	820
Dues and subscriptions	1,000	799	201	-
Total Office of Electric Director	512,879	361,277	151,602	396,278
<b>Miscellaneous - Non-Departmental:</b>				
Printing and publishing	4,999	4,489	510	4,403
Dues and subscriptions	1,032	1,027	5	1,358
Insurance and bonds	142,452	142,060	392	131,057
Workers' compensation	65,619	59,408	6,211	59,448
Rents	10,000	10,000	-	10,000

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - ELECTRIC FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Utility service fee - General Fund	1,490,015	1,490,015	-	1,418,071
Utility assistance contribution	10,000	10,000	-	10,000
Hurricane FEMA grant expenses	102,652	102,651	1	264,828
Other expenses	563,663	553,189	10,474	361,239
Total miscellaneous - non-departmental	2,390,432	2,372,839	17,593	2,260,404
Total administration	2,903,311	2,734,116	169,195	2,656,682
<b>Electric Operations:</b>				
<b>Utility Communications:</b>				
Salaries and employee benefits	299,960	296,403	3,557	274,102
Employee advertising	100	-	100	-
Employee development	1,700	-	1,700	-
Professional services	10,870	5,760	5,110	3,383
Telephone	13,000	9,409	3,591	9,174
Water and electric services	2,500	1,454	1,046	1,276
Rents	17,320	17,320	-	17,320
Maintenance	4,940	2,676	2,264	1,307
Supplies	3,900	2,822	1,078	954
Total utility communications	354,290	335,844	18,446	307,516
<b>Meter Services:</b>				
Salaries and employee benefits	473,195	430,769	42,426	432,326
Employee advertising	200	-	200	-
Employee development	3,950	2,504	1,446	890
Telephone	6,000	3,317	2,683	3,663
Water and electric service	10,000	7,463	2,537	6,758
Maintenance	127,500	81,332	46,168	78,331
Supplies	5,050	4,960	90	2,033
Materials	6,000	544	5,456	72
Professional services	500	176	324	144
Other expenses	4,500	3,544	956	3,302
Contract services	68,000	67,423	577	1,072
Reimbursement from other funds	(270,901)	(270,901)	-	(256,885)
Total meter services	433,994	331,131	102,863	271,706
<b>Power Line Maintenance:</b>				
Salaries and employee benefits	1,541,312	1,409,601	131,711	1,421,220
Employee advertising	250	-	250	-
Employee development	31,096	10,993	20,103	18,194
Telephone	10,000	9,013	987	9,019
Water and electric service	151,500	146,855	4,645	146,393
Printing and publishing	200	-	200	-

# CITY OF WASHINGTON, NORTH CAROLINA

**ENTERPRISE FUND - ELECTRIC FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Maintenance	158,857	101,276	57,581	115,171
Supplies	58,385	43,349	15,036	54,833
Materials	226,500	190,491	36,009	140,106
Contract services	509,850	418,063	91,787	469,033
Professional services	10,000	5,672	4,328	551
Insurance	11,650	5,000	6,650	476
Other expenses	9,000	5,985	3,015	5,477
Total power line maintenance	2,718,600	2,346,298	372,302	2,380,473
<b>Substation Maintenance:</b>				
Salaries and employee benefits	192,054	185,383	6,671	172,311
Employee advertisement	200	-	200	-
Employee development	5,000	4,099	901	743
Professional services	46,995	27,996	18,999	15,417
Telephone	4,000	3,371	629	3,565
Water and electric service	32,500	31,549	951	23,976
Maintenance	421,078	127,963	293,115	129,454
Supplies	3,500	3,040	460	1,893
Contract services	14,000	10,951	3,049	35,726
Other expenses	1,500	1,033	467	2,371
Total substation maintenance	720,827	395,385	325,442	385,456
<b>Load Management:</b>				
Salaries and employee benefits	110,902	107,180	3,722	87,593
Employee advertisement	100	-	100	-
Employee development	1,000	215	785	255
Supplies	1,500	920	580	305
Heat pump rebates	15,000	6,763	8,237	5,738
Maintenance	505,000	304,720	200,280	359,194
Materials	2,000	-	2,000	863
Marketing and promotions	14,350	3,139	11,211	5,695
Contract services	25,000	21,875	3,125	23,878
Other expenses	-	-	-	1,188
Total load management	674,852	444,812	230,040	484,709
Total electric operations	4,902,563	3,853,470	1,049,093	3,829,860
Electric power purchases	22,728,795	21,298,091	1,430,704	21,665,850
Capital outlay	5,120,256	987,248	4,133,008	2,729,155
Total operating expenditures	35,654,925	28,872,925	6,782,000	30,881,547
Revenues over (under) expenditures	(616,988)	4,715,839	5,332,827	1,716,837

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - ELECTRIC FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
Appropriated net position	426	-	(426)	-
<b>Transfers from:</b>				
Capital Project Fund	2,456,215	2,456,215	-	-
<b>Transfers to:</b>				
Capital Project Fund	-	(88,817)	(88,817)	(4,289,883)
General Fund	(1,412,690)	(1,412,690)	-	(1,312,690)
Cemetery Fund	(155,312)	(155,312)	-	(126,607)
Economic Development Capital Reserve Fund	(271,651)	(271,651)	-	(278,930)
Total other financing sources (uses)	616,988	527,745	(89,243)	(6,008,110)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 5,243,584	\$ 5,243,584	\$ (4,291,273)
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 5,243,584		\$ (4,291,273)
Capital outlay		987,248		2,729,155
Change in compensated absences		(9,429)		(13,743)
Change in OPEB liability		(205,483)		(115,571)
Change in deferred outflows of resources - OPEB		202,793		33,020
Change in deferred inflows of resources - OPEB		6,974		3,131
Change in deferred outflows of resources - pension		99,000		(74,956)
Change in deferred inflows of resources - pension		9,341		4,900
Change in net pension liability		(218,316)		(62,856)
Depreciation		(1,142,266)		(1,085,484)
Bad debt provision		52,406		(91,768)
Inventory adjustment		13,931		(23,767)
Transfer from electric capital projects		(2,456,215)		-
Transfer to electric capital projects		88,817		3,380,002
Capital contributions, revenue from:				
Electric capital project funds		9,581		1,739
Transfer of capital assets		-		(5,349)
Change in net position		\$ 2,681,966		\$ 387,180



CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - STORMWATER UTILITY FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
<b>Charges for Sales and Services:</b>				
Public works fees	\$ 1,191,770	\$ 1,216,101	\$ 24,331	\$ 887,096
Miscellaneous	-	114	114	168
Late penalty charges	6,000	6,975	975	5,192
Permit fees	1,000	-	(1,000)	2,000
Total operating revenues	1,198,770	1,223,190	24,420	894,456
<b>Non-Operating Revenues:</b>				
Interest earnings	50,000	41,710	(8,290)	60,115
Clean Water Trust Grant	-	-	-	-
Total non-operating revenues	50,000	41,710	(8,290)	60,115
Total revenues	1,248,770	1,264,900	16,130	954,571
<b>Operating Expenditures:</b>				
Salaries and employee benefits	369,121	340,353	28,768	-
Professional services	53,185	18,165	35,020	70
Water and electric service	25,000	22,366	2,634	19,181
Maintenance and repairs	33,837	18,947	14,890	37,140
Supplies	2,378	2,279	99	2,408
Contracted services	22,500	22,048	452	7,770
Employee development	215	-	215	-
Materials	10,760	10,740	20	5,531
Insurance	1,292	1,238	54	7,560
Miscellaneous	20,086	19,786	300	2,376
Total operating expenditures	538,374	455,922	82,452	82,036
<b>Debt Service:</b>				
Principal	333,334	333,333	1	333,333
Interest	85,751	85,037	714	101,726
Total debt service	419,085	418,370	715	435,059
Capital outlay	51,340	50,084	1,256	185,742
Total expenditures	1,008,799	924,376	84,423	702,837
Revenues over (under) expenditures	239,971	340,524	100,553	251,734

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - STORMWATER UTILITY FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds	(278,647)	(278,647)	-	(428,190)
Appropriated net position	38,676	-	(38,676)	-
Total other financing sources (uses)	(239,971)	(278,647)	(38,676)	(428,190)

Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 61,877	\$ 61,877	\$ (176,456)
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**Reconciliation from Budgetary Basis**

**(Modified Accrual) to Full Accrual Basis:**

Revenues and other financing sources over (under) expenditures and other financing uses	\$ 61,877	\$ (176,456)
Depreciation	(251,169)	(247,129)
Capital outlay	50,084	185,742
Capital contributions, grant revenue from projects	127,155	-
Principal retirement	333,333	333,333
Transfer to Stormwater Capital projects	278,647	158,301
Change in compensated absences	(26,805)	-
Change in OPEB liability	(175,165)	-
Change in deferred outflows of resources - OPEB	55,552	-
Change in deferred inflows of resources - OPEB	(3,292)	-
Change in deferred outflows of resources - pension	13,200	-
Change in deferred inflows of resources - pension	1,245	-
Change in net pension liability	(29,109)	-
Bad debt expense (recoveries)	2,199	(9,345)
Change in net position	\$ 437,752	\$ 244,446

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WARREN FIELD AIRPORT FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
<b>Charges for Sales and Services:</b>				
Fuel sales	\$ 290,000	\$ 259,207	\$ (30,793)	\$ 196,245
Rentals	101,271	94,828	(6,443)	86,008
Miscellaneous revenue	1,115	2,434	1,319	15,863
Total operating revenues	392,386	356,469	(35,917)	298,116
<b>Non-Operating Revenues:</b>				
Interest earnings	-	681	681	499
Grant funds	62,317	8,062	(54,255)	67,698
Total non-operating revenues	62,317	8,743	(53,574)	68,197
Total revenues	454,703	365,212	(89,491)	366,313
<b>Operating Expenditures:</b>				
Salaries and employee benefits	77,427	74,034	3,393	65,310
Professional services	83,760	83,238	522	103,157
Utilities	29,940	27,816	2,124	26,342
Fuel purchases	245,071	173,698	71,373	144,017
Maintenance and repairs	109,155	98,003	11,152	80,541
Supplies	2,461	2,346	115	2,268
Contracted services	18,921	15,080	3,841	14,567
Equipment rental	7,184	6,000	1,184	6,903
Miscellaneous	20,610	14,231	6,379	3,131
Insurance	21,413	21,401	12	19,259
Grant expense	24,797	-	24,797	-
Utility service fee - General Fund	38,815	38,815	-	30,771
Total	679,554	554,662	124,892	496,266
Capital outlay	-	-	-	44,753
Total expenditures	679,554	554,662	124,892	541,019

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WARREN FIELD AIRPORT FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(224,851)	(189,450)	35,401	(174,706)
<b>Other Financing Sources (Uses):</b>				
Appropriated net position	6,196	-	(6,196)	-
Transfer to airport capital project funds	(14,187)	(14,187)	-	-
Transfers from General Fund	232,842	232,842	-	244,219
Total other financing sources (uses)	224,851	218,655	(6,196)	244,219
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 29,205	\$ 29,205	\$ 69,513
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 29,205		\$ 69,513
Capital outlay		-		44,753
Depreciation		(149,718)		(156,367)
Change in compensated absences		(119)		(933)
Change in OPEB liability		(8,627)		(311)
Change in deferred outflows of resources - OPEB		6,559		1,439
Change in deferred inflows of resources - OPEB		139		198
Transfer to Airport project funds		14,187		-
Transfer from Airport project funds		(48,048)		630,031
Capital contributions, grant revenue from projects		338,772		5,145,437
Capital contributions		5,250		(8,057)
Bad debt expense (recoveries)		2,984		267
Change in net position		\$ 190,584		\$ 5,725,970

## CITY OF WASHINGTON, NORTH CAROLINA

**ENTERPRISE FUND - WATER CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 6,000	\$ 1,152	\$ (4,848)	\$ 5,513
Revenues over (under) expenditures	6,000	1,152	(4,848)	5,513
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds	(6,000)	-	6,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	1,152	<u>\$ 1,152</u>	5,513
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>322,691</u>		<u>317,178</u>
End of year - June 30		<u>\$ 323,843</u>		<u>\$ 322,691</u>

This fund is consolidated into the Water Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - DOT BRIDGE #3 PIPELINE RELOCATION  
 WATER CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
DOT reimbursement	\$ 2,281,962	\$ 98,565	\$ 36,288	\$ 134,853	\$ (2,147,109)
<b>Expenditures:</b>					
<b>Water Line:</b>					
Professional services	232,376	98,565	36,288	134,853	97,523
Construction	2,049,586	-	-	-	2,049,586
Total water line expenditures	2,281,962	98,565	36,288	134,853	2,147,109
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

This fund is consolidated into the Water Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - WATER CAPITAL PROJECT FUND

## WATER CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>					
<b>Water Line:</b>					
Contract services	\$ 65,600	\$ -	\$ -	\$ -	\$ 65,600
Revenues over (under) expenditures	(65,600)	-	-	-	65,600
<b>Other Financing Sources (Uses):</b>					
Intrafund transfers	65,600	32,800	32,800	65,600	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 32,800	32,800	\$ 65,600	\$ 65,600
<b>Fund Balance:</b>					
Beginning of year, July 1			32,800		
End of year, June 30			\$ 65,600		

This fund is consolidated into the Water Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WATER ASSET INVENTORY GRANT # H-AIA-D-20-0192  
 WATER CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
State grant	\$ 150,000	\$ 8,037	\$ 101,288	\$ 109,325	\$ (40,675)
<b>Expenditures:</b>					
<b>Water Line:</b>					
Professional services	157,500	8,460	108,365	116,825	40,675
Revenues over (under) expenditures	(7,500)	(423)	(7,077)	(7,500)	-
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	7,500	7,500	-	7,500	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 7,077	(7,077)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			7,077		
End of year, June 30			\$ -		

This fund is consolidated into the Water Fund.



## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND GRANT FUND  
 WATER CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Expenditures:</b>					
<b>Water Line:</b>					
Administration & legal	\$ 15,000	\$ -	\$ 9,000	\$ 9,000	\$ 6,000
Engineering	25,000	-	600	600	24,400
Construction	369,160	-	-	-	369,160
Total water line expenditures	409,160	-	9,600	9,600	399,560
Revenues over (under) expenditures	(409,160)	-	(9,600)	(9,600)	399,560
<b>Other Financing Sources (Uses):</b>					
NCDWI ASARDA Loan proceeds	409,160	-	-	-	(409,160)
Total other financing sources (uses)	409,160	-	-	-	(409,160)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	(9,600)	\$ (9,600)	\$ (9,600)
<b>Fund Balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ (9,600)		

This fund is consolidated into the Water Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

**ENTERPRISE FUND - SEWER CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 1,900	\$ 365	\$ (1,535)	\$ 1,745
Revenues over (under) expenditures	1,900	365	(1,535)	1,745
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds	(1,900)	-	1,900	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	365	<u>\$ 365</u>	1,745
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>104,095</u>		<u>102,350</u>
End of year - June 30		<u>\$ 104,460</u>		<u>\$ 104,095</u>

This fund is consolidated into the Sewer Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - SEWER PLANT EXPANSION FUND

## SEWER CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>					
Contract services	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Revenues over (under) expenditures	(250,000)	-	-	-	250,000
<b>Other Financing Sources (Uses):</b>					
Intrafund transfer	250,000	125,000	125,000	250,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 125,000</u>	125,000	<u>\$ 250,000</u>	<u>\$ 250,000</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			125,000		
End of year, June 30			<u>\$ 250,000</u>		

This fund is consolidated into the Sewer Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - SEWER FUND GRANT FUND

## SEWER CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Expenditures:</b>					
Construction and engineering	\$ 2,060,700	\$ -	\$ -	\$ -	\$ 2,060,700
Administration and legal	40,000	-	-	-	40,000
Engineering	399,300	-	32,513	32,513	366,787
Total expenditures	<u>2,500,000</u>	<u>-</u>	<u>32,513</u>	<u>32,513</u>	<u>2,467,487</u>
Revenues over (under) expenditures	<u>(2,500,000)</u>	<u>-</u>	<u>(32,513)</u>	<u>(32,513)</u>	<u>2,467,487</u>
<b>Other Financing Sources (Uses):</b>					
State Reserve Project Loan proceeds	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>
Total other financing sources (uses)	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(32,513)</u>	<u>\$ (32,513)</u>	<u>\$ (32,513)</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (32,513)</u>		

This fund is consolidated into the Sewer Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - DOT HIGHWAY 17 ELECTRIC RELOCATION  
 ELECTRIC CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
DOT reimbursement	\$ 2,881,805	\$ 94,762	\$ 9,581	\$ 104,343	\$ (2,777,462)
<b>Expenditures:</b>					
Professional services	127,286	94,762	9,581	104,343	22,943
Construction	2,754,519	-	-	-	2,754,519
Total expenditures	2,881,805	94,762	9,581	104,343	2,777,462
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

This fund is consolidated into the Electric Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - ELECTRIC CAPITAL PROJECT FUND  
 ELECTRIC CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Expenditures:</b>					
Construction	\$ 3,825,493	\$ 399,326	\$ 1,058,769	\$ 1,458,095	\$ 2,367,398
Revenues over (under) expenditures	(3,825,493)	(399,326)	(1,058,769)	(1,458,095)	2,367,398
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	3,914,310	3,825,493	88,817	3,914,310	-
Transfer to other funds	(2,456,215)	-	(2,456,215)	(2,456,215)	-
Appropriated fund balance	2,367,398	-	-	-	(2,367,398)
Total other financing sources (uses)	3,825,493	3,825,493	(2,367,398)	1,458,095	(2,367,398)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,426,167	(3,426,167)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			3,426,167		
End of year, June 30			\$ -		

This fund is consolidated into the Electric Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - STORMWATER CAPITAL PROJECT FUND

## STORMWATER PROJECTS

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Expenditures:</b>					
Construction	\$ 783,334	\$ -	\$ -	\$ -	\$ 783,334
Revenues over (under) expenditures	(783,334)	-	-	-	783,334
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	783,334	504,461	278,647	783,108	(226)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 504,461	278,647	\$ 783,108	\$ 783,108
<b>Fund Balance:</b>					
Beginning of year, July 1			504,461		
End of year, June 30			\$ 783,108		

This fund is consolidated into the Stormwater Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - MEDICAL DISTRICT DRAINAGE STORMWATER GRANT  
 STORMWATER PROJECTS  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Golden Leaf Grant	\$ 3,030,000	\$ -	\$ 127,155	\$ 127,155	\$ (2,902,845)
<b>Expenditures:</b>					
Design, construction, and administration	3,030,000	-	127,155	127,155	2,902,845
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

This fund is consolidated into the Stormwater Fund.



## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - AIRPORT RUNWAY  
 WARREN FIELD AIRPORT CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
State grant funds	\$ 412,214	\$ 395,076	\$ -	\$ 395,076	\$ (17,138)
<b>Expenditures:</b>					
Professional services	458,017	438,973	-	438,973	19,044
Revenues over (under) expenditures	(45,803)	(43,897)	-	(43,897)	1,906
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	45,803	45,803	-	45,803	-
Transfer to other funds	(1,906)	-	(1,906)	(1,906)	-
Appropriated fund balance	1,906	-	-	-	(1,906)
Total other financing sources (uses)	45,803	45,803	(1,906)	43,897	(1,906)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,906	(1,906)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			1,906		
End of year, June 30			\$ -		

This fund is consolidated into the Warren Field Airport Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - AIRPORT REHABILITATION  
 WARREN FIELD AIRPORT CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
State grant funds	\$ 325,000	\$ 324,999	\$ -	\$ 324,999	\$ (1)
Federal grant funds	89,109	74,547	-	74,547	(14,562)
Total revenues	<u>414,109</u>	<u>399,546</u>	<u>-</u>	<u>399,546</u>	<u>(14,563)</u>
<b>Expenditures:</b>					
Professional services	109,466	104,215	-	104,215	5,251
Airport rehabilitation	<u>350,655</u>	<u>335,135</u>	<u>4,590</u>	<u>339,725</u>	<u>10,930</u>
Total expenditures	<u>460,121</u>	<u>439,350</u>	<u>4,590</u>	<u>443,940</u>	<u>16,181</u>
Revenues over (under) expenditures	<u>(46,012)</u>	<u>(39,804)</u>	<u>(4,590)</u>	<u>(44,394)</u>	<u>1,618</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	46,012	46,012	-	46,012	-
Transfer to other funds	(1,618)	-	(1,618)	(1,618)	-
Appropriated fund balance	<u>1,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,618)</u>
Total other financing sources (uses)	<u>46,012</u>	<u>46,012</u>	<u>(1,618)</u>	<u>44,394</u>	<u>(1,618)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 6,208</u>	<u>(6,208)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>6,208</u>		
End of year, June 30			<u>\$ -</u>		

This fund is consolidated into the Warren Field Airport Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - CORPORATE HANGAR DESIGN GRANT

## WARREN FIELD AIRPORT CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Federal grant funds	\$ 632,425	\$ 591,963	\$ 11,126	\$ 603,089	\$ (29,336)
<b>Expenditures:</b>					
Professional services	162,507	142,477	2,365	144,842	17,665
Construction	540,189	515,258	10,000	525,258	14,931
Total expenditures	702,696	657,735	12,365	670,100	32,596
Revenues over (under) expenditures	(70,271)	(65,772)	(1,239)	(67,011)	3,260
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	70,271	70,271	-	70,271	-
Transfer to other funds	(3,260)	-	(3,260)	(3,260)	-
Appropriated fund balance	3,260	-	-	-	(3,260)
Total other financing sources (uses)	70,271	70,271	(3,260)	67,011	(3,260)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 4,499	(4,499)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			4,499		
End of year, June 30			\$ -		

This fund is consolidated into the Warren Field Airport Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - AIRPORT TAXIWAY/APRON PAVEMENT REHABILITATION 36244.51.11.2

## WARREN FIELD AIRPORT CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
State grant funds	\$ 2,969,709	\$ 2,661,015	\$ 161,448	\$ 2,822,463	\$ (147,246)
<b>Expenditures:</b>					
Professional services	329,379	193,688	46,459	240,147	89,232
Construction	2,970,298	2,762,995	132,927	2,895,922	74,376
Total expenditures	3,299,677	2,956,683	179,386	3,136,069	163,608
Revenues over (under) expenditures	(329,968)	(295,668)	(17,938)	(313,606)	16,362
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	329,968	329,968	-	329,968	-
Transfer to other funds	(16,363)	-	(16,362)	(16,362)	1
Appropriated fund balance	16,363	-	-	-	(16,363)
Total other financing sources (uses)	329,968	329,968	(16,362)	313,606	(16,362)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 34,300	(34,300)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			34,300		
End of year, June 30			\$ -		

This fund is consolidated into the Warren Field Airport Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - AIRPORT PAVEMENT REHABILITATION 36237.38.17.1

## WARREN FIELD AIRPORT CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Federal grant funds	\$ 2,638,413	\$ 2,248,097	\$ 166,198	\$ 2,414,295	\$ (224,118)
<b>Expenditures:</b>					
Construction	2,931,570	2,497,885	184,665	2,682,550	249,020
Revenues over (under) expenditures	(293,157)	(249,788)	(18,467)	(268,255)	24,902
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	293,157	293,157	-	293,157	-
Transfer to other funds	(24,902)	-	(24,902)	(24,902)	-
Appropriated fund balance	24,902	-	-	-	(24,902)
Total other financing sources (uses)	293,157	293,157	(24,902)	268,255	(24,902)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 43,369	(43,369)	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			43,369		
End of year, June 30			\$ -		

This fund is consolidated into the Warren Field Airport Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - AIRPORT GRANT FUND  
 WARREN FIELD AIRPORT CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
<b>Revenues:</b>					
Federal grant funds	\$ 127,683	\$ -	\$ -	\$ -	\$ (127,683)
<b>Expenditures:</b>					
Professional services	141,870	-	-	-	141,870
Revenues over (under) expenditures	(14,187)	-	-	-	14,187
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	14,187	-	14,187	14,187	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	14,187	\$ 14,187	\$ 14,187
<b>Fund Balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ 14,187		

This fund is consolidated into the Warren Field Airport Fund.

## **Nonmajor Enterprise Funds**

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

- Solid Waste Fund - This fund is used to account for the operations of the City's solid waste operations.
- Solid Waste Grant Fund - This fund is used to account for the design and construction of solid waste improvements.
- Cemetery Fund - This fund is used to account for the operations of the City's cemetery operations.

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## CITY OF WASHINGTON, NORTH CAROLINA

## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF FUND NET POSITION

JUNE 30, 2021

	<b>Solid Waste Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 717,409	\$ 182,485	\$ 899,894
Accounts receivable, net	171,932	9,323	181,255
Total current assets	889,341	191,808	1,081,149
<b>Non-Current Assets:</b>			
<b>Capital Assets:</b>			
Other capital assets, net of accumulated depreciation	792,879	162,655	955,534
Total assets	1,682,220	354,463	2,036,683
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	182,825	63,142	245,967
OPEB deferrals	133,326	44,442	177,768
Total deferred outflows of resources	316,151	107,584	423,735
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	53,179	6,340	59,519
Current portion of installment notes	124,292	-	124,292
Current portion of compensated absences	53,117	13,128	66,245
Total current liabilities	230,588	19,468	250,056
<b>Non-Current Liabilities:</b>			
Net pension liability	326,435	113,663	440,098
Non-current portion of installment notes	501,616	-	501,616
Total OPEB liability	420,397	140,132	560,529
Total non-current liabilities	1,248,448	253,795	1,502,243
Total liabilities	1,479,036	273,263	1,752,299
<b>Deferred Inflows of Resources:</b>			
Pension deferrals	5,391	1,590	6,981
OPEB deferral	7,901	2,634	10,535
Total deferred inflows of resources	13,292	4,224	17,516
<b>Net Position:</b>			
Net investment in capital assets	166,971	162,655	329,626
Unrestricted	339,072	21,905	360,977
Total net position	\$ 506,043	\$ 184,560	\$ 690,603

## CITY OF WASHINGTON, NORTH CAROLINA

**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Solid Waste Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating Revenues:</b>			
Charges for sales and services	\$ 1,538,306	\$ 253,435	\$ 1,791,741
Miscellaneous	25	484	509
Total operating revenues	<u>1,538,331</u>	<u>253,919</u>	<u>1,792,250</u>
<b>Operating Expenditures:</b>			
Operations	1,513,838	311,132	1,824,970
Depreciation	66,042	19,617	85,659
Total operating expenditures	<u>1,579,880</u>	<u>330,749</u>	<u>1,910,629</u>
Operating income (loss)	<u>(41,549)</u>	<u>(76,830)</u>	<u>(118,379)</u>
<b>Non-Operating Revenues (Expenditures):</b>			
Investment earnings	1,927	251	2,178
Solid waste disposal tax	6,936	-	6,936
Loss on disposal	-	(6,429)	(6,429)
Interest expense	(459)	-	(459)
Total non-operating revenues (expenditures)	<u>8,404</u>	<u>(6,178)</u>	<u>2,226</u>
Income (loss) before capital contributions and transfers	<u>(33,145)</u>	<u>(83,008)</u>	<u>(116,153)</u>
<b>Capital Contributions and Transfers:</b>			
Transfers in	-	155,312	155,312
Total capital contributions and transfers	<u>-</u>	<u>155,312</u>	<u>155,312</u>
Change in net position	(33,145)	72,304	39,159
<b>Net Position:</b>			
Beginning of year - July 1	<u>539,188</u>	<u>112,256</u>	<u>651,444</u>
End of year - June 30	<u>\$ 506,043</u>	<u>\$ 184,560</u>	<u>\$ 690,603</u>

## CITY OF WASHINGTON, NORTH CAROLINA

**NONMAJOR ENTERPRISE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Solid Waste Fund</b>	<b>Cemetery Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 1,545,809	\$ 252,398	\$ 1,798,207
Cash paid to employees	(608,025)	(174,046)	(782,071)
Cash paid to suppliers	(810,984)	(113,381)	(924,365)
Net cash provided (used) by operating activities	<u>126,800</u>	<u>(35,029)</u>	<u>91,771</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers from other funds	<u>-</u>	<u>155,312</u>	<u>155,312</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Interest expense	(459)	-	(459)
Acquisition of capital assets	(625,948)	(34,150)	(660,098)
Proceeds from issuance of debt	625,908	-	625,908
Grant revenue	<u>6,936</u>	<u>-</u>	<u>6,936</u>
Net cash provided (used) by capital and related financing activities	<u>6,437</u>	<u>(34,150)</u>	<u>(27,713)</u>
<b>Cash Flows from Investing Activities:</b>			
Investment earnings	<u>1,927</u>	<u>251</u>	<u>2,178</u>
Net increase (decrease) in cash and cash equivalents/investments	135,164	86,384	221,548
<b>Cash and Cash Equivalents/Investments:</b>			
Beginning of year - July 1	<u>582,245</u>	<u>96,101</u>	<u>678,346</u>
End of year - June 30	<u>\$ 717,409</u>	<u>\$ 182,485</u>	<u>\$ 899,894</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (41,549)	\$ (76,830)	\$ (118,379)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation	66,042	19,617	85,659
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	7,478	(1,521)	5,957
(Increase) decrease in deferred outflows of resources - pensions	(33,000)	(13,200)	(46,200)
(Increase) decrease in deferred outflows of resources - OPEB	(83,260)	(26,236)	(109,496)
Increase (decrease) in accounts payable and accrued liabilities	12,201	(494)	11,707
Increase (decrease) in deferred inflows of resources - pensions	(3,114)	(1,245)	(4,359)
Increase (decrease) in deferred inflows of resources - OPEB	(869)	(555)	(1,424)
Increase (decrease) in net pension liability	72,772	29,109	101,881
Increase (decrease) in compensated absences payable	166	1,817	1,983
Increase (decrease) in OPEB liability	<u>129,933</u>	<u>34,509</u>	<u>164,442</u>
Net cash provided (used) by operating activities	<u>\$ 126,800</u>	<u>\$ (35,029)</u>	<u>\$ 91,771</u>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Transfer of assets	<u>\$ -</u>	<u>\$ (5,760)</u>	<u>\$ (5,760)</u>

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2021  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
<b>Charges for Sales and Services:</b>				
Garbage collection fees	\$ 1,523,059	\$ 1,542,695	\$ 19,636	\$ 1,414,853
Miscellaneous revenues	-	25	25	4,595
Total operating revenues	1,523,059	1,542,720	19,661	1,419,448
<b>Non-Operating Revenues:</b>				
Interest earnings	7,845	1,927	(5,918)	10,491
Disposal tax	6,000	6,936	936	7,135
Total non-operating revenues	13,845	8,863	(4,982)	17,626
Total revenues	1,536,904	1,551,583	14,679	1,437,074
<b>Operating Expenditures:</b>				
Salaries and employee benefits	727,043	690,653	36,390	643,456
Contracted services	425	275	150	-
Utilities	540	396	144	348
County tipping fees	255,010	254,957	53	249,373
Maintenance and repairs	150,951	139,724	11,227	165,519
Supplies	2,000	1,893	107	1,360
Materials	20,829	20,447	382	32,995
Miscellaneous	26,849	26,542	307	4,571
Insurance	15,750	14,247	1,503	16,552
Workers' compensation	25,642	22,958	2,684	91,780
Utility service fee - General Fund	259,138	259,118	20	231,432
Total operating expenditures	1,484,177	1,431,210	52,967	1,437,386
<b>Debt Service:</b>				
Principal	103,843	-	103,843	-
Interest	12,999	459	12,540	-
Total debt service	116,842	459	116,383	-
Capital outlay	625,970	625,948	22	156,485
Total expenditures	2,226,989	2,057,617	169,372	1,593,871
Revenues over (under) expenditures	(690,085)	(506,034)	184,051	(156,797)
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds	(3,800)	(3,700)	100	-
Appropriated net position	63,885	-	(63,885)	-
Long-term debt issued	630,000	625,908	(4,092)	-
Total other financing sources (uses)	690,085	622,208	(67,877)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 116,174	\$ 116,174	\$ (156,797)

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Reconciliation from Budgetary Basis</b>				
<b>(Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 116,174		\$ (156,797)
Depreciation		(66,042)		(74,123)
Capital outlay		625,948		156,485
Installment note proceeds		(625,908)		-
Transfer to solid waste project funds		3,700		-
Change in compensated absences		(166)		(3,251)
Change in OPEB liability		(129,933)		22,675
Change in deferred outflows of resources - OPEB		83,260		708
Change in deferred inflows of resources - OPEB		869		3,167
Change in deferred outflows of resources - pension		33,000		(28,109)
Change in deferred inflows of resources - pension		3,114		1,837
Change in net pension liability		(72,772)		(23,571)
Bad debt expense (recoveries)		(4,389)		(22,147)
Change in net position		<u>\$ (33,145)</u>		<u>\$ (123,126)</u>

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - SOLID WASTE GRANT FUND

## SOLID WASTE CAPITAL PROJECT FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
State grant funds	\$ 18,500	\$ -	\$ -	\$ -	\$ (18,500)
Total revenues	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,500)</u>
<b>Expenditures:</b>					
Construction	<u>22,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,200</u>
Total expenditures	<u>22,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,200</u>
Revenues over (under) expenditures	(3,700)	-	-	-	3,700
<b>Other Financing Sources (Uses):</b>					
Transfer from other funds	<u>3,700</u>	<u>-</u>	<u>3,700</u>	<u>3,700</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,700</u>	<u>\$ 3,700</u>	<u>\$ 3,700</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 3,700</u>		

This fund is consolidated into the Solid Waste Fund.

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - CEMETERY FUND

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Operating Revenues:</b>				
<b>Charges for Sales and Services:</b>				
Sale of cemetery plots	\$ 58,000	\$ 104,915	\$ 46,915	\$ 74,130
Cemetery grave openings	100,000	138,345	38,345	87,900
Administrative charges	17,000	9,875	(7,125)	15,599
Total operating revenues	175,000	253,135	78,135	177,629
<b>Non-Operating Revenues:</b>				
Interest earnings	500	251	(249)	1,155
Miscellaneous	-	484	484	115
Total non-operating revenues	500	735	235	1,270
Total revenues	175,500	253,870	78,370	178,899
<b>Operating Expenditures:</b>				
Salaries and employee benefits	207,573	198,245	9,328	169,785
Professional services	200	-	200	70
Other operating expenditures	45,294	42,413	2,881	44,423
Maintenance and repairs	17,600	15,586	2,014	34,652
Workers' compensation	2,881	2,390	491	42,022
Utility service fee - General Fund	28,299	28,299	-	25,556
Total operating expenditures	301,847	286,933	14,914	316,508
Capital outlay	43,861	34,150	9,711	8,973
Total expenditures	345,708	321,083	24,625	325,481
Revenues over (under) expenditures	(170,208)	(67,213)	102,995	(146,582)
<b>Other Financing Sources (Uses):</b>				
Transfer from Electric Fund	155,312	155,312	-	126,607
Appropriated net position	14,896	-	(14,896)	-
Total other financing sources (uses)	170,208	155,312	(14,896)	126,607
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 88,099	\$ 88,099	\$ (19,975)

## CITY OF WASHINGTON, NORTH CAROLINA

## ENTERPRISE FUND - CEMETERY FUND

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL (NON-GAAP)

## FOR THE YEAR ENDED JUNE 30, 2021

## WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
<b>Reconciliation from Budgetary Basis</b>				
<b>(Modified Accrual) to Full Accrual Basis:</b>				
Revenues and other financing sources over				
(under) expenditures and other financing uses		\$ 88,099		\$ (19,975)
Depreciation		(19,617)		(16,678)
Capital outlay		34,150		8,973
Gain (loss) on disposal of capital assets		(6,429)		-
Capital contributions		-		1,625
Change in compensated absences		(1,817)		(1,556)
Change in OPEB liability		(34,509)		(27,338)
Change in deferred outflows of resources - OPEB		26,236		8,871
Change in deferred inflows of resources - OPEB		555		(205)
Change in deferred outflows of resources - pension		13,200		(9,369)
Change in deferred inflows of resources - pension		1,245		612
Change in net pension liability		(29,109)		(7,857)
Bad debt expense (recoveries)		300		(300)
Change in net position		<u>\$ 72,304</u>		<u>\$ (63,197)</u>



## **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one department for agencies of the City on a cost reimbursement basis.

Workers' Compensation Reserve Fund - This fund is used to finance and account for the City's workers' compensation insurance program.

Vehicle Replacement Reserve Fund - This fund is used to finance and account for the City's General Fund vehicle replacements.

Facility Maintenance Reserve Fund - This fund is used to finance and account for maintenance and rehabilitation of City facilities.

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## CITY OF WASHINGTON, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF FUND NET POSITION

JUNE 30, 2021

	<b>Workers' Compensation Reserve Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Facility Maintenance Fund</b>	<b>Total</b>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 1,149,005	\$ 635,568	\$ 17,129	\$ 1,801,702
<b>Non-Current Assets:</b>				
<b>Capital Assets:</b>				
Other capital assets, net of accumulated depreciation	-	3,127,220	94,355	3,221,575
Total assets	1,149,005	3,762,788	111,484	5,023,277
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	86,087	17,615	2,863	106,565
<b>Net Position:</b>				
Net investment in capital assets	-	3,127,220	94,355	3,221,575
Unrestricted	1,062,918	617,953	14,266	1,695,137
Total net position	\$ 1,062,918	\$ 3,745,173	\$ 108,621	\$ 4,916,712

## CITY OF WASHINGTON, NORTH CAROLINA

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Workers' Compensation Reserve Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Facility Maintenance Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 113,000	\$ 593,197	\$ -	\$ 706,197
<b>Operating Expenses:</b>				
Insurance claims	3,747	-	-	3,747
Construction	-	-	22,036	22,036
Depreciation	-	264,550	175	264,725
Total operating expenses	3,747	264,550	22,211	290,508
Operating income (loss)	109,253	328,647	(22,211)	415,689
<b>Non-Operating Revenues (Expenses):</b>				
Miscellaneous revenue	-	27,575	-	27,575
Investment earnings	4,037	4,703	360	9,100
Total non-operating revenues (expenses)	4,037	32,278	360	36,675
Change in net position	113,290	360,925	(21,851)	452,364
<b>Net Position:</b>				
Beginning of year - July 1	949,628	3,384,248	130,472	4,464,348
End of year - June 30	\$ 1,062,918	\$ 3,745,173	\$ 108,621	\$ 4,916,712

## CITY OF WASHINGTON, NORTH CAROLINA

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

	<b>Workers' Compensation Reserve Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Facility Maintenance Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers	\$ 113,000	\$ 620,872	\$ -	\$ 733,872
Cash paid to employees for services	(101,452)	-	-	(101,452)
Cash paid to suppliers	-	17,615	(19,173)	(1,558)
Net cash provided (used) by operating activities	<u>11,548</u>	<u>638,487</u>	<u>(19,173)</u>	<u>630,862</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition of capital assets	-	(1,603,592)	(94,530)	(1,698,122)
<b>Cash Flows From Investing Activities:</b>				
Investment earnings	<u>4,037</u>	<u>4,703</u>	<u>360</u>	<u>9,100</u>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	15,585	(960,402)	(113,343)	(1,058,160)
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year - July 1	<u>1,133,420</u>	<u>1,595,970</u>	<u>130,472</u>	<u>2,859,862</u>
End of year - June 30	<u>\$ 1,149,005</u>	<u>\$ 635,568</u>	<u>\$ 17,129</u>	<u>\$ 1,801,702</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 109,253	\$ 328,647	\$ (22,211)	\$ 415,689
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation	-	264,550	175	264,725
Non-operating revenues	-	27,575	-	27,575
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	100	-	100
Increase (decrease) in accounts payable and accrued liabilities	<u>(97,705)</u>	<u>17,615</u>	<u>2,863</u>	<u>(77,227)</u>
Net cash provided (used) by operating activities	<u>\$ 11,548</u>	<u>\$ 638,487</u>	<u>\$ (19,173)</u>	<u>\$ 630,862</u>

## CITY OF WASHINGTON, NORTH CAROLINA

INTERNAL SERVICE FUND  
 WORKERS' COMPENSATION RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2021

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Operating Revenues:</b>			
Contributions from employer	\$ 113,000	\$ 113,000	\$ -
<b>Operating Expenditures:</b>			
Workers' compensation claims	127,900	3,747	124,153
Operating income (loss)	(14,900)	109,253	(124,153)
<b>Non-Operating Revenues:</b>			
Investment earnings	14,900	4,037	(10,863)
Change in net position	\$ -	113,290	\$ 113,290
<b>Net Position:</b>			
Beginning of year - July 1		949,628	
End of year - June 30		\$ 1,062,918	

## CITY OF WASHINGTON, NORTH CAROLINA

INTERNAL SERVICE FUND  
 VEHICLE REPLACEMENT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2021

	Financial Plan	Actual	Variance Over/Under
<b>Operating Revenues:</b>			
Charges for services	\$ 593,197	\$ 593,197	\$ -
<b>Non-Operating Revenues:</b>			
Miscellaneous revenue	-	27,575	27,575
Investment earnings	18,000	4,703	(13,297)
Total non-operating revenues	18,000	32,278	14,278
Total revenues	611,197	625,475	14,278
<b>Operating Expenditures:</b>			
Vehicle replacement costs	1,649,494	1,603,592	45,902
Revenues over (under) expenditures	(1,038,297)	(978,117)	60,180
<b>Other Financing Sources (Uses):</b>			
Appropriated net position	1,038,297	-	(1,038,297)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (978,117)	\$ (978,117)
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (978,117)	
Capital outlay		1,603,592	
Depreciation		(264,550)	
Change in net position		\$ 360,925	

## CITY OF WASHINGTON, NORTH CAROLINA

INTERNAL SERVICE FUND  
 FACILITY MAINTENANCE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2021

	Financial Plan	Actual	Variance Over/Under
<b>Operating Expenditures:</b>			
Construction	\$ 26,000	\$ 22,036	\$ 3,964
Capital outlay	104,000	94,530	9,470
Total operating expenditures	<u>130,000</u>	<u>116,566</u>	<u>13,434</u>
Operating income (loss)	(130,000)	(116,566)	(13,434)
<b>Non-Operating Revenues:</b>			
Investment earnings	-	360	360
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>130,000</u>	<u>-</u>	<u>(130,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (116,206)</u>	<u>\$ (116,206)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (116,206)	
Capital outlay		94,530	
Depreciation		<u>(175)</u>	
Change in net position		<u>\$ (21,851)</u>	



## **Additional Financial Data**

This section contains additional information on property taxes, interfund transfers, and cash and investments.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

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## CITY OF WASHINGTON, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2021**

<u>Year</u>	<u>Uncollected July 1, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected June 30, 2021</u>
2020-2021	\$ -	\$ 4,777,340	\$ 4,718,466	\$ 58,874
2019-2020	78,093	-	52,645	25,448
2018-2019	39,668	-	14,430	25,238
2017-2018	21,505	-	5,945	15,560
2016-2017	14,292	-	3,768	10,524
2015-2016	12,432	-	1,170	11,262
2014-2015	7,956	-	1,329	6,627
2013-2014	21,324	-	1,016	20,308
2012-2013	28,806	-	1,718	27,088
2011-2012	17,431	-	154	17,277
2010-2011	<u>11,858</u>	<u>-</u>	<u>11,858</u>	<u>-</u>
Total	<u>\$ 253,365</u>	<u>\$ 4,777,340</u>	<u>\$ 4,812,499</u>	218,206
Less allowance for uncollectible ad valorem taxes receivable:				
General Fund				<u>(147,869)</u>
<b>Ad Valorem Taxes Receivable, Net:</b>				
General Fund				<u>\$ 70,337</u>
<b>Reconciliation With Revenues:</b>				
Ad valorem taxes - General Fund			\$ 4,833,834	
Refunds			4,108	
Write-offs and releases			11,858	
Miscellaneous adjustments			2,281	
Penalties and interest collected			<u>(39,582)</u>	
Total collections and credits			<u>\$ 4,812,499</u>	

## CITY OF WASHINGTON, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - CITY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2021

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy</b>	<u>\$ 903,820,755</u>	0.53	<u>\$ 4,790,250</u>	<u>\$ 4,284,879</u>	<u>\$ 505,371</u>
<b>Discoveries</b>	<u>2,641,887</u>	0.53	<u>14,002</u>	<u>14,002</u>	<u>-</u>
<b>Abatements</b>	<u>(5,077,736)</u>	0.53	<u>(26,912)</u>	<u>(26,912)</u>	<u>-</u>
Total property valuation	<u><u>\$ 901,384,906</u></u>				
<b>Net Levy</b>			4,777,340	4,271,969	505,371
Uncollected taxes at June 30, 2021			<u>58,874</u>	<u>58,874</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u><u>\$ 4,718,466</u></u>	<u><u>\$ 4,213,095</u></u>	<u><u>\$ 505,371</u></u>
<b>Current Levy Collection Percentage</b>			98.77%	98.62%	100.00%

## **Statistical Section**

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## **Statistical Section (Unaudited)**

This part of the City of Washington's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the finance statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	168
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source.	172
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	179
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	183
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	186

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## CITY OF WASHINGTON, NORTH CAROLINA

NET POSITON BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 19,310,212	\$ 20,350,145	\$ 17,557,469	\$ 17,321,458	\$ 18,512,443	\$ 18,242,564	\$ 18,337,841	\$ 18,184,725	\$ 20,821,889	\$ 25,904,495
Restricted	3,070,972	2,411,242	2,677,773	2,373,008	2,798,041	2,571,352	2,769,442	4,398,651	8,801,288	4,226,930
Unrestricted	6,317,546	6,700,404	6,770,380	6,194,333	5,698,464	6,889,944	6,371,710	6,690,424	88,748	401,661
Total governmental activities net position	<u>\$ 28,698,730</u>	<u>\$ 29,461,791</u>	<u>\$ 27,005,622</u>	<u>\$ 25,888,799</u>	<u>\$ 27,008,948</u>	<u>\$ 27,703,860</u>	<u>\$ 27,478,993</u>	<u>\$ 29,273,800</u>	<u>\$ 29,711,925</u>	<u>\$ 30,533,086</u>
Business-type activities										
Net investment in capital assets	\$ 60,476,100	\$ 61,070,809	\$ 62,593,894	\$ 64,051,002	\$ 67,569,334	\$ 68,989,708	\$ 70,652,126	\$ 72,956,375	\$ 80,272,842	\$ 81,362,410
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,476,598	13,520,587	13,370,623	13,441,414	17,107,621	20,286,870	23,925,040	26,422,937	24,378,244	26,110,712
Total business-type activities net position	<u>\$ 73,952,698</u>	<u>\$ 74,591,396</u>	<u>\$ 75,964,517</u>	<u>\$ 77,492,416</u>	<u>\$ 84,676,955</u>	<u>\$ 89,276,578</u>	<u>\$ 94,577,166</u>	<u>\$ 99,379,312</u>	<u>\$ 104,651,086</u>	<u>\$ 107,473,122</u>
Primary government										
Net investment in capital assets	\$ 79,786,312	\$ 81,420,954	\$ 80,151,363	\$ 81,372,460	\$ 86,081,777	\$ 87,232,272	\$ 88,989,967	\$ 91,141,100	\$ 101,094,731	\$ 107,266,905
Restricted	3,070,972	2,411,242	2,677,773	2,373,008	2,798,041	2,571,352	2,769,442	4,398,651	8,801,288	4,226,930
Unrestricted	19,794,144	20,220,991	20,141,003	19,635,747	22,806,085	27,176,814	30,296,750	33,113,361	24,466,992	26,512,373
Total primary government net position	<u>\$ 102,651,428</u>	<u>\$ 104,053,187</u>	<u>\$ 102,970,139</u>	<u>\$ 103,381,215</u>	<u>\$ 111,685,903</u>	<u>\$ 116,980,438</u>	<u>\$ 122,056,159</u>	<u>\$ 128,653,112</u>	<u>\$ 134,363,011</u>	<u>\$ 138,006,208</u>

CITY OF WASHINGTON, NORTH CAROLINA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,115,692	\$ 2,211,617	\$ 5,225,614	\$ 2,130,313	\$ 1,494,759	\$ 1,434,072	\$ 1,427,650	\$ 2,097,582	\$ 3,077,596	\$ 2,185,813
Public safety	6,272,982	5,789,373	5,784,755	5,683,135	6,000,378	6,198,994	6,164,328	6,438,362	6,930,662	7,687,070
Transportation	852,732	922,884	801,834	925,821	954,178	1,223,260	1,071,357	1,113,799	1,632,073	1,437,030
Environmental protection	657,371	664,618	670,441	637,164	656,104	388,877	405,821	448,486	553,906	221,835
Cultural and recreation	2,013,443	1,606,916	2,297,029	2,392,859	2,695,627	2,093,693	2,302,108	2,279,900	2,472,716	1,972,028
Economic and physical development	74,514	294,315	624,667	38,316	(158,340)	338,539	47,887	964,853	213,528	1,126,055
Interest on long term debt	156,808	116,070	71,970	53,203	48,440	44,582	40,141	36,494	32,865	29,277
Total governmental activities	12,143,542	11,575,793	15,476,310	11,860,811	11,691,146	11,720,017	11,459,292	13,379,476	14,913,346	14,659,108
Business-type activities:										
Water	2,859,068	3,016,643	3,025,019	3,063,667	3,219,750	3,189,163	3,171,942	3,250,572	3,391,267	3,846,483
Sewer	2,603,297	2,778,577	2,975,619	3,046,950	3,132,989	3,101,293	3,231,632	3,410,667	3,478,090	3,476,448
Electric	35,224,262	34,958,237	35,475,345	34,903,483	27,838,189	29,510,316	28,757,678	29,415,891	29,702,029	29,076,726
Stormwater utility	414,551	390,349	381,890	422,292	383,638	353,954	356,674	353,793	430,891	956,502
Warren Field Airport	457,044	696,759	505,289	414,818	396,621	451,717	552,756	571,158	652,240	706,428
Solid waste	1,332,906	1,256,031	1,293,733	1,201,615	1,236,236	1,283,818	1,315,358	1,514,764	1,538,053	1,580,339
Cemetery	276,551	285,546	280,857	273,134	315,980	279,012	237,847	251,619	370,028	337,178
Total business-type activities	43,167,679	43,382,142	43,937,752	43,325,959	36,523,403	38,169,273	37,623,887	38,768,464	39,562,598	39,980,104
Total primary government expenses	\$ 55,311,221	\$ 54,957,935	\$ 59,414,062	\$ 55,186,770	\$ 48,214,549	\$ 49,889,290	\$ 49,083,179	\$ 52,147,940	\$ 54,475,944	\$ 54,639,212
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 888,616	\$ 826,617	\$ 1,730,280	\$ 151,469	\$ 282,085	\$ 287,558	\$ 350,346	\$ 582,694	\$ 984,893	\$ 466,695
Public safety	493,962	650,174	637,212	658,239	760,965	753,024	621,370	571,206	626,924	632,594
Transportation	25,563	4,656	6,251	5,378	35,895	12,423	16,881	32,262	3,354	3,885
Environmental protection	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	229,454	242,569	209,408	194,264	265,253	334,601	288,195	272,627	234,333	232,158
Economic and physical development	76,308	49,759	-	30,000	-	-	-	-	-	-
Operating grants and contributions:										
General government	10,900	7,247	2,483	2,583	34,311	41,001	40,109	39,799	30,126	-
Public safety	913,131	486,734	451,338	383,127	353,928	431,175	260,495	677,540	372,219	656,125
Transportation	-	-	-	-	-	-	-	-	-	-
Environmental protection	6,689	-	-	-	-	-	-	-	-	-
Cultural and recreation	19,396	156,363	26,259	61,393	36,609	37,329	45,309	55,959	28,468	29,542
Economic and physical development	41,418	17,790	155,244	3,529	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-

CITY OF WASHINGTON, NORTH CAROLINA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Capital grants and contributions:</b>										
General Government	125,665	-	-	-	-	-	-	-	-	13,261
Public safety	49,931	330,935	-	36,974	7,691	-	-	-	-	-
Transportation	705,593	167,786	184,004	183,590	180,736	176,392	172,944	166,477	160,981	144,851
Cultural and recreation	258,579	29,428	48,989	37,166	333,052	36,013	35,239	35,222	35,105	34,519
Economic and physical development	313,288	15,375	518,266	54,234	352,400	114,407	20,771	894,838	281,297	861,927
Total governmental activities program revenues	4,158,493	2,985,433	3,969,734	1,801,946	2,642,925	2,223,923	1,851,659	3,328,624	2,757,700	3,075,557
<b>Business-type activities:</b>										
<b>Charge for services:</b>										
Water	3,151,154	2,983,399	3,154,780	3,175,688	3,311,991	2,944,752	3,312,707	3,363,869	3,258,926	3,451,820
Sewer	3,092,541	3,091,654	3,001,831	2,929,832	3,282,101	3,360,261	3,366,416	3,279,715	3,250,894	3,473,472
Electric	35,283,158	35,420,242	35,913,591	36,657,248	33,751,350	34,646,920	35,238,275	33,939,730	32,096,868	33,485,154
Beaufort county water districts	-	-	-	-	-	-	-	-	-	-
Civic center	-	-	-	-	-	-	-	-	-	-
Aquatic center	-	-	-	-	-	-	-	-	-	-
Stormwater utility	501,578	500,827	509,015	509,775	589,980	684,400	693,218	855,948	883,237	1,225,389
Warren Field Airport	221,219	667,196	237,081	211,039	240,484	259,989	261,825	267,829	298,383	359,453
Solid Waste	1,241,221	1,260,476	1,273,038	1,256,817	1,328,604	1,352,010	1,324,244	1,351,791	1,398,177	1,545,267
Cemetery	171,643	171,998	246,884	200,039	204,230	206,441	228,202	185,113	177,444	253,919
<b>Operating grants and contributions:</b>										
Water	-	-	-	-	-	-	8,274	39,226	-	-
Sewer	-	-	-	-	-	33,439	12,158	12,245	-	-
Electric	-	-	-	-	-	55,296	122,163	401,229	247,170	89,679
Stormwater utility	-	-	-	-	-	-	-	38,545	-	-
Warren Field Airport	-	-	130,703	-	-	5,612	-	1,404	67,698	-
Solid Waste	-	-	-	-	-	71,210	-	41,229	-	-
<b>Capital grants and contributions:</b>										
Water	81,284	(113)	15,232	68,798	769,312	28,925	-	81,902	60,455	128,645
Sewer	129,583	(547)	62,963	116,048	747,274	264,165	380,493	94,269	-	-
Electric	1,496,643	249,451	585,475	35,700	-	-	-	93,023	1,739	9,581
Stormwater utility	-	-	-	-	-	-	-	-	-	127,155
Warren Field Airport	129,845	449,850	406,420	653,428	365,508	10,604	211,349	533,082	5,137,380	352,084
Solid Waste	-	95	-	-	-	5,224	-	-	-	-
Cemetery	8,075	-	-	-	-	-	-	5,617	1,625	-
Total business-type activities program revenues	45,507,944	44,794,528	45,537,013	45,814,412	44,590,834	43,929,248	45,159,324	44,585,766	46,879,996	44,501,618
Total primary government program revenues	\$ 49,666,437	\$ 47,779,961	\$ 49,506,747	\$ 47,616,358	\$ 47,233,759	\$ 46,153,171	\$ 47,010,983	\$ 47,914,390	\$ 49,637,696	\$ 47,577,175
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (7,985,049)	\$ (8,590,360)	\$ (11,506,576)	\$ (10,058,865)	\$ (9,048,221)	\$ (9,496,094)	\$ (9,607,633)	\$ (10,050,852)	\$ (12,155,646)	\$ (11,583,551)
Business-type activities	2,340,265	1,412,386	1,599,261	2,488,453	8,067,431	5,759,975	7,535,437	5,817,302	7,317,398	4,521,514
Total primary government net (expense)/revenue	\$ (5,644,784)	\$ (7,177,974)	\$ (9,907,315)	\$ (7,570,412)	\$ (980,790)	\$ (3,736,119)	\$ (2,072,196)	\$ (4,233,550)	\$ (4,838,248)	\$ (7,062,037)

CITY OF WASHINGTON, NORTH CAROLINA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 4,090,923	\$ 4,291,705	\$ 4,507,481	\$ 4,331,693	\$ 4,345,971	\$ 4,469,620	\$ 4,520,054	\$ 4,568,299	\$ 4,595,065	\$ 4,827,785
Other Taxes	2,572,734	2,572,097	2,534,728	2,822,864	2,686,421	2,850,545	2,977,219	3,294,377	3,063,012	3,742,408
Unrestricted intergovernmental	1,529,835	1,550,229	1,583,720	2,046,278	2,059,167	2,043,145	2,081,556	2,087,548	2,072,502	2,040,138
Investment earnings	27,378	33,980	55,930	59,875	56,520	61,585	118,684	304,105	226,546	29,535
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Capital contributions to/from other activities	-	-	-	-	-	-	-	-	-	-
Transfers	1,193,432	905,410	368,549	482,067	1,020,291	1,330,898	1,469,178	1,591,330	2,636,646	1,764,846
Total governmental activities:	9,414,302	9,353,421	9,050,408	9,742,777	10,168,370	10,755,793	11,166,691	11,845,659	12,593,771	12,404,712
<b>Business-type activities:</b>										
Investment earnings	140,065	131,722	142,409	137,291	137,399	170,546	276,952	576,174	438,598	65,368
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Capital contributions to/from other activities	-	-	-	-	-	-	-	-	-	-
Special item-Net asset transfer from Warren	-	-	-	-	-	-	-	-	-	-
Airport Commission to City of Washington	-	-	-	-	-	-	-	-	-	-
Transfers	(1,193,432)	(905,410)	(368,549)	(482,067)	(1,020,291)	(1,330,898)	(1,469,178)	(1,591,330)	(2,636,646)	(1,764,846)
Total business-type activities	(1,053,367)	(773,688)	(226,140)	(344,776)	(882,892)	(1,160,352)	(1,192,226)	(1,015,156)	(2,198,048)	(1,699,478)
Total primary government	\$ 8,360,935	\$ 8,579,733	\$ 8,824,268	\$ 9,398,001	\$ 9,285,478	\$ 9,595,441	\$ 9,974,465	\$ 10,830,503	\$ 10,395,723	\$ 10,705,234
<b>Change in Net Position</b>										
Governmental activities	\$ 1,429,253	\$ 763,061	\$ (2,456,168)	\$ (316,088)	\$ 1,120,149	\$ 1,259,699	\$ 1,559,058	\$ 1,794,807	\$ 438,125	\$ 821,161
Business-type activities	1,286,898	638,698	1,373,121	2,143,677	7,184,539	4,599,623	6,343,211	4,802,146	5,119,350	2,822,036
Total primary government	\$ 2,716,151	\$ 1,401,759	\$ (1,083,047)	\$ 1,827,589	\$ 8,304,688	\$ 5,859,322	\$ 7,902,269	\$ 6,596,953	\$ 5,557,475	\$ 3,643,197

Table 3

**CITY OF WASHINGTON, NORTH CAROLINA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Occupancy Taxes</b>	<b>Auto Licenses</b>	<b>Rental Vehicle Tax</b>	<b>Business Licenses</b>	<b>Franchise Taxes</b>	<b>Total</b>
2012	4,189,504	2,046,708	250,930	39,039	20,718	182,685	1,130,064	7,859,648
2013	4,301,643	2,096,489	209,346	39,172	15,710	179,941	1,147,567	7,989,868
2014	4,598,572	2,088,807	222,208	68,140	16,686	123,152	1,140,964	8,258,529
2015	4,441,759	2,362,096	247,187	51,913	18,807	114,343	1,286,375	8,522,480
2016	4,340,444	2,330,383	259,553	47,080	19,929	1,504	1,284,505	8,283,398
2017	4,526,982	2,475,562	277,992	46,293	21,402	1,311	1,261,970	8,611,511
2018	4,536,434	2,524,023	358,832	45,615	20,369	2,000	1,247,332	8,734,606
2019	4,598,102	2,756,508	438,325	45,569	25,907	981	1,264,487	9,129,879
2020	4,593,631	2,680,617	293,437	44,791	22,743	1,140	1,230,024	8,866,383
2021	4,833,834	3,313,783	324,560	48,874	27,483	1,060	1,185,445	9,735,040

## CITY OF WASHINGTON, NORTH CAROLINA

**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Non Spendable	\$ 85,930	\$ 121,327	\$ 123,653	\$ 191,555	\$ 176,585	\$ 71,783	\$ 99,364	\$ 89,441	\$ 47,197	\$ 74,764
Restricted	2,565,383	1,772,450	1,919,661	1,780,333	1,681,569	1,627,163	1,649,285	2,267,698	3,937,529	2,792,438
Committed	21	21	21	2,521	2,521	2,521	2,521	2,521	2,521	2,521
Assigned	189,471	189,471	243,945	67,735	148,100	-	168,704	-	-	68,917
Unassigned	5,542,226	5,962,328	6,238,713	4,819,600	5,261,097	6,700,195	7,732,736	8,510,751	2,861,045	4,232,373
Total General Fund	<u>\$ 8,383,031</u>	<u>\$ 8,045,597</u>	<u>\$ 8,525,993</u>	<u>\$ 6,861,744</u>	<u>\$ 7,269,872</u>	<u>\$ 8,401,662</u>	<u>\$ 9,652,610</u>	<u>\$ 10,870,411</u>	<u>\$ 6,848,292</u>	<u>\$ 7,171,013</u>
All Other Governmental Funds										
Non spendable:										
Permanent Funds	\$ 472,175	\$ 492,576	\$ 525,277	\$ 549,751	\$ 549,754	\$ 549,853	\$ 549,853	\$ 549,853	\$ 549,853	\$ 549,853
Special revenue funds	-	-	-	199,200	-	191,385	-	-	-	-
Restricted:										
Special revenue funds	25,897	72,863	6,356	12,638	207,268	19,330	212,908	214,788	216,511	218,391
Capital project funds	120,935	88,454	226,381	30,185	359,351	375,006	357,396	1,366,312	3,967,219	666,248
Permanent funds	-	-	-	102	99	-	-	-	-	-
Committed:										
Special revenue funds	5,575	-	-	-	-	-	-	-	-	-
Capital project funds	1,001,642	1,032,227	1,053,642	1,017,405	1,147,044	987,901	1,180,386	918,164	1,323,393	1,506,736
Assigned:										
Capital project funds	18,908	17,627	17,670	24,790	26,806	24,919	24,976	26,201	29,271	39,343
Unassigned:										
Special revenue funds	(14,197)	(69,006)	(2,501)	(4,570)	-	-	-	-	-	-
Capital project funds	(15,604)	(21,032)	(181,992)	(20,000)	(157,143)	(88)	(137)	(398,855)	(472,397)	(351,158)
Total all other governmental funds	<u>\$ 1,615,331</u>	<u>\$ 1,613,709</u>	<u>\$ 1,644,833</u>	<u>\$ 1,809,501</u>	<u>\$ 2,133,179</u>	<u>\$ 2,148,306</u>	<u>\$ 2,325,382</u>	<u>\$ 2,676,463</u>	<u>\$ 5,613,850</u>	<u>\$ 2,629,413</u>

Note: The City implemented GASB statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Four years are presented in the format prior to the implementation of GASB 54, along with six years after the implementation.

Table 5

## CITY OF WASHINGTON, NORTH CAROLINA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Ad valorem taxes	\$ 4,189,504	\$ 4,301,643	\$ 4,598,572	\$ 4,441,759	\$ 4,340,445	\$ 4,526,986	\$ 4,536,435	\$ 4,598,103	\$ 4,593,630	\$ 4,833,834
Other taxes and licenses	2,572,734	2,572,097	2,534,728	2,822,864	2,686,421	2,850,545	2,977,219	3,294,377	3,063,012	3,742,408
Unrestricted intergovernmental	1,529,835	1,550,229	1,583,720	2,046,278	2,059,167	2,043,145	2,081,556	2,087,548	2,072,502	2,040,138
Restricted intergovernmental	2,444,573	1,211,658	1,386,583	665,689	655,238	721,910	574,867	1,869,835	877,647	1,670,178
Permits and fees	91,530	64,266	89,360	86,346	95,652	122,492	108,853	111,208	118,230	141,401
Sales and services	1,432,739	1,491,966	2,390,422	947,930	1,081,231	1,107,998	975,587	951,770	925,534	919,170
Interest earnings	24,669	30,292	50,405	43,209	36,861	41,418	96,556	243,648	175,734	20,435
Miscellaneous	160,889	192,384	117,073	33,082	144,282	197,392	93,477	117,514	108,201	50,307
Total revenues	12,446,473	11,414,535	12,750,863	11,087,157	11,099,297	11,611,886	11,444,550	13,274,003	11,934,490	13,417,871
<b>Expenditures</b>										
General government	1,923,459	2,194,170	2,126,445	1,974,023	2,324,752	1,836,094	1,883,075	2,182,340	2,436,480	2,098,803
Public safety	6,144,320	5,767,186	5,410,997	5,515,067	5,644,347	6,027,734	5,914,802	6,256,498	7,447,591	7,410,042
Transportation	1,600,006	1,161,707	822,261	1,097,764	780,996	959,602	810,601	894,596	1,395,887	1,229,946
Environmental protection	391,087	366,545	390,625	381,415	374,367	371,084	397,122	422,319	441,799	103,978
Economic and physical development	1,111,726	294,315	893,340	-	-	-	47,887	1,079,239	1,262,777	4,064,349
Cultural and recreational	2,433,178	2,170,750	2,216,392	2,231,397	2,180,060	2,066,701	2,227,880	2,290,875	2,500,950	2,766,994
Debt Service:										
Principal retirement	234,504	2,893,053	694,725	211,036	205,250	177,160	164,190	134,083	137,516	141,036
Interest and fees	141,398	131,408	71,976	53,209	48,446	44,187	40,147	36,501	32,868	29,285
Total expenditures	13,979,678	14,979,134	12,626,761	11,463,911	11,558,218	11,482,562	11,485,704	13,296,451	15,655,868	17,844,433
Excess of revenues over (under) expenditures	(1,533,205)	(3,564,599)	124,102	(376,754)	(458,921)	129,324	(41,154)	(22,448)	(3,721,378)	(4,426,562)
<b>Other Financing Sources (Uses)</b>										
Transfers in	1,772,934	2,315,000	1,297,826	910,116	1,110,945	1,517,411	2,412,490	2,608,559	7,088,477	2,950,709
Transfers out	(579,502)	1,494,609	(910,309)	(2,197,611)	(243,896)	(514,945)	(943,312)	(1,017,229)	(4,451,831)	(1,185,863)
Proceeds from installment note	769,566	(584,066)	-	-	-	-	-	-	-	-
Long-term debt issued/repaid	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,962,998	3,225,543	387,517	(1,287,495)	867,049	1,002,466	1,469,178	1,591,330	2,636,646	1,764,846
Net change in fund balances	\$ 429,793	\$ (339,056)	\$ 511,619	\$ (1,664,249)	\$ 408,128	\$ 1,131,790	\$ 1,428,024	\$ 1,568,882	\$ (1,084,732)	\$ (2,661,716)
Debt service as a percentage of total noncapital expenditures	3.39%	22.64%	6.47%	2.43%	2.37%	2.03%	1.89%	1.36%	1.34%	1.27%

Table 6

## CITY OF WASHINGTON, NORTH CAROLINA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Public Service Companies (1)	Total Taxable Assessed Value (2)	Tax Rate (3)	Tax Levy
2012	665,125,195	152,995,288	11,992,317	830,112,800	0.50	4,150,564
2013	666,689,015	166,223,118	11,983,267	844,895,400	0.50	4,224,477
2014	678,131,900	196,310,758	10,614,942	885,057,600	0.50	4,425,288
2015	679,010,980	182,651,303	10,678,917	872,341,200	0.50	4,361,706
2016	680,732,033	165,406,064	12,439,703	858,577,800	0.50	4,292,889
2017	679,155,518	172,632,540	12,465,788	864,253,846	0.52	4,494,120
2018(4)	682,853,171	172,985,696	14,012,287	869,851,154	0.52	4,523,226
2019	671,175,120	179,615,554	13,122,722	863,913,396	0.53	4,578,741
2020	676,572,776	174,287,061	12,593,748	863,453,585	0.53	4,576,304
2021	689,411,762	199,062,211	12,910,933	901,384,906	0.53	4,777,340

Source: Annual County Report of Valuation and Property Tax Levies

## Notes:

- (1) Public service companies valuations are provided to the City by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (2) Estimated actual value equals assessed value.
- (3) Per \$100 of value.
- (4) Property in Beaufort County is reassessed every eight years. The last reassessment was on January 1, 2018.



Table 7

**CITY OF WASHINGTON**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Fiscal Years Ended June 30	City Direct Rate		Overlapping Rates	
	City of Washington	Public Safety Capital Reserve	Total Direct	Beaufort County
2012	.4856	.0144	.50	.53
2013	.4856	.0144	.50	.53
2014	.4856	.0144	.50	.53
2015	.4807	.0193	.50	.53
2016	.4807	.0193	.50	.53
2017	.5007	.0193	.52	.55
2018(1)	.5007	.0193	.52	.55
2019	.5106	.0194	.53	.615
2020	.5108	.0192	.53	.625
2021	.5108	.01924	.53	.635

Note: (1) Real property was last revalued on January 1, 2018

Table 8

## CITY OF WASHINGTON

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR & 9 YEARS AGO

Fiscal Year 2021			Fiscal Year 2012		
Taxpayer	Type of Business	Assessed Valuation	Rank	Assessed Valuation	Rank
Gregory Poole Leasing LLC	Heavy Equipment	\$ 16,367,150	1	\$ 20,948,972	1
Victory Square LLC	Consulting	12,796,804	2	17,612,316	2
Wal-Mart Real Estate Business	Real Estate & Retail	10,129,687	3	10,702,768	3
Flanders Filters, Inc.	Industrial Filter Manufacturer	9,417,027	4	9,123,782	4
Lowe's Home Centers, Inc	Retail	7,825,730	5	8,203,930	5
Coeur Inc.	Medical Equipment	6,588,484	6	7,304,837	6
State Employees Credit Union	Financial/Banking	6,586,851	7	6,763,095	7
Clarcor Engine Mobile Solutions	Air Filtration	6,154,531	8	5,917,187	8
Lodging Associates LLC	Lodging	5,444,764	9	5,214,148	9
Pamlico Properties	Rental Real Estate	5,271,943	10	5,165,876	10
Totals		\$ 86,582,971		\$ 96,956,911	
					11.68%
Valuation		\$ 901,384,906		\$ 830,112,800	

Valuation

Valuation

Source: Beaufort County Tax Department

Table 9

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2012	4,182,836	(32,272)	4,150,564	3,889,207	93.70%	239,607	4,128,814	99.48%
2013	4,212,028	12,449	4,224,477	3,962,116	93.79%	228,365	4,190,481	99.20%
2014	4,441,128	(15,840)	4,425,288	4,255,638	96.17%	135,067	4,390,705	99.22%
2015	4,359,070	2,636	4,361,706	4,249,037	97.42%	81,753	4,330,790	99.29%
2016	4,290,878	2,011	4,292,889	4,188,499	97.57%	32,968	4,221,467	98.34%
2017	4,577,317	(83,197)	4,494,120	4,416,681	98.28%	30,854	4,447,535	98.96%
2018	4,540,102	(16,876)	4,523,226	4,434,721	98.04%	33,690	4,468,411	98.79%
2019	4,596,871	(18,130)	4,578,741	4,498,448	98.25%	39,668	4,538,116	99.11%
2020	4,586,482	(10,178)	4,576,304	4,498,211	98.29%	25,488	4,523,699	98.85%
2021	4,790,250	(12,910)	4,777,340	4,718,466	98.77%	-	4,718,466	98.77%

Source: Beaufort County Tax Department

Table 10

## CITY OF WASHINGTON, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Percentage Per Capita (1)
	Installment Loans	USDA Loan	Recovery Zone Economic Dev. Bonds	General Obligation Bonds	State Revolving Loan	Installment Loans	Recovery Zone Economic Dev. Bonds				
2012	796,277	2,656,120	36,002	1,000,000	1,872,691	1,745,095	4,499,998	12,606,183	0.83%	38507%	
2013	2,877,011	-	33,335	430,000	2,095,432	1,323,112	4,166,665	10,925,555	0.69%	31780%	
2014	2,184,952	-	30,669	140,000	1,926,929	697,774	3,833,331	8,813,655	0.54%	25580%	
2015	1,976,583	-	28,002	-	1,758,426	407,078	3,499,998	7,670,087	0.44%	21088%	
2016	1,774,000	-	25,335	-	1,589,923	161,428	3,166,665	6,717,351	0.37%	17783%	
2017	1,599,507	-	22,668	-	1,630,179	65,037	2,833,332	6,150,723	0.33%	15870%	
2018	1,437,984	-	20,001	-	2,130,593	-	2,499,999	6,088,577	0.32%	14877%	
2019	1,306,567	-	17,335	-	1,928,161	-	2,166,666	5,418,729	0.28%	13012%	
2020	1,171,719	-	14,667	-	1,712,783	-	1,833,333	4,732,502	0.24%	11364%	
2021	1,033,350	-	12,000	-	1,497,405	625,908	1,500,000	4,668,663	N/A	N/A	

N/A - Information not yet available

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 14 for personal income and population data.

Table 11

## CITY OF WASHINGTON, NORTH CAROLINA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Actual Taxable Value of Property(2)	Percentage of Personal Total Income	Percentage Per Capita(1)
2012	1,000,000	-	1,000,000	0.12%	0.07%	3054.65%
2013	430,000	-	430,000	0.05%	0.03%	1250.76%
2014	140,000	-	140,000	0.02%	0.01%	406.33%
2015	-	-	0	0.00%	0.00%	0.00%
2016	-	-	0	0.00%	0.00%	0.00%
2017	-	-	0	0.00%	0.00%	0.00%
2018	-	-	0	0.00%	0.00%	0.00%
2019	-	-	0	0.00%	0.00%	0.00%
2020	-	-	0	0.00%	0.00%	0.00%
2021	-	-	0	0.00%	N/A	N/A

N/A-Information not yet available.

Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.

(1) See Table 14 for personal income and population data.

(2) See schedule 6 for property value data.

Table 12

## CITY OF WASHINGTON, NORTH CAROLINA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021

<u>Governmental Unit</u>	<u>Long-Term Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Washington	\$ 1,045,350	100.00%	\$ 1,045,350
Beaufort County		20.94%	-
Total direct and overlapping debt	\$ 1,045,350		\$ 1,045,350

Note: The total estimated share of direct and overlapping debt with Beaufort County is calculated by taking the percentage of City of Washington residents within Beaufort County and figuring the portion of debt due by the City.

## CITY OF WASHINGTON, NORTH CAROLINA

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$ 836,567,200	\$ 842,405,600	\$ 888,225,600	\$ 871,814,000	\$ 858,175,600	\$ 864,253,846	\$ 869,851,154	\$ 863,913,396	\$ 863,453,585	\$ 901,384,906
Debt Limit, 8% of Assessed Value (Statutory Limitation)	66,925,376	67,392,448	71,058,048	69,745,120	68,654,048	69,140,308	69,588,092	69,113,072	69,076,287	72,110,792
Amount of Debt Applicable to Limit										
Gross debt	12,606,183	10,925,555	8,813,655	7,670,087	6,717,351	6,150,723	6,088,577	5,418,729	4,732,502	4,668,663
Less: Debt outstanding for water purposes	324,769	69,810	-	-	-	-	-	-	-	-
Debt outstanding for electric purposes	33,117	7,119	-	-	-	-	-	-	-	-
Total net debt applicable to limit	12,248,297	10,848,626	8,813,655	7,670,087	6,717,351	6,150,723	6,088,577	5,418,729	4,732,502	4,668,663
Legal Debt Margin	\$ 54,677,079	\$ 56,543,822	\$ 62,244,393	\$ 62,075,033	\$ 61,936,697	\$ 62,989,585	\$ 63,499,515	\$ 63,694,343	\$ 64,343,785	\$ 67,442,129
Total net debt applicable to the limit as a percentage of debt limit	18.30%	16.10%	12.40%	11.00%	9.78%	8.90%	8.75%	7.84%	6.85%	6.47%

Note: NC Statute **GS159-55** limits the city's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the city's net debt outstanding applicable to the limit, and represents the city's legal borrowing authority.

Table 14

## CITY OF WASHINGTON

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Total Personal Income (2) in Millions	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	Number of Building Permits Issued (5)
2012	9,740	1,526	32,737	6,957	11.10%	213
2013	9,705	1,585	34,379	7,086	9.90%	173
2014	9,688	1,635	34,455	7,077	7.70%	167
2015	9,757	1,730	36,372	6,904	7.00%	172
2016	9,639	1,799	37,773	6,954	5.70%	151
2017	9,777	1,842	38,758	6,788	4.70%	167
2018	9,571	1,927	40,926	6,606	4.80%	174
2019	9,536	1,961	41,643	6,482	5.30%	176
2020	9,649	2,056	43,743	6,382	6.60%	160
2021	9,875	N/A	N/A	5,807	4.60%	257

N/A-Information not yet available.

## Notes:

- (1) N.C. State Data Center and/or U.S. Census.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
- (3) Beaufort County Board of Education
- (4) N. C. Department of Commerce
- (5) Total number of building permits issued by City of Washington Inspections Department.



Table 15

## CITY OF WASHINGTON, NORTH CAROLINA

## PRINCIPAL EMPLOYERS

Current Year and Five Years Ago \*

2021				2016			
Employer	Employees (1)	Percentage of Total County Employment (2)		Employer	Employees (1)	Percentage of Total County Employment (2)	
		Rank				Rank	
Vidant Medical Center	590	1	3.08%	Beaufort Co. Schools	864	1	4.54%
AAF Flanders	354	2	1.85%	Vidant Medical Center	389	2	2.05%
Beaufort County	342	3	1.78%	Flanders Airpure NC Division	439	3	2.31%
Walmart	278	4	1.45%	Beaufort County	344	4	1.81%
City of Washington	225	5	1.17%	City of Washington	220	5	1.16%
Beaufort County Schools	205	6	1.07%	Clarcor Engine Mobile Solutions	214	6	1.13%
Lowes Home Center	169	7	0.88%	Wal-Mart	170	7	1.13%
IDX Impressions	167	8	0.87%	Hackney Kidron	154	8	1.16%
Hackney Kidron	150	9	0.78%	IDX Impressions	150	9	0.89%
Ridgewood Healthcare LLC	100	10	0.52%	PAS	120	10	0.79%
Total	2,580			Total	3,064		

(1) Human Resource Departments of companies - includes full time

(2) N.C. Department of Commerce

## CITY OF WASHINGTON, NORTH CAROLINA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government:										
General government	26	26	23	23	23	23	24	24	26	29
Public safety	92	89	88	84	82	82	82	86	87	87
Transportation	13	12	12	11	11	12	12	12	12	12
Environmental protection	9	9	9	9	9	9	9	9	9	9
Cultural and recreation	16	14	15	15	15	14	16	17	17	21
Business-type activities:										
Water	14.5	14.5	14.5	14.5	13.5	14	14	14	14	14
Sewer	14.5	14.5	14.5	14.5	14.5	15	15	15	15	15
Electric	36	34	36	35	36	37	37	37	37	37
Stormwater utility	-	-	-	-	-	-	-	-	-	-
Solid waste	13	13	13	13	12	12	12	12	12	12
Beaufort county water districts	-	-	-	-	-	-	-	-	-	-
Civic center	1	1	1	1	-	-	-	-	1	1
Aquatic center	2	1	1	1	1	1	1	1	1	1
Cemetery	5	5	5	5	5	5	4	4	4	4
Airport	-	-	1	1	1	1	1	1	1	1
Total	242	233	233	227	223	225	227	232	236	243

Source: City Finance Department

Note: This schedule represents number of persons budgeted as of June 30 of each year.  
Full time personnel work 2,080 hours per year (less vacation and sick leave).

## CITY OF WASHINGTON, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	1,180	1,626	1,561	1,008	771	731	608	662	720	738
Parking violations	155	103	173	335	58	66	117	207	260	31
Traffic violations	1,382	1,770	3,437	2,043	1,531	1,486	1,251	1,741	3,582	2,183
Fire										
Fire calls	689	653	596	533	875	1,355	1,287	1,335	1,031	573
EMS calls	2,319	2,345	2,463	2,485	2,878	3,263	2,682	2,372	2,374	2,366
Fire inspections	628	868	693	578	551	972	622	438	437	465
Streets										
Street resurfacing (miles)	-	-	-	1.76	-	1.55	-	-	4.32	-
New Construction (miles)	0.21	-	-	-	-	-	-	-	-	-
Solid Waste										
Refuse collected (tons/day)	20.9	20.37	19.93	20.04	19.97	20.37	19.99	20.02	20.29	21.55
Recyclables collected (tons/day)	1.96	1.9	1.81	1.85	2.01	1.97	2.10	2.06	1.16	0.74
Library										
Number of patrons	73,721	81,477	79,611	101,155	101,471	93,955	85,118	78,103	56,739	5,637
Number of Volumes	98,485	71,018	72,452	67,093	62,469	66,174	45,866	53,128	53,153	74,407
Water Utilities										
Number of customers										
Inside city	4,896	4,868	4,908	4,926	4,945	4,977	5,041	5,114	4,807	4,909
Outside city	244	257	258	254	257	256	272	265	279	301
Average daily consumption (millions of gallons)										
Wastewater Utilities	2,289	2,256	2,295	2,274	2,288	2,198	2,305	2,322	2,375	2,432
Number of customers										
Inside city	4,744	4,724	4,764	4,788	4,815	4,839	4,915	4,917	4,951	5,008
Outside city	128	137	138	136	141	142	159	159	176	197
Average daily treatment (millions of gallons)										
Electric Utilities	1,486	1,942	2,035	1,972	2,081	2,503	2,458	2,657	2,229	3,042
Number of customers	13,475	13,519	13,571	13,602	13,950	13,628	13,721	13,981	14,270	13,988
KWH Purchased	287,914,605	294,904,066	299,521,881	299,624,705	282,280,172	291,738,820	298,463,294	290,171,098	270,783,893	277,675,363
KWH Sold	274,920,134	280,051,176	280,590,510	281,465,066	268,070,585	275,360,200	290,173,339	276,146,473	256,561,731	261,045,073
Unaccounted KWH	12,994,471	14,852,890	18,931,371	18,159,639	14,209,586	16,378,620	8,289,955	14,024,625	14,222,162	16,630,290

Sources: Various city departments

Note: Indicators are not available for the general government function.

CITY OF WASHINGTON, NORTH CAROLINA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	13	14	14	14	16	13	15	16	16
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Streets										
Total miles	59.01	59.01	59.01	59.01	59.01	59.01	59.01	58.11	58.11	58.41
Paved miles	57.45	57.46	57.46	57.46	57.46	57.46	57.46	56.56	56.56	56.86
Unpaved miles	1.56	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Recreation										
Neighborhood Centers	2	2	2	2	2	2	2	2	2	2
Civic Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Outdoor Courts										
Tennis	2	2	2	2	2	-	-	-	-	-
Basketball	7	7	7	7	7	7	7	7	7	7
Shuffleboard	-	-	-	-	-	-	-	-	-	-
Horseshoes	2	2	2	2	2	2	2	0	0	0
Bocce	1	1	1	1	1	1	1	0	0	0
Skate Park	1	1	1	1	1	1	1	1	1	1
Boat ramps	4	4	4	4	4	4	4	4	4	4
Boat Slips										
Rental	36	36	36	36	36	36	36	36	36	36
Free	12	12	12	12	12	12	12	12	12	12
Piers										
Fishing	1	1	1	1	1	1	1	1	1	1
Boats	4	4	4	4	4	4	4	4	4	4
Parks										
Total Acreage	550	550	550	550	550	550	550	550	550	550
Open Space	162	162	162	162	162	162	162	162	162	162
Wilderness	300	300	300	300	300	300	300	300	300	300
Parks	88	88	88	88	88	88	88	88	88	88

**CITY OF WASHINGTON, NORTH CAROLINA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Sports Fields										
Soccer	8	8	8	8	8	8	8	8	8	8
Football	-	-	-	-	-	-	-	-	-	-
Baseball	6	6	6	6	6	6	6	6	6	6
Softball	2	2	2	2	2	2	2	2	2	2
Water Utilities										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	697	697	700	701	701	701	701	701	701	707
Maximum daily capacity										
(millions of gallons)	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45
Miles of water mains	82	82	82	82	82	82	82	82	82	82
Wastewater Utilities										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Lift stations	32	32	32	32	32	32	32	32	32	32
Maximum daily treatment capacity										
(millions of gallons)	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Miles of gravity mains	74.3	74.3	74.3	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Miles of force mains	30.35	30.35	30.35	30.35	30.35	30.35	30.35	30.35	30.35	30.35
Electric Utilities										
Miles of distribution lines	400	400	400	400	450	475	480	482	482	450
Miles of transmission lines	15.2	15.2	15.2	15.2	15.2	37	54	67.5	68	47.12
Substations	8	8	8	8	8	6	6	6	6	7
Storm Water Utility										
Miles of storm mains	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.

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## **Compliance Section**

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 27, 2021. The financial statements of the City of Washington Tourism Development Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the City of Washington Tourism Development Authority.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Washington's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Washington's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Washington's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Washington's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Washington's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
October 27, 2021

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

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

#### **Report on Compliance for Each Major Federal Program**

We have audited the City of Washington, North Carolina's, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Washington's major federal programs for the year ended June 30, 2021. The City of Washington's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Washington's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Washington's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Washington's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the City of Washington complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City of Washington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Washington's internal control over compliance with the requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Washington's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
October 27, 2021

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

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

### **Report on Compliance for Each Major State Program**

We have audited the City of Washington, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Washington's major state programs for the year ended June 30, 2021. The City of Washington's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

### **Management's Responsibility**

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Washington's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Washington's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Washington's compliance.

### **Opinion on Each Major State Program**

In our opinion, the City of Washington complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City of Washington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Washington's internal control over compliance with the requirements that could have a direct and material effect on each major state program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Washington's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
October 27, 2021

# CITY OF WASHINGTON, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

### 1. Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported
- Non-compliance material to financial statements noted? No

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>AL #</u>
Airport Improvement Program	20.106
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	No

## **CITY OF WASHINGTON, NORTH CAROLINA**

### **SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021**

#### **State Awards**

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance  
for major state programs Unmodified

Any audit findings disclosed that are required to be reported in  
accordance with the State Single Audit Implementation Act? No

Identification of major state programs:

#### **Program Name**

State Aid to Airports

Public Beach and Coastal Waterfront Access Program



## **CITY OF WASHINGTON, NORTH CAROLINA**

### **SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021**

#### **2. Financial Statements Findings**

None reported.

#### **3. Federal Awards Findings and Questioned Costs**

None reported.

#### **4. State Awards Findings and Questioned Costs**

None reported.

**CITY OF WASHINGTON, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Finding 2020-001:** Corrected.

## CITY OF WASHINGTON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through or Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Passed-Through to Subrecipients
<b>Federal Awards:</b>						
<b><u>U.S. Department of Homeland Security</u></b>						
Passed through the City of Bartow, Florida						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FIPS #013-71220-00	\$ 182,178	\$ 57,901	\$ -	\$ -
Total U.S. Department of Homeland Security			182,178	57,901	-	-
<b><u>U.S. Department of Housing and Urban Development</u></b>						
Assistant Secretary for Community Planning and Development						
Passed through the North Carolina Department of Commerce						
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-16-DC-37-0001	365,168	-	-	-
Total U.S. Department of Housing and Urban Development			365,168	-	-	-
<b><u>U.S. Department of Transportation</u></b>						
Passed through the North Carolina Department of Transportation						
Division of Aviation:						
COVID-19 CARES Act Grant Airport Improvement Program	20.106	36237.38.17.2	8,062	-	-	-
Airport Improvement Program - Corporate Hangar Design Project	20.106	36237.38.15.1	11,126	-	-	-
Airport Improvement Program - Airport Pavement Rehabilitation	20.106	36237.38.17.1	166,198	-	-	-
Total U.S. Department of Transportation			185,386	-	-	-
<b><u>U.S. Department of Health and Human Services</u></b>						
Passed through the North Carolina Department of Adult and Aging Services						
Passed through the Mid-East Commission Area Agency on Aging						
<u>Aging Cluster</u>						
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2021	18,550	-	2,182	-
Total Aging Cluster			18,550	-	2,182	-
COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2021	2,350	-	-	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2021	3,939	232	463	-
Passed through the Department of Health Resources and Services Administration						
COVID-19 Provider Relief Fund	93.498		23,842	-	-	-
Total U.S. Department of Health and Human Services			48,681	232	2,645	-
<b><u>U.S. Department of Treasury</u></b>						
Passed through the North Carolina Office of State Budget and Management						
N.C. Pandemic Recovery Office						
COVID-19 Coronavirus Relief Fund	21.019	02-07-06	346,319	-	-	-
Total U.S. Department of Treasury			346,319	-	-	-
<b><u>U.S. Environmental Protection Agency</u></b>						
Brownsfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	#00D72918	113,057	-	-	-
Total U.S. Environmental Protection Agency			113,057	-	-	-
<b>Total Federal Awards</b>			<b>1,240,789</b>	<b>58,133</b>	<b>2,645</b>	<b>-</b>
<b>State Awards:</b>						
<b><u>N.C. Department of Health and Human Services</u></b>						
Passed through the North Carolina Department of Adult and Aging Services						
Passed through the Mid-East Commission Area Agency on Aging						
Senior Center General Purpose		2021	-	10,515	3,505	-
<b><u>N.C. Department of Environmental Quality</u></b>						
Division of Coastal Management						
Waste Water Asset Inventory Grant		H-A1A-D-20-0192	-	101,288	-	-
Public Beach & Coastal Waterfront Access Program - Washington Wetlands Boardwalk Reconstruction Phase I		8084	-	280,560	-	-
CWRAR Recycling		7663	-	24,000	5,601	-
Division of Water Infrastructure						
Additional Supplemental Appropriations for Disaster Relief Act of 2019 (ASADRA)		09200352.01	-	9,600	-	-
State Reserve Project Loan		SRP-W-0199	-	32,513	-	-
Total N.C. Department of Environmental Quality			-	447,961	5,601	-
<b><u>N.C. Department of Cultural and Natural Resources</u></b>						
State Aid to Libraries		56-6001364-02	-	8,552	-	-
Library Services and Technology Act (LSTA)		LS-00-19-0034-19	-	990	-	-
Total N.C. Department of Cultural Resources			-	9,542	-	-

## CITY OF WASHINGTON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through or Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Passed-Through to Subrecipients
<b><u>N.C. Department of Transportation</u></b>						
Non-State System Street-Aid Allocation (Powell Bill)		32570	-	144,851	-	-
State Aid to Airports Program - Airport Taxiway/Apron Pavement Rehabilitation		36244.51.11.2	-	161,448	-	-
DOT Bridge #3 Pipeline Relocation Project		35494.1.1	-	36,288	-	-
DOT Highway 17 Electric Relocation Project		Project R-2511	-	9,581	-	-
Total N.C. Department of Transportation			-	352,168	-	-
<b><u>Golden Leaf Foundation</u></b>						
Washington Medical District Stormwater Project		FY2021-006	-	127,155	-	-
<b>Total State Awards</b>			-	1,005,474	11,751	-
<b>Total Federal and State Awards</b>			\$ 1,240,789	\$ 1,005,474	\$ 11,751	\$ -

**Notes to the Schedule of Expenditures of Federal and State Financial Awards****Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of the City of Washington under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Washington, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Washington.

**Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rate**

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.