

CITY OF WASHINGTON, GEORGIA

Annual Financial Report

For the year ended December 31, 2020

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CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2020

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Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Washington, Georgia

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, Georgia, as of and for the year ended December 31, 2020, 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.

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 City'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 City'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, Georgia, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of 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 and the required supplementary information on pages 4 through 14 and 65 through 71, respectively to 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 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 consisted 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax 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 and schedules and the schedule of projects financed with special purpose local option sales tax 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 and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Washington, Georgia's basic financial statements for the year ended December 31, 2019, which are not presented with the accompanying financial statements. In our report dated May 27, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2019 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The individual fund financial statements and schedules related to the 2019 financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2021, on our consideration of the City of Washington, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia

May 28, 2021

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City of Washington

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MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Washington management is proud to present this narrative discussion and analysis of the City of Washington's financial performance, making available an overview of the activities for the year ended December 31, 2020. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Washington. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- The City of Washington's assets exceeded its liabilities at December 31, 2020 by \$18,939,315 (*net position*). Of this amount, \$1,922,637 is reported as unrestricted net position. This is an increase of \$406,413 from the previous year for unrestricted. Total net position increased by \$681,256 from the previous year due mostly to increases in unrestricted net position.
- As of December 31, 2020, the City of Washington's governmental funds reported combined ending fund balances of \$994,328. Approximately \$578,663 is reported as restricted. Approximately \$65,446 is reported as assigned. Information about the City of Washington's Policy on Fund Balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 29.

More detailed information regarding these activities and funds begins on page 15.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City of Washington's basic financial statements. The City of Washington's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the City as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of the City of Washington and is designed to provide a broad overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about the City of Washington using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** (pages 15-16) is to report all of the assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of City Government is not to accumulate net position, as this amount increases it can indicate the strength of the City's financial position as a whole. When this amount decreases it can indicate a weakening of the City's financial position.

The **Statement of Activities** (page 17) presents the revenues and expenses of the City. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide the City of Washington into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as real property, sales, insurance premium and intangible finance most of these services.
- **Business-type or Enterprise activities** – The City charges fees to customers to assist in recovering the cost for providing certain services. The City's water and sewer system, electric system, solid waste services, and internet telecommunications system are reported in this category.
- **Discretely Presented Component Unit** – A component unit is a legally separate organization for which the elected officials of the City can be financially accountable. The Downtown Development Authority of Washington, Georgia, although legally separate, functions for all practical purposes as a department of the City of Washington and has been included as an integral part of the government.

The City's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the City's Major Funds).

The focus of fund financial statements is directed at specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 72. The City's funds are divided into two broad categories: governmental and proprietary. They use different prescribed accounting methodologies.

- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the City’s general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these 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 so doing, readers may better understand the long-term impact of the government’s near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

The City of Washington maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major governmental fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 72-75 of this report.

The City of Washington adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

The City’s basic governmental fund financial statements are presented on pages 18-22 of this report.

- **Proprietary Funds** – When the City charges customers for the services it provides, whether to outside customers or internally to departments of the City, these services are generally reported in proprietary funds. The City maintains one type of proprietary funds: Enterprise Funds. These proprietary funds are prepared using the same accrual basis of accounting as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Washington uses enterprise funds to account for its Water and Sewer, Electric, Solid Waste, and Internet Telecommunications functions. The City’s proprietary fund financial statements are presented on pages 23-27.

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 28-64 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's defined benefit pension plan. The required supplementary information can be found on pages 65-71 of this report.

Other Supplementary Information.

Other supplementary information includes combining financial statements for non-major governmental and proprietary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 21) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

City of Washington Net Position December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 1,419,110	\$ 882,356	\$ 5,289,856	\$ 4,807,730	\$ 6,708,966	\$ 5,690,086
Capital assets	8,144,602	8,323,084	15,850,330	16,220,243	23,994,932	24,543,327
Other noncurrent assets	15,200	24,000	455,544	445,262	470,744	469,262
Total assets	<u>9,578,912</u>	<u>9,229,440</u>	<u>21,595,730</u>	<u>21,473,235</u>	<u>31,174,642</u>	<u>30,702,675</u>
Total deferred outflows of resources	<u>786,426</u>	<u>289,044</u>	<u>360,724</u>	<u>141,610</u>	<u>1,147,150</u>	<u>430,654</u>
Current liabilities	609,182	747,122	1,947,508	2,200,075	2,556,690	2,947,197
Noncurrent liabilities	2,927,254	2,183,873	7,721,483	7,744,200	10,648,737	9,928,073
Total liabilities	<u>3,536,436</u>	<u>2,930,995</u>	<u>9,668,991</u>	<u>9,944,275</u>	<u>13,205,427</u>	<u>12,875,270</u>
Total deferred inflows of resources	<u>88,838</u>	<u>0</u>	<u>88,212</u>	<u>0</u>	<u>177,050</u>	<u>0</u>
Net position:						
Net investment in capital assets	7,024,912	7,005,024	8,300,721	8,295,401	15,325,633	15,300,425
Restricted	578,663	355,433	1,112,382	1,085,977	1,691,045	1,441,410
Unrestricted	<u>(863,511)</u>	<u>(772,968)</u>	<u>2,786,148</u>	<u>2,289,192</u>	<u>1,922,637</u>	<u>1,516,224</u>
Total net position	<u>\$ 6,740,064</u>	<u>\$ 6,587,489</u>	<u>\$ 12,199,251</u>	<u>\$ 11,670,570</u>	<u>\$ 18,939,315</u>	<u>\$ 18,258,059</u>

Net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Washington exceeded liabilities by \$18,939,315 at the close of 2020. Approximately 81% of the City of Washington's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This has decreased 3% from 84% at December 31, 2019. The City uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's 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 sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 9% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 10%.

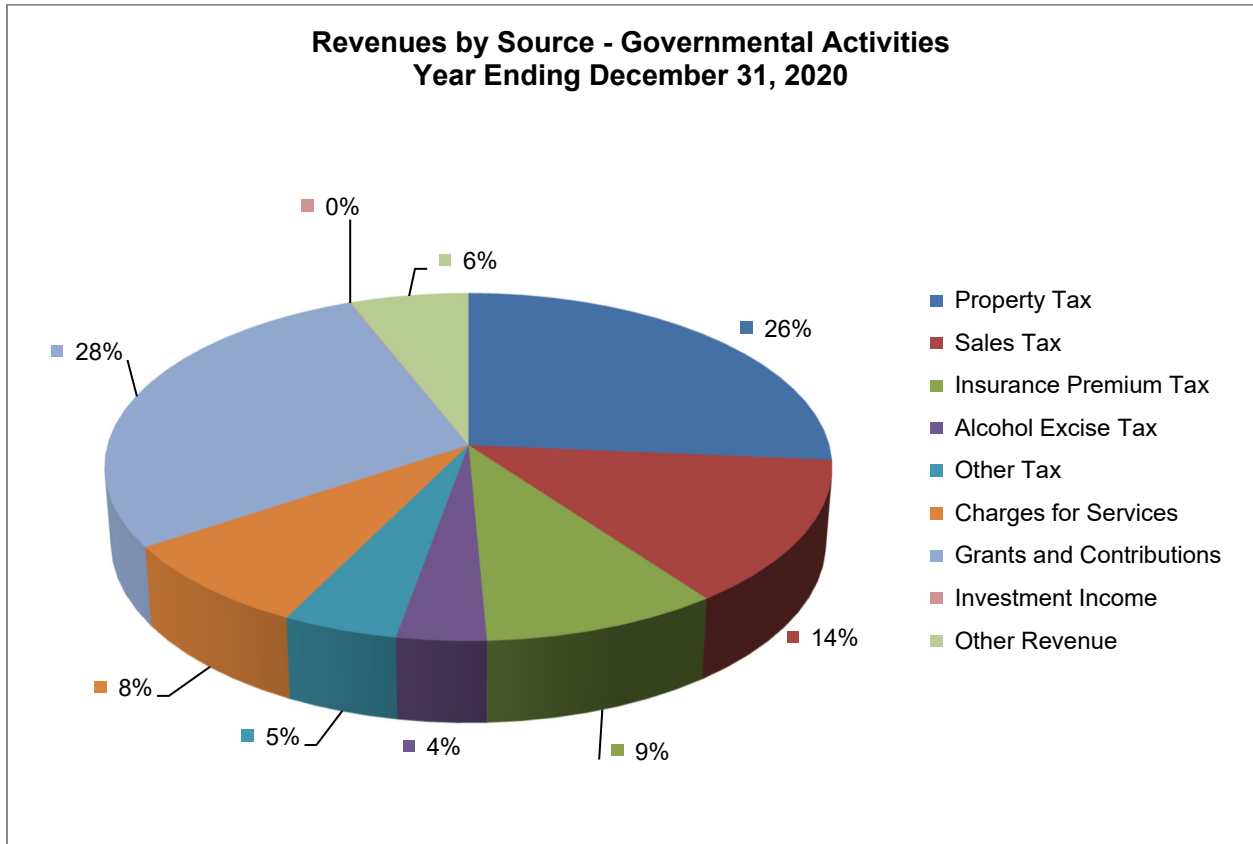
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Washington's net position changed during the year.

**City of Washington
Changes in Net Position
For Years Ended December 31, 2020 and 2019**

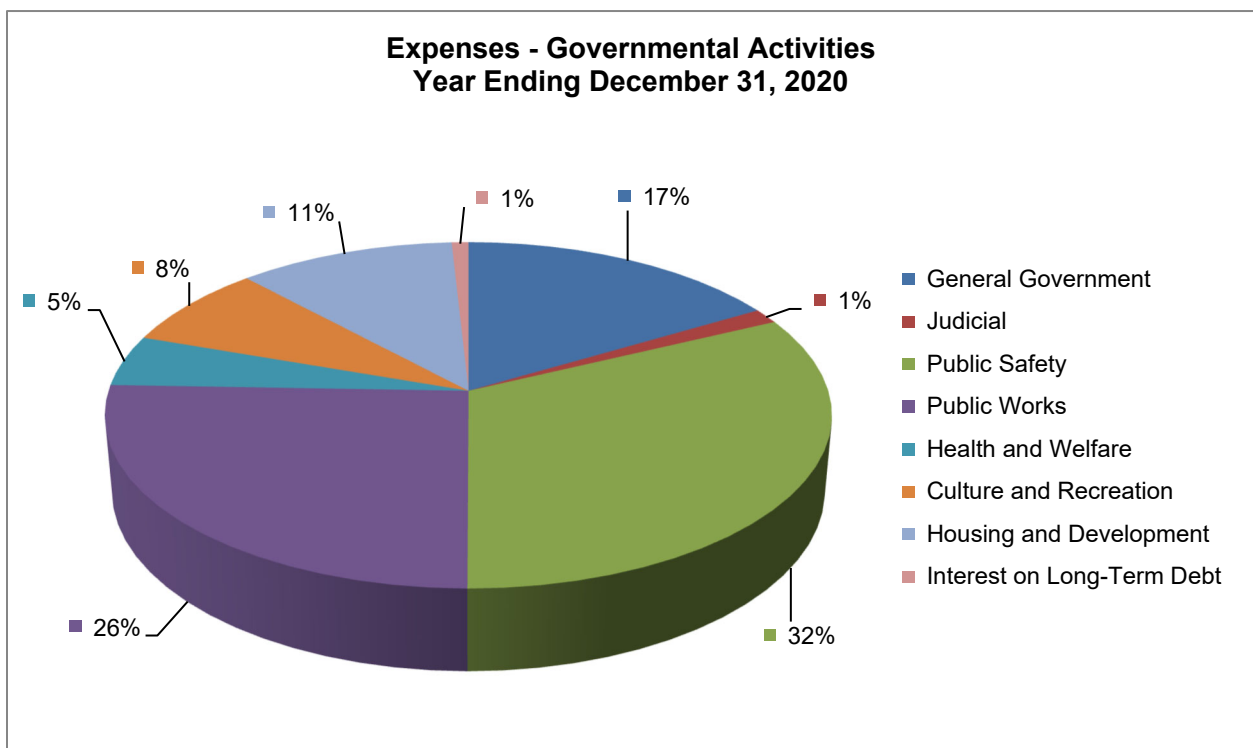
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 292,063	\$ 300,286	\$ 13,010,162	\$ 13,467,995	\$ 13,302,225	\$ 13,768,281
Operating grants and contributions	314,138	124,086	323,248	380,107	637,386	504,193
Capital grants and contributions	687,824	960,143	0	0	687,824	960,143
General revenues:						
Property tax	931,209	834,221	0	0	931,209	834,221
Sales tax	479,325	438,824	0	0	479,325	438,824
Insurance premium tax	332,088	314,741	0	0	332,088	314,741
Alcohol excise tax	124,738	116,725	0	0	124,738	116,725
Other taxes	161,187	160,892	0	0	161,187	160,892
Interest & investment earnings	1,937	1,907	44,968	86,207	46,905	88,114
Other revenue	210,814	174,103	52,782	30,921	263,596	205,024
Total revenues	3,535,323	3,425,928	13,431,160	13,965,230	16,966,483	17,391,158
Expenses						
General government	876,636	857,050	0	0	876,636	857,050
Judicial	74,018	86,749	0	0	74,018	86,749
Public Safety	1,703,847	1,967,798	0	0	1,703,847	1,967,798
Public Works	1,352,835	1,633,317	0	0	1,352,835	1,633,317
Health and Welfare	252,330	332,743	0	0	252,330	332,743
Culture and Recreation	411,820	453,258	0	0	411,820	453,258
Housing and Development	587,443	598,029	0	0	587,443	598,029
Interest on long-term debt	45,491	53,361	0	0	45,491	53,361
Water and Sewer	0	0	2,332,399	2,315,665	2,332,399	2,315,665
Electric	0	0	8,125,616	8,235,933	8,125,616	8,235,933
Solid Waste	0	0	516,214	481,506	516,214	481,506
Internet Telecommunications	0	0	6,578	36,727	6,578	36,727
Total expenses	5,304,420	5,982,305	10,980,807	11,069,831	16,285,227	17,052,136
Indirect costs	536,559	605,124	(536,559)	(605,124)	0	0
Increase (decrease) in net position before transfers	(1,232,538)	(1,951,253)	1,913,794	2,290,275	681,256	339,022
Transfers	1,385,113	2,260,629	(1,385,113)	(2,260,629)	0	0
Increase (decrease) in net position	152,575	309,376	528,681	29,646	681,256	339,022
Net position - beginning	6,587,489	6,278,113	11,670,570	11,640,924	18,258,059	17,919,037
Net position - ending	\$ 6,740,064	\$ 6,587,489	\$ 12,199,251	\$ 11,670,570	\$ 18,939,315	\$ 18,258,059

Governmental Activities –

The following chart illustrates revenues of the governmental activities for the fiscal year:



The following chart illustrates the expenses of the governmental activities for the fiscal year:



Business-Type Activities –

Business-type activities increased the City of Washington’s net position by \$528,681, or 3%. This increase is due to a large increase in net position in the Electric Fund that was offset partially by a decrease in net position in the Water Fund and Nonmajor Funds.

Financial Analysis of the City’s Funds

The City of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The main focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

- 1) As the City completed this fiscal year, its governmental funds reported a combined ending fund balance of \$994,328. Of this amount, \$317,527 is reported as unassigned.

The General Fund is the chief operating fund of the City. At the end of the current year, fund balance of the General Fund was \$536,230. As a measure of the General Fund’s liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at December 31, 2020 is \$317,527, or 59% of total fund balance. Total fund balance represents approximately 12.2% of total General Fund Expenditures. The City ended the year realizing an increase in the overall fund balance in the General Fund by \$356,545 or approximately 198%. The City increased unassigned fund balance in the General Fund by \$391,945.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. Some unbudgeted expenditures occurred which were completely offset by either unbudgeted revenue or by a decrease in budgeted expenditures. There were also some amendments made to transfer revenues and expenses between departments due to government structure changes.

Proprietary Funds. The City of Washington’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the City’s four proprietary funds totaled as follows:

▪ Water and Sewer	\$ 309,032
▪ Electric	\$ 2,126,142
▪ Solid Waste	\$ (138,229)
▪ Internet Telecommunications	\$ 489,203

The Water and Sewer Fund decreased net position by \$51,498. The decrease is due to a reduction in sales and an increases in transfers out to other funds. The Electric Fund increased net position by \$640,741. The increase is due to an increase in cash and cash equivalents, an increase in deferred outflows of resources, and a decrease in accounts payable. The Solid Waste Fund decreased net position by \$81,147. The decrease is due to capital asset additions through accounts payable and an increase in deferred inflows of resources. The Internet Telecommunications Fund increased net position by \$20,585. The increase is due to a increase in accounts receivable and increase in accounts payable.

Capital Assets and Debt Administration

Capital Assets. The City of Washington has invested \$23,994,932 in capital assets (net of accumulated depreciation) compared to \$24,543,327 in the previous year. This represents a decrease of about 2%. Approximately 66% of this investment is related to business-type activities and includes infrastructure, land, buildings, and equipment and vehicles. Capital assets held by the City at year-end are summarized as follows:

City of Washington Capital Assets (net of accumulated depreciation) For Years 2020 and 2019

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,213,235	\$ 714,771	\$ 207,190	\$ 207,190	\$ 1,420,425	\$ 921,961
Historical treasures	81,718	81,718	0	0	81,718	81,718
Construction in progress	30,773	365,200	193,137	37,687	223,910	402,887
Buildings and improvements	5,323,045	5,323,045	736,686	736,686	6,059,731	6,059,731
Equipment and vehicles	3,706,111	3,693,076	2,964,957	3,003,145	6,671,068	6,696,221
Software	75,335	75,335	0	0	75,335	75,335
Infrastructure	3,984,590	3,977,854	25,586,504	25,500,209	29,571,094	29,478,063
Total	14,414,807	14,230,999	29,688,474	29,484,917	44,103,281	43,715,916
Accumulated Depreciation	(6,270,205)	(5,907,915)	(13,838,144)	(13,264,674)	(20,108,349)	(19,172,589)
Net Capital Assets	\$ 8,144,602	\$ 8,323,084	\$ 15,850,330	\$ 16,220,243	\$ 23,994,932	\$ 24,543,327

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- Completion of Gordon Street School Demolition

Major capital asset expenditures during the current year for business-type activities included the following:

- Lift Station Improvements – Water Sewer department
- Water Line Improvements – Water / Sewer department
- New Meter Reading System – Electric department
- New Trash Bins – Solid Waste department

Additional information on the City of Washington's capital assets can be found in Note 8 on pages 46-47 of this report.

Debt/Capital Leases. On December 31, 2020, the City of Washington had a total debt balance outstanding for governmental activities in the amount of \$1,025,167, as compared to \$1,242,659 the previous year. The City of Washington's outstanding debt for governmental activities has decreased by \$217,492 during the course of the year. On December 31, 2020, the City of Washington had a total debt balance outstanding for business-type activities in the amount of \$7,453,859, as compared to \$7,905,287 the previous year. The City of Washington's outstanding debt for business-type activities has decreased by \$451,428 during the course of the year.

Additional information on the City's long-term debt can be found in Notes 10 and 11 on pages 48-53 of this report.

Economic Condition and Outlook

The City of Washington proved to be a resilient community that bent but did not break under economic hardship. Once known as a manufacturing town, the City experienced several industrial plant closures over the years. The most recent was a large industrial water/sewer/electric customer that closed in 2019, the effects of which were being felt in Q1 of 2020 as COVID-19 was becoming a household name. City leaders acted swiftly to reduce spending and adjust forecasts, while retaining all employees without any furloughs or layoffs.

The City has worked tirelessly to rebrand itself as a “quality of life” community that is ideally suited for telecommuters, small business, and for large industry. There are many positive indicators too. The City experienced some significant gains amid the challenges. One new manufacturing plant (Rekord Structures) opened its doors and now employs over 100 persons. Three other manufacturing companies grew their businesses despite the COVID challenges. Especially noteworthy is emergence of a fledgling data mining company (WAHA) that is experiencing exponential growth and has quickly become a major consumer of the City’s electric utility services.

Washington sits in the heart of Georgia’s timber basket, which saw increased demand for lumber and its secondary forest industry markets such as wood procurement, timber harvest equipment sales and service. The City is working with several prospects in the agribusiness sector that would be water, sewer, and electric consumer as well. Washington has much to offer prospects including Opportunity Zone incentives, fiber optic high speed internet, low cost of living, abundant natural resources, proximity to a larger labor pool within commute distance, and a newly completed 4-lane expressway to I-20. For these reasons, the City continues to actively pursue other companies to invest in our community, to bring more diversity to our market and thus more stability to our economic future.

The City of Washington is actively engaged with the Payroll Development Authority in partnership with the County. The PDA is working with various businesses to fill our industrial park. The City also works with the Urban Redevelopment Authority and the Downtown Development Authority. Both of these subunits of the City are actively engaged in new business development and retaining of our current businesses. For example, the City and URA collaborated on a feasibility study and is pursuing plans to redevelop a 27-acre abandoned public school property in the heart of the community.

The City has continued to make an investment in its downtown to attract new business. The City adopted a food truck ordinance to attract new restaurateurs to the area. The Main Street Department continues offering incentives for businesses locating in downtown Washington. The City also continues to offer existing businesses incentives in the form of façade grants, and most recently a reduction in electric rates for small commercial customers.

The City employs a full-time director to manage the Main Street program and serves as director of its Downtown Development Authority. This person works with businesses to plan and promote events that attract commerce to the downtown area. The City regularly hosts downtown events such as the newly Music & Makers events organized by downtown merchants. Main Street also supports summer concerts and various children activities to get people downtown. Main Street actively recruits small businesses to occupy vacant commercial spaces in the area.

Over the past couple of years, the City of Washington improved its net position while investing in Capital assets. Since the Covid-19 outbreak, the City had seen a mixture of small business closures offset somewhat by an upsurge in industrial business growth. The local housing market shows strong demand with over 96% occupancy in our local market. This is due in part to the low tax rate coupled with the trends toward working remotely due to Covid-19. The City finds itself ideally located for those looking to trade urban life for quaint small-town lifestyle that offers a slower pace of life, lower crime rate, and lower cost of living. The City has kept its property taxes low for several years.

The City continues to absorb the rising costs of electric prices due to State and Federal regulations being mandated on sources of power, specifically coal units. Growth in industrial electric consumption has enabled the City to consume all its MEAG power under contract, and to now become a consumer of excess power from other MEAG cities to meet our growing demands. The City continues to look for ways to decrease costs through efficient operations and to increase the City's tax base with improvements to residential communities and actively pursuing businesses to locate here in Washington. The City recently continues its utilize CHIP grant funds from DCA to build four new homes on City owned property to help low to moderate income families. This grant was in partnership with Hands on Washington. Hands On Washington will spend their portion of the funds in renovating older homes in Washington for low income individuals. Further, the City used CHIP grant funds to purchase two blight house properties and clear the sites for new CHIP house construction.

All of these items were considered in the 2021 budget process:

- The need for efficient operations and innovative ways to cut costs. In May 2021, the City cut approximately \$2.6M from its budget to prevent deficit spending. That move enabled the City to greatly improve its net position and proactively face the hardships that COVID triggered.
- Updating the Service Delivery Strategy agreement between the City & County for joint services
- Combining functions of employees to save money and eliminate duplication of duties
- Enforcing code to deal with dilapidated properties and thereby increase property values.
- Making decisions with citizens' quality of life and affordability at the forefront of our decision-making process
- Retaining our low ISO rating for fire and loss of life & property by making improvements to the Washington Fire Department
- Continuing Infrastructure Improvements
- Rising cost of healthcare and other insurance benefits
- Recruiting and Retaining a qualified workforce by increasing the base salaries across the board and offering more training to employees

Contacting the City

This financial report is designed to provide City citizens, taxpayers, customers, and creditors with a general overview of the City of Washington's finances and to demonstrate the City's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Administration

City of Washington
ATTN: City Administrator
P.O. Box 9
Washington, Georgia 30673

Website

<http://www.cityofwashingtonga.gov>

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BASIC FINANCIAL STATEMENTS

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			Component Unit
	Governmental	Business-type	Total	Downtown Development Authority
	Activities	Activities		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 545,956	\$ 865,189	\$ 1,411,145	\$ 4,871
Investments	72,536	538,532	611,068	2,382
Restricted assets				
Cash and cash equivalents	206,191	324,864	531,055	0
Investments	0	1,112,382	1,112,382	0
Receivables (net)				
Accounts	32,887	1,618,583	1,651,470	0
Intergovernmental	182,712	308,855	491,567	0
Taxes	371,018	0	371,018	0
Internal balances	(4,902)	4,902	0	0
Inventories	0	491,560	491,560	0
Prepaid items	12,712	24,989	37,701	0
Total current assets	1,419,110	5,289,856	6,708,966	7,253
Noncurrent assets				
Investment in joint venture	0	455,544	455,544	0
Notes receivable	15,200	0	15,200	0
Capital assets				
Non-depreciable	1,325,726	400,327	1,726,053	0
Depreciable (net)	6,818,876	15,450,003	22,268,879	0
Total noncurrent assets	8,159,802	16,305,874	24,465,676	0
Total assets	9,578,912	21,595,730	31,174,642	7,253
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to the measurement date	134,784	61,403	196,187	0
Pension investment return differences	558,906	254,618	813,524	0
Pension experience differences	61,623	28,074	89,697	0
Pension assumption changes	0	16,629	16,629	0
Pension allocation changes	31,113	0	31,113	0
Total deferred outflows of resources	786,426	360,724	1,147,150	0
LIABILITIES				
Current liabilities				
Accounts payable	193,113	819,682	1,012,795	0
Retainages payable	0	7,890	7,890	0
Accrued salaries and payroll liabilities	101,645	59,997	161,642	0
Compensated absences	63,652	37,599	101,251	0
Accrued interest payable	6,614	11,140	17,754	0
Due to others	200	0	200	0
Tax sale overage	5,470	0	5,470	0
Unearned revenue	46,560	0	46,560	0
Capital leases payable	5,411	80,617	86,028	0
Installment sale agreement payable	56,580	0	56,580	0
Notes payable	129,937	605,719	735,656	0
Liabilities payable from restricted assets				
Customer deposits payable	0	324,864	324,864	0
Total current liabilities	609,182	1,947,508	2,556,690	0

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Net pension liability	\$ 2,094,015	\$ 953,960	\$ 3,047,975	\$ 0
Capital leases payable	11,590	157,469	169,059	0
Installment sale agreement payable	821,649	0	821,649	0
Notes payable	0	6,610,054	6,610,054	0
Total noncurrent liabilities	<u>2,927,254</u>	<u>7,721,483</u>	<u>10,648,737</u>	<u>0</u>
Total liabilities	<u>3,536,436</u>	<u>9,668,991</u>	<u>13,205,427</u>	<u>0</u>
DEFERRED INFLOWS OF RESOURCES				
Pension assumption changes	88,838	48,577	137,415	0
Pension allocation changes	0	39,635	39,635	0
Total deferred inflows of resources	<u>88,838</u>	<u>88,212</u>	<u>177,050</u>	<u>0</u>
NET POSITION				
Net investment in capital assets	7,024,912	8,300,721	15,325,633	0
Restricted for:				
MEAG Generation Trust	0	1,112,382	1,112,382	0
Public Works	218,359	0	218,359	0
Culture and Recreation	50,144	0	50,144	0
Housing and Development	137,917	0	137,917	0
Capital projects	172,243	0	172,243	0
Unrestricted	(863,511)	2,786,148	1,922,637	7,253
Total net position	<u>\$ 6,740,064</u>	<u>\$ 12,199,251</u>	<u>\$ 18,939,315</u>	<u>\$ 7,253</u>

CITY OF WASHINGTON, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

	Expenses	Indirect Costs	Charges for Services	Program Revenues		Net (Expense) Revenue
				Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities						
General Government	\$ 876,636	\$ (536,559)	\$ 31,150	\$ 0	\$ 0	\$ (308,927)
Judicial	74,018	0	0	0	0	(74,018)
Public Safety	1,703,847	0	46,591	285,228	5,200	(1,366,828)
Public Works	1,352,835	0	126,370	3	275,626	(950,836)
Health and Welfare	252,330	0	0	0	0	(252,330)
Culture and Recreation	411,820	0	44,744	28,007	0	(339,069)
Housing and Development	587,443	0	43,208	900	406,998	(136,337)
Interest on long-term debt	45,491	0	0	0	0	(45,491)
Total governmental activities	<u>5,304,420</u>	<u>(536,559)</u>	<u>292,063</u>	<u>314,138</u>	<u>687,824</u>	<u>(3,473,836)</u>
Business-type activities						
Water and Sewer	2,332,399	178,853	2,346,151	0	0	(165,101)
Electric	8,125,616	357,706	10,103,670	323,248	0	1,943,596
Solid Waste	516,214	0	554,503	0	0	38,289
Internet Telecommunications	6,578	0	5,838	0	0	(740)
Total business-type activities	<u>10,980,807</u>	<u>536,559</u>	<u>13,010,162</u>	<u>323,248</u>	<u>0</u>	<u>1,816,044</u>
Total primary government	<u>16,285,227</u>	<u>0</u>	<u>13,302,225</u>	<u>637,386</u>	<u>687,824</u>	<u>(1,657,792)</u>
Component Unit						
Downtown Development Authority						
Housing and Development	1,884	0	0	1,635	0	(249)
Primary Government						
	Governmental Activities	Business-Type Activities	Total	Component Unit		
Change in net position						
Net (expense) revenue	<u>\$ (3,473,836)</u>	<u>\$ 1,816,044</u>	<u>\$ (1,657,792)</u>			<u>\$ (249)</u>
General revenues						
Taxes						
Property		931,209	0	931,209	0	
Sales		479,325	0	479,325	0	
Insurance premium		332,088	0	332,088	0	
Alcohol Excise		124,738	0	124,738	0	
Franchise		84,285	0	84,285	0	
Occupational		53,914	0	53,914	0	
Other		22,988	0	22,988	0	
Interest and investment earnings		1,937	44,968	46,905	0	
Other		210,314	52,782	263,096	0	
Gain on sale of assets		500	0	500	0	
Transfers		1,385,113	(1,385,113)	0	0	
Total general revenues and transfers		<u>3,626,411</u>	<u>(1,287,363)</u>	<u>2,339,048</u>	<u>0</u>	
Change in net position		152,575	528,681	681,256	(249)	
Net position - beginning		<u>6,587,489</u>	<u>11,670,570</u>	<u>18,258,059</u>	<u>7,502</u>	
Net position - ending		<u>\$ 6,740,064</u>	<u>\$ 12,199,251</u>	<u>\$ 18,939,315</u>	<u>\$ 7,253</u>	

CITY OF WASHINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 216,413	\$ 329,543	\$ 545,956
Investments	3,290	69,246	72,536
Restricted cash and cash equivalents	206,191	0	206,191
Receivables (net)			
Accounts	32,887	0	32,887
Intergovernmental	31,284	151,428	182,712
Taxes	358,657	12,361	371,018
Notes	0	15,200	15,200
Due from other funds	0	6,242	6,242
Prepaid items	12,712	0	12,712
Total assets	\$ 861,434	\$ 584,020	\$ 1,445,454
LIABILITIES			
Accounts payable	\$ 82,391	\$ 110,722	\$ 193,113
Accrued salaries and payroll liabilities	101,645	0	101,645
Due to other funds	11,144	0	11,144
Due to others	200	0	200
Tax sale overage	5,470	0	5,470
Unearned revenue	31,360	15,200	46,560
Total liabilities	232,210	125,922	358,132
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	92,994	0	92,994
FUND BALANCES			
Nonspendable			
Prepaid items	12,712	0	12,712
Contractually required to be maintained intact	0	19,980	19,980
Restricted for:			
Public Works	70,308	148,051	218,359
Culture and Recreation	2,285	47,859	50,144
Housing and Development	133,398	4,519	137,917
Capital projects	0	172,243	172,243
Assigned for:			
Public Works	0	37,688	37,688
Culture and Recreation	0	22,055	22,055
Housing and Development	0	5,703	5,703
Unassigned	317,527	0	317,527
Total fund balances	536,230	458,098	994,328
Total liabilities, deferred inflows of resources, and fund balances	\$ 861,434	\$ 584,020	\$ 1,445,454

CITY OF WASHINGTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2020

Total fund balances - total governmental funds \$ 994,328

Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and therefore are not reported in the funds.

These are:

Capital assets, net of accumulated depreciation	8,144,602
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.

These are:

Property taxes	92,994
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$ 134,784	
Pension investment return differences	558,906	
Pension experience differences	61,623	
Pension allocation changes	31,113	786,426

Deferred inflows of resources:

Pension assumption changes	(88,838)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Compensated absences	\$ (63,652)	
Interest payable	(6,614)	
Net pension liability	(2,094,015)	
Capital leases payable	(17,001)	
Installment sale agreement payable	(878,229)	
Notes payable	(129,937)	(3,189,448)

Net position of governmental activities	\$ 6,740,064
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CITY OF WASHINGTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2020

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 1,882,939	\$ 127,751	\$ 2,010,690
Licenses and permits	41,132	0	41,132
Fines, fees and forfeitures	24,806	0	24,806
Charges for services	757,384	0	757,384
Intergovernmental	309,948	682,605	992,553
Interest	604	1,351	1,955
Contributions	14,189	500	14,689
Other	209,964	350	210,314
Total revenues	<u>3,240,966</u>	<u>812,557</u>	<u>4,053,523</u>
EXPENDITURES			
Current			
General Government	739,230	0	739,230
Judicial	55,906	0	55,906
Public Safety	1,345,532	89,374	1,434,906
Public Works	1,103,290	0	1,103,290
Health and Welfare	162,043	0	162,043
Culture and Recreation	381,179	1,250	382,429
Housing and Development	335,284	355,579	690,863
Debt service	264,311	0	264,311
Total expenditures	<u>4,386,775</u>	<u>446,203</u>	<u>4,832,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,145,809)</u>	<u>366,354</u>	<u>(779,455)</u>
Other financing sources (uses)			
Transfers in	1,628,333	132,221	1,760,554
Transfers out	(125,979)	(249,462)	(375,441)
Sale of assets	0	500	500
Total other financing sources (uses)	<u>1,502,354</u>	<u>(116,741)</u>	<u>1,385,613</u>
Net change in fund balance	356,545	249,613	606,158
Fund balances, January 1	<u>179,685</u>	<u>208,485</u>	<u>388,170</u>
Fund balances, December 31	<u>\$ 536,230</u>	<u>\$ 458,098</u>	<u>\$ 994,328</u>

**CITY OF WASHINGTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2020**

Net change in fund balances - total governmental funds \$ 606,158

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$	170,773	
Depreciation		<u>(349,255)</u>	(178,482)

Contributions of capital assets from business-type activities increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets contributed	\$	13,035	
Related accumulated depreciation		<u>(13,035)</u>	0

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Net change in interest payable	\$	1,328	
Debt principal payments		<u>217,492</u>	218,820

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$	179,712	
Cost of benefits earned net of employee contributions		<u>(706,497)</u>	(526,785)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unavailable revenues			17,856
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences			<u>15,008</u>
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Change in net position of governmental activities	\$	<u><u>152,575</u></u>	
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CITY OF WASHINGTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,705,400	\$ 1,732,400	\$ 1,882,939	\$ 150,539
Licenses and permits	43,500	43,500	41,132	(2,368)
Fines, fees and forfeitures	45,025	45,025	24,806	(20,219)
Charges for services	804,580	804,580	757,384	(47,196)
Intergovernmental	186,901	186,901	309,948	123,047
Interest	522	522	604	82
Contributions	1,300	1,300	14,189	12,889
Other	115,085	115,085	209,964	94,879
Total revenues	2,902,313	2,929,313	3,240,966	311,653
EXPENDITURES				
Current				
General Government				
Executive Administration	799,946	799,946	739,230	60,716
Judicial				
Municipal Court	87,824	87,824	55,906	31,918
Public Safety				
Police	516,000	516,000	326,961	189,039
Fire	1,009,580	1,009,580	910,105	99,475
Animal Control	125,150	125,150	108,466	16,684
Public Works				
Highways and Streets	1,001,037	1,001,037	823,367	177,670
Street Lighting	140,000	167,000	166,843	157
Maintenance Shop	257,468	257,468	113,080	144,388
Health and Welfare				
Community Services	115,500	115,500	97,436	18,064
Community Center	142,385	142,385	64,607	77,778
Culture and Recreation				
Libraries	65,420	65,420	58,878	6,542
Historic Properties	264,782	264,782	217,704	47,078
Park Areas	111,350	111,350	101,492	9,858
Booker Park Pool	47,557	47,557	3,105	44,452
Housing and Development				
Planning and Zoning	159,295	159,295	161,192	(1,897)
Community Development and Housing	187,902	187,902	80,212	107,690
Economic Development	37,446	37,446	36,908	538
Mainstreet Division	69,674	69,674	56,972	12,702
Debt Service				
Principal	217,401	217,401	217,492	(91)
Interest	56,238	56,238	46,819	9,419
Total expenditures	5,411,955	5,438,955	4,386,775	1,052,180
Excess (deficiency) of revenues over expenditures	(2,509,642)	(2,509,642)	(1,145,809)	1,363,833
Other financing sources (uses)				
Transfers in	2,652,442	2,652,442	1,628,333	(1,024,109)
Transfers out	(143,000)	(143,000)	(125,979)	17,021
Sale of capital assets	200	200	0	(200)
Total other financing sources (uses)	2,509,642	2,509,642	1,502,354	(1,007,288)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	356,545	356,545
Fund balances, January 1	0	0	179,685	179,685
Fund balances, December 31	\$ 0	\$ 0	\$ 536,230	\$ 536,230

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 0	\$ 865,189	\$ 0	\$ 865,189
Investments	0	538,532	0	538,532
Restricted assets				
Cash and cash equivalents	97,298	227,566	0	324,864
Investments	0	1,112,382	0	1,112,382
Receivables (net)				
Accounts	416,002	1,092,696	109,885	1,618,583
Intergovernmental	0	308,855	0	308,855
Due from other funds	0	21,237	0	21,237
Inventories	199,823	291,737	0	491,560
Prepaid items	9,776	13,665	1,548	24,989
Total current assets	<u>722,899</u>	<u>4,471,859</u>	<u>111,433</u>	<u>5,306,191</u>
Noncurrent assets				
Investment in joint venture	0	0	455,544	455,544
Capital assets				
Non-depreciable	320,047	8,480	71,800	400,327
Depreciable (net)	<u>13,915,953</u>	<u>1,245,842</u>	<u>288,208</u>	<u>15,450,003</u>
Total noncurrent assets	<u>14,236,000</u>	<u>1,254,322</u>	<u>815,552</u>	<u>16,305,874</u>
Total assets	<u>14,958,899</u>	<u>5,726,181</u>	<u>926,985</u>	<u>21,612,065</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to the measurement date	18,189	27,613	15,601	61,403
Pension investment return differences	75,422	114,502	64,694	254,618
Pension experience differences	8,316	12,625	7,133	28,074
Pension assumption changes	<u>16,629</u>	<u>0</u>	<u>0</u>	<u>16,629</u>
Total deferred outflows of resources	<u>118,556</u>	<u>154,740</u>	<u>87,428</u>	<u>360,724</u>
LIABILITIES				
Current liabilities				
Accounts payable	61,099	672,897	85,686	819,682
Retainage payable	7,890	0	0	7,890
Accrued salaries and payroll liabilities	35,639	16,588	7,770	59,997
Compensated absences	24,313	8,292	4,994	37,599
Accrued interest payable	9,414	0	1,726	11,140
Due to other funds	10,093	6,242	0	16,335
Capital lease payable	38,562	23,752	18,303	80,617
Notes payable	605,719	0	0	605,719
Liabilities payable from restricted liabilities				
Customer deposits payable	<u>97,298</u>	<u>227,566</u>	<u>0</u>	<u>324,864</u>
Total current liabilities	<u>890,027</u>	<u>955,337</u>	<u>118,479</u>	<u>1,963,843</u>
Noncurrent liabilities				
Net pension liability	282,579	428,998	242,383	953,960
Capital lease payable	82,541	24,917	50,011	157,469
Notes payable	<u>6,610,054</u>	<u>0</u>	<u>0</u>	<u>6,610,054</u>
Total noncurrent liabilities	<u>6,975,174</u>	<u>453,915</u>	<u>292,394</u>	<u>7,721,483</u>
Total liabilities	<u>7,865,201</u>	<u>1,409,252</u>	<u>410,873</u>	<u>9,685,326</u>

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
DEFERRED INFLOWS OF RESOURCES				
Pension assumption changes	\$ 11,988	\$ 18,200	\$ 18,389	\$ 48,577
Pension allocation changes	0	29,352	10,283	39,635
Total deferred inflows of resources	11,988	47,552	28,672	88,212
NET POSITION				
Net investment in capital assets	6,891,234	1,185,593	223,894	8,300,721
Restricted for MEAG Generation Trust	0	1,112,382	0	1,112,382
Unrestricted	309,032	2,126,142	350,974	2,786,148
Total net position	\$ 7,200,266	\$ 4,424,117	\$ 574,868	\$ 12,199,251

CITY OF WASHINGTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2020

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
OPERATING REVENUES				
Charges for sales and services	\$ 2,346,151	\$ 10,103,670	\$ 560,341	\$ 13,010,162
Other	51,526	1,256	0	52,782
Total operating revenues	2,397,677	10,104,926	560,341	13,062,944
OPERATING EXPENSES				
Costs of sales and services	1,064,814	7,837,363	194,112	9,096,289
Personal services	947,056	538,494	263,048	1,748,598
Depreciation	474,305	103,416	58,946	636,667
Total operating expenses	2,486,175	8,479,273	516,106	11,481,554
Operating income (loss)	(88,498)	1,625,653	44,235	1,581,390
Non-operating revenues (expenses)				
Intergovernmental revenue	0	323,248	0	323,248
Interest and investment earnings	0	33,182	11,786	44,968
Interest expense	(25,077)	(4,049)	(4,047)	(33,173)
Gain (loss) on sale of assets	0	0	(12,921)	(12,921)
Net increase (decrease) in the fair value of investments	0	0	10,282	10,282
Total non-operating revenues (expenses)	(25,077)	352,381	5,100	332,404
Net income (loss) before transfers	(113,575)	1,978,034	49,335	1,913,794
Transfers in (out)				
Transfers in	249,462	306,861	9,579	565,902
Transfers out	(187,385)	(1,644,154)	(119,476)	(1,951,015)
Total transfers in (out)	62,077	(1,337,293)	(109,897)	(1,385,113)
Change in net position	(51,498)	640,741	(60,562)	528,681
Net position, January 1	7,251,764	3,783,376	635,430	11,670,570
Net position, December 31	\$ 7,200,266	\$ 4,424,117	\$ 574,868	\$ 12,199,251

CITY OF WASHINGTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2020

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
Cash flows from operating activities:				
Receipts from customers	\$ 2,385,172	\$ 10,201,563	\$ 565,482	\$ 13,152,217
Payments to suppliers	(1,059,649)	(8,089,395)	(193,312)	(9,342,356)
Payments to employees	(871,339)	(446,866)	(211,681)	(1,529,886)
Other receipts	51,526	1,256	0	52,782
Net cash provided (used) by operating activities	<u>505,710</u>	<u>1,666,558</u>	<u>160,489</u>	<u>2,332,757</u>
Cash flows from non-capital financing activities:				
Receipts from other funds	10,093	480,624	9,619	500,336
Payments to other funds	(187,385)	(1,652,374)	(119,516)	(1,959,275)
Receipts from other entities	0	364,788	0	364,788
Net cash provided (used) by non-capital financing activities	<u>(177,292)</u>	<u>(806,962)</u>	<u>(109,897)</u>	<u>(1,094,151)</u>
Cash flows from capital and related financing activities:				
Receipts from other funds	249,462	0	0	249,462
Payments for acquisitions of capital assets	(184,750)	0	0	(184,750)
Proceeds from sale of capital assets	0	0	825	825
Payments of capital related accounts payable	(19,555)	0	0	(19,555)
Principal payments - promissory notes	(300,642)	0	0	(300,642)
Principal payments - capital lease	(45,825)	(58,305)	(46,656)	(150,786)
Interest paid	(27,108)	(4,049)	(4,761)	(35,918)
Net cash provided (used) by capital and related financing activities	<u>(328,418)</u>	<u>(62,354)</u>	<u>(50,592)</u>	<u>(441,364)</u>
Cash flows from investing activities				
Interest and investment earnings received	0	33,182	0	33,182
Purchase of investments	0	(380,675)	0	(380,675)
Net cash provided (used) by investing activities	<u>0</u>	<u>(347,493)</u>	<u>0</u>	<u>(347,493)</u>
Net increase (decrease) in cash and cash equivalents	0	449,749	0	449,749
Cash and cash equivalents, January 1	<u>97,298</u>	<u>643,006</u>	<u>0</u>	<u>740,304</u>
Cash and cash equivalents, December 31	<u><u>\$ 97,298</u></u>	<u><u>\$ 1,092,755</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,190,053</u></u>

CITY OF WASHINGTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2020

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (88,498)	\$ 1,625,653	\$ 44,235	\$ 1,581,390
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	474,305	103,416	58,946	636,667
(Increase) decrease in accounts receivable	39,021	93,314	5,141	137,476
(Increase) decrease in inventories	2,715	2,848	0	5,563
(Increase) decrease in prepaid items	1,526	(1,481)	(176)	(131)
(Increase) decrease in pension contributions made after measurement date	(3,753)	1,736	3,346	1,329
(Increase) decrease in pension experience differences	10,231	12,138	8,486	30,855
(Increase) decrease in pension investment return differences	(74,682)	(112,672)	(64,059)	(251,413)
(Increase) decrease in pension assumption changes	6,677	6,931	3,136	16,744
(Increase) decrease in pension allocation changes	(16,629)	0	0	(16,629)
Increase (decrease) in accounts payable	924	(253,398)	976	(251,498)
Increase (decrease) in accrued payroll liabilities	1,523	(7,363)	(4,111)	(9,951)
Increase (decrease) in customer deposits	0	4,579	0	4,579
Increase (decrease) in net pension liability	140,362	143,305	75,897	359,564
Increase (decrease) in pension assumption changes	11,988	18,200	18,389	48,577
Increase (decrease) in pension allocation changes	0	29,352	10,283	39,635
Total adjustments	594,208	40,905	116,254	751,367
Net cash provided (used) by operating activities	<u>\$ 505,710</u>	<u>\$ 1,666,558</u>	<u>\$ 160,489</u>	<u>\$ 2,332,757</u>
Cash and cash equivalents reconciliation				
Cash and cash equivalents	\$ 0	\$ 865,189	\$ 0	\$ 865,189
Restricted assets				
Cash and cash equivalents	97,298	227,566	0	324,864
	<u>\$ 97,298</u>	<u>\$ 1,092,755</u>	<u>\$ 0</u>	<u>\$ 1,190,053</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$87,860.

Acquisition of capital assets through retainage payable totaled \$7,890.

The net increase (decrease) in the fair value of investments totaled \$10,282.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. Description of Government Unit

Incorporated in 1780, under the laws of the State of Georgia, the City of Washington is governed by a seven member Mayor/Council form of government. The Mayor is elected to a four-year term, and the Council members are elected to staggered four-year terms. The Mayor serves as the Chief Executive Officer and the other six Council members serve on a part-time basis. The Mayor is assisted by the City Administrator to handle the daily operations of the City.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Downtown Development Authority of Washington, Georgia

The Downtown Development Authority of Washington, Georgia was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members, who are appointed by the Mayor and Council. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Washington. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, accounting, payroll, etc. The Authority is included in the reporting entity due to the nature and significance of its relationship with the City of Washington.

The Downtown Development Authority of Washington, Georgia is reported in a separate column to emphasize that it is legally separate from the City. Separate financial statements of the component unit can be obtained from the Downtown Development Authority, P.O. Box 9, Washington, Georgia 30673.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As mentioned above, the City has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – 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.

The City reports the following major governmental funds:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major enterprise funds:

Water and Sewer Enterprise Fund - This fund accounts for the operation and maintenance of the City's water and sewer services.

Electric Enterprise Fund - This fund accounts for user fees and expenses for the electric services provided to the citizens of the City.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Governmental Fund Types, continued

Permanent Funds - These funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Component Units

The Downtown Development Authority of Washington, Georgia's operations are accounted for using a current financial resources measurement focus and using the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

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.

G. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data for the funds reflected in the financial statements.

1. In November, a proposed operating budget for the fiscal year commencing January 1 is submitted to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of an ordinance.
4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgetary amounts between line items within a fund can be done with the approval of the City Administrator. Transfer of amounts between each department of each fund must be approved by the City Council. This is the legal level of budgetary control.
5. The funds obtained from any source may be used for any appropriations named in said budget, except funds specifically restricted by the City ordinance or State law.
6. The City does not employ the use of encumbrance accounting.
7. Unexpended appropriations lapse at the end of the year.
8. At the end of the fiscal year, all amendments to the budget are approved through passage of an ordinance.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The City reports investments using net asset value (NAV) when NAV is calculated in a manner consistent with fair value measurement guidelines, fair value is not readily determinable, and it is not probable for the investment to be sold at an amount other than NAV.

I. Property Taxes

The City bills and collects its own property taxes. City property tax revenues are recognized when levied to the extent that they result in current receivables. Assessed values are an approximation of market value. At the government-wide level, property taxes are recognized as revenue when they are levied. The governmental fund statements recognize property taxes as revenue as soon as they are considered to be both measureable and available.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

J. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

K. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when purchased. Inventories of the proprietary funds are valued at cost, which approximates market, using the first-in, first-out method.

L. Prepaid Items

Certain payments made to vendors that will benefit periods beyond the end of the current year are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

M. Capital Assets

Capital assets are defined by the City as assets with an estimated useful life in excess of two years and with an initial, individual cost of more than \$15,000 for streets, buildings, and grounds and \$5,000 for all other capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

Historical treasures are collections or significant individual items that are owned by the City and held for public exhibition, education or research as part of a public service rather than for financial gain. Such assets are recorded at historical cost if acquired, or they are recorded at acquisition value if donated. The City considers these historical treasures to be inexhaustible, in that their economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Therefore, they are not depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Building and Improvements	12-40
Vehicles	5-20
Machinery & Equipment	7-15
Electric Plant Systems	30
Software	5

Pursuant to GASB Statement No. 34, Phase 3 governments are not required to report major general infrastructure assets retroactively. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2004.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to its defined benefit pension plans.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

N. Deferred Outflows/Inflows of Resources, continued

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable property taxes revenues. The City also reports deferred inflows of resources related to its defined benefit pension plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

P. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Q. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

R. Fund Balances

The City of Washington implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Washington's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number, title, and date of original adoption. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 90 days of fiscal year-end.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City’s adopted policy, amounts may be assigned by the City Administrator, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year’s budget shall constitute assignments and are documented by adoption of the City’s annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

S. Pensions

For the 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 City of Washington Employees’ Pension Plan (the Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

T. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts not withheld from the actual debt proceeds received, are reported as debt service expenditures.

U. Compensation for Future Absences

It is the City's policy to permit employees to accumulate up to 160 hours of earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

V. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City's policies require that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The City 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

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The City does not have a formal investment policy that would further limit its investment choices. Investments are reported at fair value.

Concentration of Credit Risk

The City does not have a formal policy on the amount the City may invest in any one issuer.

Foreign Currency Risk

The City has no investments denominated in a foreign currency.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

3. Deposit and Investment Risk (continued)

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City may elect to have their funds deposited in MEAG's Voluntary Flexible Operating Account or Generation Trust Account fund in lieu of receiving a refund. The voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct MEAG to retain or use the discretionary funds. The generation trust account is used to offset the City's share of future MEAG generation projects.

The Municipal Competitive Trust accounts are held in the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios; these portfolios are not rated. At the end of the current year, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 17.50, 36.42, and 1.94 months, respectively. At the end of the current year, the City's balance in the Voluntary Flexible Operating Account and the Generation Trust Account was \$538,532 and \$1,112,382, respectively.

At the end of the current year, the City had the following investments:

Investment by fair value level	Level 1	Level 2	Level 3	Total
Major Funds				
General Fund				
Certificates of deposit	\$ 3,290	\$ 0	\$ 0	\$ 3,290
Electric Fund				
MEAG Competitive Trust	0	1,650,914	0	1,650,914
Nonmajor Funds				
Governmental				
Certificates of deposit	69,246	0	0	69,246
Total	\$ 72,536	\$ 1,650,914	\$ 0	\$ 1,723,450

Certificates of deposit are valued at cost.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

4. Accounts Receivable

Net accounts receivable at the end of the current year consist of the following:

Major Funds		
General Fund	\$ 83,585	
Less: Allowance for Uncollectibles	<u>(50,698)</u>	\$ 32,887
Enterprise Funds		
Water and Sewer Fund	596,527	
Less: Allowance for Uncollectibles	<u>(180,525)</u>	416,002
Electric Fund	1,907,731	
Less: Allowance for Uncollectibles	<u>(815,035)</u>	1,092,696
Nonmajor Funds		
Enterprise Funds		
Solid Waste Fund	117,292	
Less: Allowance for Uncollectibles	<u>(42,471)</u>	74,821
Internet Telecommunications Fund	35,522	
Less: Allowance for Uncollectibles	<u>(458)</u>	<u>35,064</u>
Total primary government		<u><u>\$ 1,651,470</u></u>

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current year consist of the following:

Major Funds	
General Fund	\$ 31,284
Electric Fund	308,855
Nonmajor Funds	
2017 SPLOST Fund	49,941
CDBG/CHIP Grant Fund	<u>101,487</u>
Total primary government	<u><u>\$ 491,567</u></u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2020 tax digest year, based upon the assessments as of January 1, 2020, were levied on October 12, 2020, billed on November 23, 2020, and due on January 26, 2021. Taxes receivable at the end of the current year is made up of property tax in the amount of \$307,452, net of an allowance placed on accounts deemed uncollectible.

7. Interfund Receivables, Payables, and Transfers

At the end of the current year, interfund receivables and payables consisted of \$11,144 due from the General Fund to the Electric Enterprise Fund, \$6,242 due from the Electric Enterprise Fund to the E-911 Special Revenue Fund, and \$10,093 due from the Water and Sewer Enterprise Fund to the Electric Enterprise Fund as a result of the timing of reimbursements.

A summary of interfund transfers is as follows:

<u>Transfer out fund</u>	<u>Transfer in fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 125,979
Water and Sewer	Electric	187,385
Electric	General	1,628,333
	Nonmajor Governmental	6,242
	Nonmajor Enterprise	9,579
Nonmajor Governmental	Water and Sewer	249,462
Nonmajor Enterprise	Electric	<u>119,476</u>
Total		<u>\$ 2,326,456</u>

Interfund transfers were used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

8. Capital Assets

Capital asset activity for the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	\$ 714,771	\$ 498,464	\$ 0	\$ 1,213,235
Construction in progress	365,200	164,037	(498,464)	30,773
Historical treasures	81,718	0	0	81,718
Total non-depreciable assets	<u>1,161,689</u>	<u>662,501</u>	<u>(498,464)</u>	<u>1,325,726</u>
Depreciable assets				
Buildings and improvements	5,323,045	0	0	5,323,045
Equipment and vehicles	3,693,076	13,035	0	3,706,111
Software	75,335	0	0	75,335
Infrastructure	3,977,854	6,736	0	3,984,590
Total depreciable assets	<u>13,069,310</u>	<u>19,771</u>	<u>0</u>	<u>13,089,081</u>
Accumulated depreciation				
Buildings and improvements	(2,375,234)	(97,545)	0	(2,472,779)
Equipment and vehicles	(2,163,533)	(160,510)	0	(2,324,043)
Software	(45,201)	(15,067)	0	(60,268)
Infrastructure	(1,323,947)	(89,168)	0	(1,413,115)
Total accumulated depreciation	<u>(5,907,915)</u>	<u>(362,290)</u>	<u>0</u>	<u>(6,270,205)</u>
Total depreciable assets, net	<u>7,161,395</u>	<u>(342,519)</u>	<u>0</u>	<u>6,818,876</u>
Governmental activities capital assets, net	<u>\$ 8,323,084</u>	<u>\$ 319,982</u>	<u>\$ (498,464)</u>	<u>\$ 8,144,602</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 207,190	\$ 0	\$ 0	\$ 207,190
Construction in progress	37,687	241,745	(86,295)	193,137
Total Non-depreciable assets	<u>244,877</u>	<u>241,745</u>	<u>(86,295)</u>	<u>400,327</u>
Depreciable assets				
Buildings	736,686	0	0	736,686
Machinery and equipment	1,541,694	38,755	(50,674)	1,529,775
Vehicles	1,461,451	0	(26,269)	1,435,182
Infrastructure	25,500,209	86,295	0	25,586,504
Total depreciable assets	<u>29,240,040</u>	<u>125,050</u>	<u>(76,943)</u>	<u>29,288,147</u>
Accumulated depreciation				
Buildings	(553,532)	(6,636)	0	(560,168)
Machinery and equipment	(1,041,295)	(92,569)	36,928	(1,096,936)
Vehicles	(882,248)	(113,624)	26,269	(969,603)
Infrastructure	(10,787,599)	(423,838)	0	(11,211,437)
Total accumulated depreciation	<u>(13,264,674)</u>	<u>(636,667)</u>	<u>63,197</u>	<u>(13,838,144)</u>
Total depreciable assets, net	<u>15,975,366</u>	<u>(511,617)</u>	<u>(13,746)</u>	<u>15,450,003</u>
Business-type activities capital assets, net	<u>\$ 16,220,243</u>	<u>\$ (269,872)</u>	<u>\$ (100,041)</u>	<u>\$ 15,850,330</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 17,817
Public Safety	107,597
Public Works	114,344
Health and Welfare	76,989
Culture and Recreation	10,505
Housing and Development	<u>22,003</u>
Total depreciation expense for governmental activities	<u><u>\$ 349,255</u></u>

Business-type activities

Water and Sewer Enterprise Fund	\$ 474,305
Electric Enterprise Fund	103,416
Nonmajor Enterprise Funds	
Solid Waste Enterprise Fund	<u>58,946</u>
Total depreciation expense for business-type activities	<u><u>\$ 636,667</u></u>

	<u>Governmental</u>
	<u>Activities</u>
Current year depreciation expense	\$ 349,255
Prior accumulated depreciation on assets through contribution from business type activities	<u>13,035</u>
Additions to accumulated depreciation	<u><u>\$ 362,290</u></u>

9. Notes Receivable

The City of Washington entered into owner-financed lending agreements with the Georgia Department of Community Affairs for the purchase of real property in the total amount of \$44,000, with annual principal payments of \$8,800 and interest at 0%. The term of the notes are 5 years. The total remaining balance of the notes receivable at the end of the current year is \$15,200.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

10. Capital Lease Agreements

The City has entered into lease-purchase agreements to finance the purchases of equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of the leases at the end of the current year are \$17,001 and \$238,086 for governmental activities and business-type activities, respectively. The total of assets leased under capital leases is made up of vehicles in the amount of \$187,439 and \$889,799 for governmental activities and business-type activities, respectively. The vehicles have a five to fifteen year estimated useful life. Included in depreciation expense for the current year was \$18,743 and \$93,566 for the governmental activities and business-type activities, respectively.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Vehicles				
Ford pole truck	\$ 0	\$ 0	\$ 166,745	\$ 100,047
2016 F-150 (2)	0	0	42,156	40,048
2016 Mack Truck	0	0	241,825	116,882
2017 Bucket Truck	0	0	138,968	45,165
Bobcat Toolcat 5600 (2)	0	0	93,806	17,992
Jet Vac Pressure Washing System	0	0	61,000	12,200
Jet Vac High Pressure Sewer Clean	0	0	87,223	8,722
2019 F-150 (2)	0	0	58,076	17,423
2016 Kenworth Truck	129,574	64,787	0	0
2016 F-250	29,597	14,798	0	0
2019 F-150	28,268	5,654	0	0
Total assets under capital leases	<u>\$ 187,439</u>	<u>\$ 85,239</u>	<u>\$ 889,799</u>	<u>\$ 358,479</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

10. Capital Lease Agreements (continued)

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments and reflects the interest rate amendments as of the end of the current year:

Year Ending December 31,	Governmental Activities	Business-type Activities
2021	\$ 6,205	\$ 91,504
2022	6,205	91,504
2023	6,205	63,611
2024	0	11,345
Total minimum lease payments	18,615	257,964
Less amounts representing interest	(1,614)	(19,878)
Present value of minimum lease payments	<u>\$ 17,001</u>	<u>\$ 238,086</u>

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

11. Long-Term Liabilities

Governmental Activities

Installment Sale Agreement

During 2018, the City entered into an Installment Sale Agreement with BB&T in the amount of \$975,000 for the purpose of constructing a new fire station. The installment sale agreement bears interest at 4.05%. The balance of the installment sale agreement was \$878,229 at the end of the current year. The installment sale agreement calls for 57 quarterly payments of \$22,824 beginning January 30, 2019 and matures January 30, 2033. This note is collateralized by a security interest in the purchased property. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable, and the property may be repossessed by the lender.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

11. Long-Term Liabilities (continued)

Governmental Activities (continued)

Installment Sale Agreement (continued)

The City's debt service requirements to maturity on the installment sale agreement are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 56,580	\$ 34,716	\$ 91,296
2022	58,906	32,390	91,296
2023	61,328	29,968	91,296
2024	63,850	27,446	91,296
2025	66,476	24,820	91,296
2026-2030	375,698	80,781	456,479
2031-2033	195,391	10,025	205,416
Totals	<u>\$ 878,229</u>	<u>\$ 240,146</u>	<u>\$ 1,118,375</u>

Notes from Direct Borrowings

During 2006, the City entered into a direct borrowing agreement with Farmers State Bank in the original amount of \$1,500,000, bearing interest at 3.94%. The balance of the note was \$129,937 at the end of the current year. The note calls for 180 monthly payments of \$11,093 beginning January 20, 2007 and matures December 20, 2021. The purpose of the note was to finance renovation of the Pope Center.

Annual debt service requirements for notes from direct borrowings are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	<u>\$ 129,937</u>	<u>\$ 3,132</u>	<u>\$ 133,069</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

11. Long-Term Liabilities (continued)

Business-Type Activities

Notes from Direct Borrowings

During 2003, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$789,731, bearing interest at 3.94%. The balance of the note was \$234,990 at the end of the current year. The note calls for quarterly payments of principal and interest of \$14,313 and matures October 2024. The purpose of the note was for construction of sewer rehabilitation. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2004, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$1,599,998, bearing interest at 4.06%. The balance of the note was \$602,161 at the end of the current year. The note calls for monthly payments of principal and interest of \$9,746 and matures February 1, 2027. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2010, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$7,446,275, bearing zero interest. The balance of the note was \$6,193,893 at the end of the current year. The note calls for monthly payments of \$37,539 beginning January 31, 2014 and matures December 31, 2034. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

11. Long-Term Liabilities (continued)

Business-Type Activities (continued)

Notes from Direct Borrowings (continued)

During 2017, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$204,703, bearing interest at 1.90%. The balance of the note was \$184,729 at the end of the current year. The note calls for monthly payments of \$1,308 beginning November 1, 2018 and matures October 1, 2033. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

In response to the COVID-19 pandemic, GEFA allowed the City to defer all principal and interest payments on all outstanding GEFA notes for six months beginning on July 1, 2020 through December 31, 2020 with payments resuming January 1, 2021.

Annual debt service requirements for notes from direct borrowings are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 605,719	\$ 34,648	\$ 640,367
2022	611,795	28,572	640,367
2023	618,120	22,247	640,367
2024	624,696	15,671	640,367
2025	602,721	8,968	611,689
2026-2030	2,412,825	9,859	2,422,684
2031-2034	1,739,897	1,661	1,741,558
Totals	<u>\$ 7,215,773</u>	<u>\$ 121,626</u>	<u>\$ 7,337,399</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

11. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the current year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital leases payable	\$ 54,886	\$ 0	\$ (37,885)	\$ 17,001	\$ 5,411
Installment sale agreement	932,574	0	(54,345)	878,229	56,580
Notes from direct borrowings	255,199	0	(125,262)	129,937	129,937
Compensated absences	78,660	93,355	(108,363)	63,652	63,652
Total Governmental Activities	<u>\$ 1,321,319</u>	<u>\$ 93,355</u>	<u>\$ (325,855)</u>	<u>\$ 1,088,819</u>	<u>\$ 255,580</u>
Business-type Activities					
Capital leases payable	\$ 388,872	\$ 0	\$ (150,786)	\$ 238,086	\$ 80,617
Notes from direct borrowings	7,516,415	0	(300,642)	7,215,773	605,719
Compensated absences	47,720	59,883	(70,004)	37,599	37,599
Total Business-type Activities	<u>\$ 7,953,007</u>	<u>\$ 59,883</u>	<u>\$ (521,432)</u>	<u>\$ 7,491,458</u>	<u>\$ 723,935</u>

Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The total interest incurred and charged to expense for the current year was \$45,491 for governmental activities and \$33,173 for business-type activities.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

12. Restricted and Assigned Fund Balances

The following is a summary of restricted and assigned fund balances of the governmental funds as of the end of the current year:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Restricted for:			
Public Works			
Transportation improvements	\$ 70,302	\$ 148,051	\$ 218,353
Cemetery improvements	6	0	6
Culture and Recreation			
Historical properties	2,285	8,022	10,307
Callaway Plantation	0	39,837	39,837
Housing and Development			
Economic development	133,398	4,519	137,917
Capital projects	0	172,243	172,243
	<u>\$ 205,991</u>	<u>\$ 372,672</u>	<u>\$ 578,663</u>
Assigned for:			
Public Works			
Cemetery care	\$ 0	\$ 37,688	\$ 37,688
Culture and Recreation			
Callaway Plantation operations	0	2,353	2,353
Callaway Plantation furnishings	0	19,702	19,702
Housing and Development			
Economic development	0	5,703	5,703
	<u>\$ 0</u>	<u>\$ 65,446</u>	<u>\$ 65,446</u>

13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City purchases commercial insurance.

For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

13. Risk Management (continued)

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

14. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows as of the end of the current year:

	Governmental Activities	Business-Type Activities
Cost of capital assets	\$ 14,414,807	\$ 29,688,475
Accumulated depreciation	(6,270,205)	(13,838,145)
Book value	8,144,602	15,850,330
Capital-related accounts payable	(94,523)	(87,860)
Retainage payable	0	(7,890)
Capital leases payable	(17,001)	(238,086)
Installment sale agreement payable	(878,229)	0
Notes payable	(129,937)	(7,215,773)
Net investment in capital assets	<u>\$ 7,024,912</u>	<u>\$ 8,300,721</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

15. Pension Plans

Defined Benefit Pension Plan

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Washington Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Participants are not allowed to contribute to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

At July 1, 2020, the date of the most recent actuarial valuation, there were 137 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	73
Terminated vested participants entitled to but not receiving benefits	22
Active participants	<u>42</u>
Total number of participants	<u><u>137</u></u>

Benefits Provided. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All eligible employees and elected officials are eligible to participate immediately at the commencement of employment. Benefits vest after ten years of service for employees and immediately for elected officials. The benefit formula is 1.00%-1.75% for employees and 1.25%-2.00% for each year of credited service. An employee may elect early retirement at age 55 provided they have a minimum of 10 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$16 for each year of service after reaching normal retirement age.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

15. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current year was \$261,583, or 17.30% of covered payroll. The Governmental Activities net pension liability is liquidated by the General Fund.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the City reported a net pension liability of \$3,047,975. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. During the current year, the City recognized pension expense of \$1,018,183.

At the end of the current year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 89,697	\$ 0
Changes of assumptions	16,629	(137,415)
Net difference between projected and actual earnings on pension plan investments	813,524	0
City contributions subsequent to the measurement date	196,187	0
Changes of allocations	31,113	(39,635)
Totals	<u>\$ 1,147,150</u>	<u>\$ (177,050)</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

15. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The \$196,187 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense (benefit) as follows:

Year Ending December 31,	
2021	\$ 134,605
2022	167,178
2023	264,319
2024	<u>207,811</u>
Totals	<u>\$ 773,913</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.00%
Net investment rate of return	7.375%

Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The methods and assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

15. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are 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 difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation at the end of the current year are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic Fixed Income	20%	1.96%
Real estate	10%	4.76%
Global Fixed Income	5%	3.06%
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

15. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Changes in Net Pension Liability (Asset)

	<u>Total Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at March 31, 2019	\$ 9,155,119	\$ 7,402,037	\$ 1,753,082
Changes for the year:			
Service cost	65,728	0	65,728
Interest	672,914	0	672,914
Differences between expected and actual experience	94,126	0	94,126
Contributions—employer	0	253,474	(253,474)
Net investment income	0	(493,841)	493,841
Benefit payments, including refunds of employee contributions	(497,323)	(497,323)	0
Administrative expense	0	(21,625)	21,625
Other	200,133	0	200,133
Net changes	<u>535,578</u>	<u>(759,315)</u>	<u>1,294,893</u>
Balances at March 31, 2020	<u>\$ 9,690,697</u>	<u>\$ 6,642,722</u>	<u>\$ 3,047,975</u>
Plan's fiduciary net position as a percentage of the total pension liability			68.55%
Covered payroll			\$ 1,615,837
Employer's net pension liability as a percentage of covered payroll			188.63%

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.375%	\$ 4,130,852
Current discount rate	7.375%	3,047,975
1% increase	8.375%	2,135,942

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

15. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report. A one-time early Retirement Incentive Program (ERIP) was offered to employees of the City who met the Rule of 80 between January 2, 2020 and February 17, 2020. There were three participants who retired under the ERIP during 2020.

Other Plans

In addition to the plan above, various City employees are also covered under the Peace Officers' Annuity and Benefit Fund of Georgia and the Georgia Firefighters' Pension Fund. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

16. Defined Contribution Plan

The City participates in a deferred compensation plan, administered by Georgia Municipal Employee Benefit System (GMEBS), for employees under Internal Revenue Code section 457. The plan allows any full time employees to voluntarily defer receipt of their gross compensation, not to exceed the maximum annual contribution established by the Internal Revenue Service. The City contributes 3% of the employees salary and matches up to an additional 2%. The City's match is deposited into the 401(a). All amounts of compensation under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants in the deferred compensation plan.

Additionally, the City provides a single employer 401(a) defined contribution plan established and administered by the City for all full time employees. At the end of the current year, there were 21 plan members. Employees are not required to contribute to the Plan. Employees are eligible after one month of employment and are fully vested after five years. Plan provisions and contribution requirements are established and may be amended by resolution of the City Council. Separate financial statements are not issued for the Plan. For the current year, the City's contributions to the 401(a) Plan were \$36,602 and the employees contributed \$17,041 to the 457 Plan.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

17. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the CSRA Regional Commission (CSRARC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the CSRARC financial statements can be obtained from the Central Savannah River Area Regional Commission, 3023 Riverwatch Parkway, Suite A, Augusta, Georgia 30907.

The Washington-Wilkes Payroll Development Authority is a governmental organization chartered by the State of Georgia. It is formed for the purpose of promoting business development in Wilkes County, Georgia and the City of Washington, Georgia. The Authority is reported as a discretely presented component unit of Wilkes County, Georgia. The Authority has a five member board consisting of the Wilkes County Chairman, the City of Washington Mayor, the President of the Chamber of Commerce, one appointee by the County Chairman and one appointee by the City Mayor. The member governments are contingently liable for the debts of the Authority. At the end of the current year, the outstanding debt of the Authority was approximately \$45,976. The Authority was current on all debts as of the end of the current year. The City has a contingency liability of \$45,976 as of the end of the current year. A copy of the Authority financial statements can be obtained from the Washington-Wilkes Payroll Development Authority, 23 Court Street, Washington, Georgia 30673.

18. Joint Ventures With Equity Interest

The City and other members of MEAG's telecommunication project created Georgia Public Web (a Georgia not for profit corporation) to provide internet and telecommunication services to customers in Georgia. On August 1, 2000, the City signed a 50 year commitment to contribute, on a monthly basis, a proportionate share of the difference between GPW's budgeted costs and revenues. The City's proportionate share is (.42)%. For the current year, the City's cost was \$16,860 in services obtained from GPW and the City's share of profits was \$11,374. A copy of the Georgia Public Web financial statements can be obtained from Georgia Public Web, 1470 Riveredge Parkway, Atlanta, Georgia 30328.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

19. Related Organizations

On August 21, 1951, the City of Washington (the "City") entered into a cooperative agreement with the Housing Authority of the City of Washington, Georgia (the "Housing Authority"). Under the terms of this agreement, the Housing Authority agrees to endeavor to secure a contract or contracts with the Public Housing Authority (the "PHA") for loans and annual contributions and agrees to endeavor to develop and administer one or more projects. The obligations of the parties apply only to projects aggregating not more than 250 units of low-rent housing located within the corporate limits of the City of Washington. Under the constitution and statutes of the State of Georgia, all projects are exempt from all real and personal property taxes levied or imposed by any taxing body. The City agrees that it will not levy or impose real or personal property taxes or special assessments upon such projects or upon the Housing Authority with respect thereto as long as (1) the projects are owned, or (2) a contract exists between the Housing Authority and the PHA, or (3) bonds issued in connection with the project are outstanding

During such period, the Housing Authority shall make "Payments in Lieu of Taxes" in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such project. The Payment in Lieu of Taxes shall be an amount equal to either ten percent (10%) of the aggregate during such fiscal year, or the amount permitted to be paid by applicable state law. For the current year, payment in lieu of taxes paid to the City was \$5,299.

20. Commitments and Contingencies

Commitments

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$7,059,377 from MEAG during the current year. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply. At the end of the current year, the outstanding debt of MEAG was approximately \$7.58 billion. The City of Washington's guarantee varies by individual MEAG project and totals \$62,282,220.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

20. Commitments and Contingencies (continued)

Commitments, continued

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between “after deregulation” market rates for power and the associated costs of generating that power. The Trust created four types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of the end of the current year, the balance in this account was \$538,532. This amount is included in unrestricted investments in the Electric Fund. The generation trust account is used to offset the City’s share of future MEAG generation projects. As of the end of the current year, the balance in this account was \$1,112,382. This amount is included in restricted investments in the Electric Fund.

Contingencies

The City receives grant funds, principally from the U.S. Government for various programs. Expenditures from these grants are subject to audit and the City is contingently liable to refund amounts received in excess of allowable expenditures.

Based on the advice of the City attorney, there are no measurable, material claims outstanding against the City at the end of the current year.

Approximately 24% of electric charges are generated from one customer.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN YEARS
December 31, 2020
(Unaudited)

	Year End		
	2020	2019	2018
Total pension liability			
Service cost	\$ 65,728	\$ 68,844	\$ 72,014
Interest	672,914	648,011	602,150
Differences between expected and actual experience	94,126	80,838	382,167
Changes of assumptions	(193,966)	0	0
Changes of benefit terms	394,099	0	0
Benefit payments, including refunds of employee contributions	(497,323)	(427,760)	(401,522)
Other	0	0	159,936
Net change in total pension liability	535,578	369,933	814,745
Total pension liability - beginning	9,155,119	8,785,186	7,970,441
Total pension liability - ending (a)	<u>\$ 9,690,697</u>	<u>\$ 9,155,119</u>	<u>\$ 8,785,186</u>
Plan fiduciary net position			
Contributions - employer	\$ 253,474	\$ 215,573	\$ 180,303
Net investment income	(493,841)	261,668	835,253
Benefit payments, including refunds of employee contributions	(497,323)	(427,760)	(401,522)
Administrative expense	(21,625)	(19,697)	(19,606)
Net change in plan fiduciary net position	(759,315)	29,784	594,428
Plan fiduciary net position - beginning	7,402,037	7,372,253	6,777,825
Plan fiduciary net position - ending (b)	<u>\$ 6,642,722</u>	<u>\$ 7,402,037</u>	<u>\$ 7,372,253</u>
Net pension liability (asset) - ending : (a) - (b)	<u>\$ 3,047,975</u>	<u>\$ 1,753,082</u>	<u>\$ 1,412,933</u>
Plan's fiduciary net position as a percentage of the total pension liability	68.55%	80.85%	83.92%
Covered payroll	\$ 1,615,837	\$ 1,983,627	\$ 2,060,718
Net pension liability as a percentage of covered payroll	188.63%	88.38%	68.57%

Note: Year 2015 was the first year of implementation. Therefore, prior years are not reported.

Year End		
2017	2016	2015
\$ 78,718	\$ 79,302	\$ 104,710
578,186	542,950	515,810
33,300	161,076	64,438
0	0	(55,507)
0	0	0
(360,458)	(296,872)	(261,651)
0	0	0
329,746	486,456	367,800
7,640,695	7,154,239	6,786,439
<u>\$ 7,970,441</u>	<u>\$ 7,640,695</u>	<u>\$ 7,154,239</u>
\$ 162,412	\$ 179,490	\$ 254,240
771,536	17,608	562,237
(360,458)	(296,872)	(261,651)
(20,175)	(14,790)	(13,839)
553,315	(114,564)	540,987
6,224,510	6,339,074	5,798,087
<u>\$ 6,777,825</u>	<u>\$ 6,224,510</u>	<u>\$ 6,339,074</u>
<u>\$ 1,192,616</u>	<u>\$ 1,416,185</u>	<u>\$ 815,165</u>
85.04%	81.47%	88.61%
\$ 1,919,920	\$ 2,097,797	\$ 2,020,005
62.12%	67.51%	40.35%

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
December 31, 2020
(Unaudited)

	Year End		
	2020	2019	2018
Actuarially determined contribution	\$ 261,583	\$ 249,238	\$ 183,916
Contributions in relation to the actuarially determined contribution	(261,583)	(249,238)	(183,916)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,512,449	\$ 1,830,282	\$ 2,027,263
Contributions as a percentage of covered payroll	17.30%	13.62%	9.07%

Note: Fiscal year 2015 was the first year of implementation. Therefore, prior years are not reported.

Year End		
2017	2016	2015
\$ 162,412	\$ 160,850	\$ 192,511
<u>(162,412)</u>	<u>(160,973)</u>	<u>(191,976)</u>
<u>\$ 0</u>	<u>\$ (123)</u>	<u>\$ 535</u>
\$ 2,060,718	\$ 1,919,920	\$ 2,097,797
7.88%	8.38%	9.18%

CITY OF WASHINGTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2020

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2021.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 11 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 2.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2020

3. Changes in Benefits

Amounts reported for fiscal years ending in 2020 and later reflect that a one-time Early Retirement Incentive Program (ERIP) was offered to Employees who met the Rule of 80 between January 2, 2020 and February 17, 2020.

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year in age for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at ages 70 and older as long as a participant was at least eligible for early retirement.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2020

4. Changes of Assumptions, continued

- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early retirement or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% and 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at fifteen years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.
- The cost of living assumption was decreased from 2.75% to 2.00%.

COMBINING STATEMENTS

Nonmajor Governmental Funds

**CITY OF WASHINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020**

	Special Revenue				
	E-911	Urban Redevelopment	Callaway Plantation Operating	Callaway Plantation Furnishings	TSPLOST Discretionary
ASSETS					
Cash and cash equivalents	\$ 0	\$ 13,215	\$ 0	\$ 19,702	\$ 135,690
Investments	0	0	2,353	0	0
Receivables					
Intergovernmental	0	0	0	0	0
Taxes	0	0	0	0	12,361
Notes	0	0	0	0	0
Due from other funds	6,242	0	0	0	0
	<u>6,242</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 6,242</u>	<u>\$ 13,215</u>	<u>\$ 2,353</u>	<u>\$ 19,702</u>	<u>\$ 148,051</u>
LIABILITIES					
Accounts payable	\$ 6,242	\$ 7,512	\$ 0	\$ 0	\$ 0
Unearned revenue	0	0	0	0	0
	<u>6,242</u>	<u>7,512</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>6,242</u>	<u>7,512</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES					
Nonspendable					
Contractually required to be maintained intact	0	0	0	0	0
Restricted	0	0	0	0	148,051
Assigned	0	5,703	2,353	19,702	0
	<u>0</u>	<u>5,703</u>	<u>2,353</u>	<u>19,702</u>	<u>0</u>
Total fund balances	<u>0</u>	<u>5,703</u>	<u>2,353</u>	<u>19,702</u>	<u>148,051</u>
Total liabilities and fund balances	<u>\$ 6,242</u>	<u>\$ 13,215</u>	<u>\$ 2,353</u>	<u>\$ 19,702</u>	<u>\$ 148,051</u>

Capital Projects			Permanent			Total Nonmajor Governmental Funds
SPLOST	2017 SPLOST	CDBG/CHIP Grant	Cemetery Perpetual Care	Historical Properties Commission Trust	Callaway Charitable Trust Endowment Principal	
\$ 1,000 0	\$ 121,302 0	\$ 0 0	\$ 0 37,688	\$ 0 18,012	\$ 38,634 11,193	\$ 329,543 69,246
0	49,941	101,487	0	0	0	151,428
0	0	0	0	0	0	12,361
0	0	15,200	0	0	0	15,200
0	0	0	0	0	0	6,242
<u>\$ 1,000</u>	<u>\$ 171,243</u>	<u>\$ 116,687</u>	<u>\$ 37,688</u>	<u>\$ 18,012</u>	<u>\$ 49,827</u>	<u>\$ 584,020</u>
\$ 0 0	\$ 0 0	\$ 96,968 15,200	\$ 0 0	\$ 0 0	\$ 0 0	\$ 110,722 15,200
0	0	112,168	0	0	0	125,922
0 1,000 0	0 171,243 0	0 4,519 0	0 0 37,688	9,990 8,022 0	9,990 39,837 0	19,980 372,672 65,446
1,000	171,243	4,519	37,688	18,012	49,827	458,098
<u>\$ 1,000</u>	<u>\$ 171,243</u>	<u>\$ 116,687</u>	<u>\$ 37,688</u>	<u>\$ 18,012</u>	<u>\$ 49,827</u>	<u>\$ 584,020</u>

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2020

	Special Revenue				
	E-911	Urban Redevelopment	Callaway Plantation Operating	Callaway Plantation Furnishings	TSPLOST Discretionary
REVENUES					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 127,751
Intergovernmental	0	0	0	0	0
Interest	0	0	31	0	44
Contributions	0	500	0	0	0
Rents	0	350	0	0	0
Total revenues	<u>0</u>	<u>850</u>	<u>31</u>	<u>0</u>	<u>127,795</u>
EXPENDITURES					
Current					
Public Safety	89,374	0	0	0	0
Culture and Recreation	0	0	0	1,250	0
Housing and Development	0	11,097	0	0	0
Total expenditures	<u>89,374</u>	<u>11,097</u>	<u>0</u>	<u>1,250</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,374)</u>	<u>(10,247)</u>	<u>31</u>	<u>(1,250)</u>	<u>127,795</u>
Other financing sources (uses)					
Transfers in	89,374	0	0	0	0
Transfers out	0	0	0	0	0
Proceeds from sale of assets	0	500	0	0	0
Total other financing sources (uses)	<u>89,374</u>	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(9,747)</u>	<u>31</u>	<u>(1,250)</u>	<u>127,795</u>
Fund balances, January 1	<u>0</u>	<u>15,450</u>	<u>2,322</u>	<u>20,952</u>	<u>20,256</u>
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 5,703</u>	<u>\$ 2,353</u>	<u>\$ 19,702</u>	<u>\$ 148,051</u>

Capital Projects			Permanent			Total Nonmajor Governmental Funds
SPLOST	2017 SPLOST	CDBG/CHIP Grant	Cemetery Perpetual Care	Historical Properties Commission Trust	Callaway Charitable Trust Endowment Principal	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 127,751
0	275,607	406,998	0	0	0	682,605
0	18	0	561	296	401	1,351
0	0	0	0	0	0	500
0	0	0	0	0	0	350
0	275,625	406,998	561	296	401	812,557
0	0	0	0	0	0	89,374
0	0	0	0	0	0	1,250
0	0	344,482	0	0	0	355,579
0	0	344,482	0	0	0	446,203
0	275,625	62,516	561	296	401	366,354
0	0	42,847	0	0	0	132,221
0	(148,618)	(100,844)	0	0	0	(249,462)
0	0	0	0	0	0	500
0	(148,618)	(57,997)	0	0	0	(116,741)
0	127,007	4,519	561	296	401	249,613
1,000	44,236	0	37,127	17,716	49,426	208,485
<u>\$ 1,000</u>	<u>\$ 171,243</u>	<u>\$ 4,519</u>	<u>\$ 37,688</u>	<u>\$ 18,012</u>	<u>\$ 49,827</u>	<u>\$ 458,098</u>

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COMBINING STATEMENTS

Nonmajor Enterprise Funds

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2020

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
ASSETS			
Current assets			
Accounts receivable (net)	\$ 74,821	\$ 35,064	\$ 109,885
Prepaid items	1,548	0	1,548
Total current assets	76,369	35,064	111,433
Noncurrent assets			
Investment in joint venture	0	455,544	455,544
Capital assets			
Non-depreciable	71,800	0	71,800
Depreciable (net)	288,208	0	288,208
Total noncurrent assets	360,008	455,544	815,552
Total assets	436,377	490,608	926,985
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to the measurement date	15,601	0	15,601
Pension investment return differences	64,694	0	64,694
Pension experience differences	7,133	0	7,133
Total deferred outflows of resources	87,428	0	87,428
LIABILITIES			
Current liabilities			
Accounts payable	84,281	1,405	85,686
Interest payable	1,726	0	1,726
Accrued salaries and payroll liabilities	7,770	0	7,770
Compensated absences	4,994	0	4,994
Capital lease payable	18,303	0	18,303
Total current liabilities	117,074	1,405	118,479
Noncurrent liabilities			
Net pension liability	242,383	0	242,383
Capital lease payable	50,011	0	50,011
Total noncurrent liabilities	292,394	0	292,394
Total liabilities	409,468	1,405	410,873
DEFERRED INFLOWS OF RESOURCES			
Pension assumption changes	18,389	0	18,389
Pension allocation changes	10,283	0	10,283
Total deferred inflows of resources	28,672	0	28,672
NET POSITION			
Net investment in capital assets	223,894	0	223,894
Unrestricted	(138,229)	489,203	350,974
Total net position	\$ 85,665	\$ 489,203	\$ 574,868

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2020

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
OPERATING REVENUES			
Charges for sales and services	\$ 554,503	\$ 5,838	\$ 560,341
Total operating revenues	<u>554,503</u>	<u>5,838</u>	<u>560,341</u>
OPERATING EXPENSES			
Costs of sales and services	177,252	16,860	194,112
Personal services	263,048	0	263,048
Depreciation	58,946	0	58,946
Total operating expenses	<u>499,246</u>	<u>16,860</u>	<u>516,106</u>
Operating income (loss)	<u>55,257</u>	<u>(11,022)</u>	<u>44,235</u>
Non-operating revenues (expenses)			
Interest and investment earnings	0	11,786	11,786
Interest expense	(4,047)	0	(4,047)
Gain (loss) on sale of capital assets	(12,921)	0	(12,921)
Net increase (decrease) in the fair value of investments	0	10,282	10,282
Total non-operating revenues (expenses)	<u>(16,968)</u>	<u>22,068</u>	<u>5,100</u>
Net income (loss) before transfers	<u>38,289</u>	<u>11,046</u>	<u>49,335</u>
Transfers in (out)			
Transfers in	0	9,579	9,579
Transfers out	(119,436)	(40)	(119,476)
Total transfers in (out)	<u>(119,436)</u>	<u>9,539</u>	<u>(109,897)</u>
Change in net position	(81,147)	20,585	(60,562)
Net position, January 1	<u>166,812</u>	<u>468,618</u>	<u>635,430</u>
Net position, December 31	<u>\$ 85,665</u>	<u>\$ 489,203</u>	<u>\$ 574,868</u>

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2020

	Business-Type Activities		
	Solid Waste	Internet Telecommunications	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 559,566	\$ 5,916	\$ 565,482
Payments to suppliers	(177,857)	(15,455)	(193,312)
Payments to employees	(211,681)	0	(211,681)
Net cash provided (used) by operating activities	<u>170,028</u>	<u>(9,539)</u>	<u>160,489</u>
Cash flows from non-capital financing activities:			
Receipts from other funds	40	9,579	9,619
Payments to other funds	(119,476)	(40)	(119,516)
Net cash provided (used) by non-capital financing activities	<u>(119,436)</u>	<u>9,539</u>	<u>(109,897)</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	825	0	825
Principal payments - capital lease	(46,656)	0	(46,656)
Interest paid	(4,761)	0	(4,761)
Net cash provided (used) by capital and related financing activities	<u>(50,592)</u>	<u>0</u>	<u>(50,592)</u>
Cash flows from investing activities			
Interest and investment earnings received	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	0	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>	<u>0</u>
Cash and cash equivalents, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 55,257	\$ (11,022)	\$ 44,235
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	58,946	0	58,946
(Increase) decrease in accounts receivable	5,063	78	5,141
(Increase) decrease in prepaid items	(176)	0	(176)
(Increase) decrease in pension contributions made after measurement date	3,346	0	3,346
(Increase) decrease in pension experience differences	8,486	0	8,486
(Increase) decrease in pension investment return differences	(64,059)	0	(64,059)
(Increase) decrease in pension assumption changes	3,136	0	3,136
Increase (decrease) in accounts payable	(429)	1,405	976
Increase (decrease) in accrued payroll liabilities	(4,111)	0	(4,111)
Increase (decrease) in net pension liability	75,897	0	75,897
Increase (decrease) in pension assumption changes	18,389	0	18,389
Increase (decrease) in pension allocation changes	10,283	0	10,283
Total adjustments	<u>114,771</u>	<u>1,483</u>	<u>116,254</u>
Net cash provided (used) by operating activities	<u>\$ 170,028</u>	<u>\$ (9,539)</u>	<u>\$ 160,489</u>

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled \$10,282.

Acquisition of capital assets through accounts payable totaled \$67,800.

GENERAL FUND

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

**CITY OF WASHINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 216,413	\$ 233,957
Investments	3,290	3,253
Restricted cash and cash equivalents	206,191	242,779
Receivables (net)		
Accounts	32,887	28,271
Intergovernmental	31,284	23,101
Taxes	358,657	194,922
Prepaid items	12,712	11,324
Total assets	\$ 861,434	\$ 737,607
 LIABILITIES		
Accounts payable	\$ 82,391	\$ 142,901
Accrued salaries and payroll liabilities	101,645	103,585
Due to other funds	11,144	195,000
Due to others	200	0
Tax sale overage	5,470	0
Unearned revenue	31,360	41,298
Total liabilities	232,210	482,784
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	92,994	75,138
 FUND BALANCES		
Nonspendable		
Prepaid items	12,712	11,324
Restricted	205,991	242,779
Unassigned	317,527	(74,418)
Total fund balances	536,230	179,685
Total liabilities, deferred inflows of resources and fund balances	\$ 861,434	\$ 737,607

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019

	2020	2019
REVENUES		
Taxes	\$ 1,882,939	\$ 1,740,601
Licenses and permits	41,132	45,498
Fines, fees and forfeitures	24,806	45,448
Charges for services	757,384	809,166
Intergovernmental	309,948	318,488
Interest	604	986
Contributions	14,189	11,731
Other	209,964	122,978
Total revenues	3,240,966	3,094,896
EXPENDITURES		
Current		
General Government	739,230	814,806
Judicial	55,906	82,395
Public Safety	1,345,532	2,143,793
Public Works	1,103,290	1,393,617
Health and Welfare	162,043	256,085
Culture and Recreation	381,179	459,079
Housing and Development	335,284	462,938
Debt Service	264,311	264,311
Total expenditures	4,386,775	5,877,024
Excess (deficiency) of revenues over (under) expenditures	(1,145,809)	(2,782,128)
Other financing sources (uses)		
Transfers in (out)		
E-911 Special Revenue Fund	(83,132)	(123,051)
CDBG/CHIP Grant Capital Projects Fund	(42,847)	(30,732)
Electric Enterprise Fund	1,628,333	2,579,421
Sale of assets	0	51,125
Issuance of capital lease payable	0	28,268
Total other financing sources (uses)	1,502,354	2,505,031
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	356,545	(277,097)
Fund balances, January 1	179,685	456,782
Fund balances, December 31	\$ 536,230	\$ 179,685

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 737,800	\$ 771,129	\$ 33,329	\$ 719,726
Motor vehicle tax	104,000	99,980	(4,020)	97,880
Mobile home tax	4,500	4,085	(415)	4,657
Cost, penalties and interest	12,000	38,158	26,158	7,436
Total general property taxes	<u>858,300</u>	<u>913,352</u>	<u>55,052</u>	<u>829,699</u>
Local option sales tax	300,000	351,574	51,574	318,544
Insurance premium tax	295,000	332,088	37,088	314,741
Intangibles tax	4,000	4,466	466	4,867
Real estate transfer tax	1,500	1,814	314	2,251
Franchise tax	94,400	84,285	(10,115)	84,326
Beer and wine tax	115,000	124,738	9,738	116,725
Occupational tax	50,200	53,914	3,714	52,145
Energy excise tax	14,000	16,708	2,708	17,303
Total taxes	<u>1,732,400</u>	<u>1,882,939</u>	<u>150,539</u>	<u>1,740,601</u>
Licenses and permits				
Alcohol licenses	33,700	29,900	(3,800)	35,500
Building permits	8,500	9,982	1,482	7,848
Other	1,300	1,250	(50)	2,150
Total licenses and permits	<u>43,500</u>	<u>41,132</u>	<u>(2,368)</u>	<u>45,498</u>
Fines, fees and forfeitures	<u>45,025</u>	<u>24,806</u>	<u>(20,219)</u>	<u>45,448</u>
Charges for Services				
Indirect cost allocation charges	596,440	536,559	(59,881)	605,124
Recreation fees	61,100	44,744	(16,356)	60,090
Cemetery charges	8,140	13,075	4,935	5,725
Other charges for services	138,900	163,006	24,106	138,227
Total charges for services	<u>804,580</u>	<u>757,384</u>	<u>(47,196)</u>	<u>809,166</u>
Intergovernmental	<u>186,901</u>	<u>309,948</u>	<u>123,047</u>	<u>318,488</u>
Interest	<u>522</u>	<u>604</u>	<u>82</u>	<u>986</u>
Contributions	<u>1,300</u>	<u>14,189</u>	<u>12,889</u>	<u>11,731</u>
Other				
Rental Income	114,710	99,225	(15,485)	118,575
Miscellaneous	375	110,739	110,364	4,403
Total other	<u>115,085</u>	<u>209,964</u>	<u>94,879</u>	<u>122,978</u>
Total revenues	<u>\$ 2,929,313</u>	<u>\$ 3,240,966</u>	<u>\$ 311,653</u>	<u>\$ 3,094,896</u>

**CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)**

	2020			2019
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Executive Administration				
Personal services	\$ 467,042	\$ 409,738	\$ 57,304	\$ 489,551
Contract services	299,304	298,919	385	299,069
Materials and supplies	33,600	30,573	3,027	26,186
Total Executive Administration	<u>799,946</u>	<u>739,230</u>	<u>60,716</u>	<u>814,806</u>
Judicial				
Municipal Court				
Personal services	65,587	42,953	22,634	61,951
Contract services	21,487	12,232	9,255	19,974
Materials and supplies	750	721	29	470
Total Municipal Court	<u>87,824</u>	<u>55,906</u>	<u>31,918</u>	<u>82,395</u>
Public Safety				
Police				
Contract services	516,000	326,961	189,039	625,279
Fire				
Personal services	857,181	806,990	50,191	837,879
Contract services	92,199	69,540	22,659	69,729
Materials and supplies	48,950	33,575	15,375	57,918
Capital outlay	11,250	0	11,250	427,915
Total Fire	<u>1,009,580</u>	<u>910,105</u>	<u>99,475</u>	<u>1,393,441</u>
Animal Control				
Contract services	33,500	31,008	2,492	33,423
Payments to others	91,650	77,458	14,192	91,650
Total Animal Control	<u>125,150</u>	<u>108,466</u>	<u>16,684</u>	<u>125,073</u>
Total Public Safety	<u>1,650,730</u>	<u>1,345,532</u>	<u>305,198</u>	<u>2,143,793</u>
Public Works				
Highways and Streets				
Personal services	628,304	585,306	42,998	646,162
Contract services	163,673	163,553	120	206,260
Materials and supplies	111,725	74,508	37,217	122,186
Capital outlay	97,335	0	97,335	0
Total Highways and Streets	<u>1,001,037</u>	<u>823,367</u>	<u>177,670</u>	<u>974,608</u>
Street Lighting				
Payments to others	167,000	166,843	157	156,681

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
Public Works (continued)				
Maintenance Shop				
Personal services	\$ 129,300	\$ 50,513	\$ 78,787	\$ 128,680
Contract services	94,768	52,298	42,470	104,566
Materials and supplies	18,400	10,269	8,131	13,488
Capital outlay	15,000	0	15,000	15,594
Total Maintenance Shop	<u>257,468</u>	<u>113,080</u>	<u>144,388</u>	<u>262,328</u>
Total Public Works	<u>1,425,505</u>	<u>1,103,290</u>	<u>322,215</u>	<u>1,393,617</u>
Health and Welfare				
Community Services				
Contract services	500	500	0	692
Payments to others	115,000	96,936	18,064	121,066
Total Community Services	<u>115,500</u>	<u>97,436</u>	<u>18,064</u>	<u>121,758</u>
Community Center				
Personal services	75,510	18,330	57,180	55,151
Contract services	43,025	32,423	10,602	43,612
Materials and supplies	23,850	13,854	9,996	26,614
Capital Outlay	0	0	0	8,950
Total Community Center	<u>142,385</u>	<u>64,607</u>	<u>77,778</u>	<u>134,327</u>
Total Health and Welfare	<u>257,885</u>	<u>162,043</u>	<u>95,842</u>	<u>256,085</u>
Culture and Recreation				
Libraries				
Payments to others	65,420	58,878	6,542	65,420
Historic Properties				
Personal services	178,288	146,538	31,750	136,759
Contract services	42,694	43,296	(602)	36,839
Materials and supplies	31,800	21,134	10,666	38,522
Capital outlay	12,000	6,736	5,264	20,778
Total Historic Properties	<u>264,782</u>	<u>217,704</u>	<u>47,078</u>	<u>232,898</u>
Park Areas				
Payments to others	111,350	101,492	9,858	115,200

**CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)**

	2020			2019
	Final Budget	Actual	Variance	Actual
Culture and Recreation (continued)				
Booker Park Pool				
Personal services	\$ 31,280	\$ 614	\$ 30,666	\$ 29,826
Contract services	4,277	1,008	3,269	5,179
Materials and supplies	12,000	1,483	10,517	10,556
Total Booker Park Pool	<u>47,557</u>	<u>3,105</u>	<u>44,452</u>	<u>45,561</u>
Total Culture & Recreation	<u>489,109</u>	<u>381,179</u>	<u>107,930</u>	<u>459,079</u>
Housing and Development				
Planning and Zoning				
Personal services	136,009	137,945	(1,936)	129,374
Contract services	12,556	12,487	69	13,842
Materials and supplies	4,050	4,075	(25)	3,788
Capital outlay	0	0	0	28,268
Payments to others	6,680	6,685	(5)	1,429
Total Planning and Zoning	<u>159,295</u>	<u>161,192</u>	<u>(1,897)</u>	<u>176,701</u>
Community Development and Housing				
Personal services	89,704	78,673	11,031	83,871
Contract services	4,098	1,250	2,848	2,982
Materials and supplies	1,100	289	811	838
Payments to others	93,000	0	93,000	100,700
Total Community Development and Housing	<u>187,902</u>	<u>80,212</u>	<u>107,690</u>	<u>188,391</u>
Economic Development				
Personal services	36,946	36,548	398	28,074
Contract services	500	360	140	246
Total Economic Development	<u>37,446</u>	<u>36,908</u>	<u>538</u>	<u>28,320</u>
Mainstreet Division				
Personal services	42,551	42,301	250	30,923
Contract services	4,823	3,093	1,730	28,202
Materials and supplies	14,300	11,578	2,722	10,401
Capital outlay	8,000	0	8,000	0
Total Mainstreet Division	<u>69,674</u>	<u>56,972</u>	<u>12,702</u>	<u>69,526</u>
Total Housing and Development	<u>454,317</u>	<u>335,284</u>	<u>119,033</u>	<u>462,938</u>
Total Current	<u>5,165,316</u>	<u>4,122,464</u>	<u>1,042,852</u>	<u>5,612,713</u>
Debt Service				
Principal	217,401	217,492	(91)	200,633
Interest	56,238	46,819	9,419	63,678
Total Debt Service	<u>273,639</u>	<u>264,311</u>	<u>9,328</u>	<u>264,311</u>
Total Expenditures	<u>\$ 5,438,955</u>	<u>\$ 4,386,775</u>	<u>\$ 1,052,180</u>	<u>\$ 5,877,024</u>

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

E-911 Fund – This fund is used to account for the fiscal activity relating to the imposition, collection, and uses of the E-911 emergency telephone number system fees.

Urban Redevelopment Fund – This fund is used to account for receipts and disbursements of Urban Redevelopment activity.

Callaway Plantation Operating Trust Fund – This fund is used to account for receipts and disbursements of monies collected from operating the Callaway Plantation Tourism Center.

Callaway Plantation Furnishings Trust Fund – This fund is used to account for receipts and disbursements of funds collected for maintaining the furnishings of the Callaway Plantation Tourism Center.

TSPLOST Discretionary Fund – This fund is used to account for TSPLOST funds received from the Georgia Financing Authority.

CITY OF WASHINGTON, GEORGIA
E-911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Due from other funds	\$ 6,242	\$ 11,172
Total assets	\$ 6,242	\$ 11,172
 LIABILITIES		
Accounts payable	\$ 6,242	\$ 11,172
 FUND BALANCES		
Restricted	0	0
Total liabilities and fund balances	\$ 6,242	\$ 11,172

**CITY OF WASHINGTON, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020**

(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Current				
Public Safety				
Contract services	143,000	89,374	53,626	134,223
Total expenditures	143,000	89,374	53,626	134,223
Excess (deficiency) of revenues over (under) expenditures	(143,000)	(89,374)	(53,626)	(134,223)
Other financing sources (uses)				
Transfers in (out)				
Electric Fund	0	6,242	6,242	134,223
General Fund	143,000	83,132	(59,868)	0
Total other financing sources (uses)	143,000	89,374	53,626	134,223
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balance, January 1	0	0	0	0
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF WASHINGTON, GEORGIA
URBAN REDEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 13,215	\$ 20,161
Total assets	\$ 13,215	\$ 20,161
 LIABILITIES		
Accounts payable	\$ 7,512	\$ 4,711
 FUND BALANCES		
Assigned	5,703	15,450
Total liabilities and fund balances	\$ 13,215	\$ 20,161

CITY OF WASHINGTON, GEORGIA
URBAN REDEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020

(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Contributions	\$ 0	\$ 500	\$ 500	\$ 500
Rent	0	350	350	0
Total revenues	<u>0</u>	<u>850</u>	<u>850</u>	<u>500</u>
EXPENDITURES				
Current				
Housing and Development				
Contract services	3,625	8,765	(5,140)	150
Supplies	200	267	(67)	0
Capital outlay	20,000	2,065	17,935	28,708
Total expenditures	<u>23,825</u>	<u>11,097</u>	<u>12,728</u>	<u>28,858</u>
Excess (deficiency) of revenues over (under) expenditures	(23,825)	(10,247)	13,578	(28,358)
Other financing sources (uses)				
Proceeds from sale of assets	0	500	500	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(23,825)	(9,747)	14,078	(28,358)
Fund balance, January 1	<u>23,825</u>	<u>15,450</u>	<u>(8,375)</u>	<u>43,808</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 5,703</u></u>	<u><u>\$ 5,703</u></u>	<u><u>\$ 15,450</u></u>

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Investments	\$ 2,353	\$ 2,322
Total assets	\$ 2,353	\$ 2,322
 FUND BALANCES		
Assigned	\$ 2,353	\$ 2,322
Total liabilities and fund balances	\$ 2,353	\$ 2,322

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	<u>2020</u>			<u>2019</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Interest	\$ 8	\$ 31	\$ 23	\$ 19
Total revenues	<u>8</u>	<u>31</u>	<u>23</u>	<u>19</u>
EXPENDITURES				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	8	31	23	19
Other financing sources (uses) Contingency	<u>(8)</u>	<u>0</u>	<u>8</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	31	31	19
Fund balance, January 1	<u> </u>	<u>2,322</u>	<u>2,322</u>	<u>2,303</u>
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 2,353</u>	<u>\$ 2,353</u>	<u>\$ 2,322</u>

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 19,702	\$ 20,952
Total assets	\$ 19,702	\$ 20,952
 FUND BALANCES		
Assigned	\$ 19,702	\$ 20,952
Total liabilities and fund balances	\$ 19,702	\$ 20,952

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	<u>2020</u>			<u>2019</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Current				
Culture and Recreation				
Materials and supplies	1,250	1,250	0	0
Total expenditures	1,250	1,250	0	0
Excess (deficiency) of revenues over (under) expenditures	(1,250)	(1,250)	0	0
Fund balances, January 1	1,250	20,952	19,702	20,952
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 19,702</u>	<u>\$ 19,702</u>	<u>\$ 20,952</u>

CITY OF WASHINGTON, GEORGIA
TSPLOST DISCRETIONARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 135,690	\$ 9,528
Taxes receivable	12,361	10,728
Total assets	\$ 148,051	\$ 20,256
FUND BALANCES		
Restricted	\$ 148,051	\$ 20,256
Total liabilities and fund balances	\$ 148,051	\$ 20,256

CITY OF WASHINGTON, GEORGIA
TSPLOST DISCRETIONARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 110,000	\$ 127,751	\$ 17,751	\$ 120,280
Interest	50	44	(6)	75
Total revenue	<u>110,050</u>	<u>127,795</u>	<u>17,745</u>	<u>120,355</u>
EXPENDITURES				
Current				
Public Works	110,050	0	110,050	128,500
Total expenditures	<u>110,050</u>	<u>0</u>	<u>110,050</u>	<u>128,500</u>
Excess (deficiency) of revenues over (under) expenditures	0	127,795	127,795	(8,145)
Fund balances, January 1	<u>0</u>	<u>20,256</u>	<u>20,256</u>	<u>28,401</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 148,051</u></u>	<u><u>\$ 148,051</u></u>	<u><u>\$ 20,256</u></u>

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CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

SPLOST Fund – This fund is used to account for the SPLOST monies received from Wilkes County to be used for water and sewer capital improvements and debt relief.

2017 SPLOST Fund – This fund is used to account for the 2017 SPLOST monies received from Wilkes County to be used for water and sewer capital improvements, streets and sidewalks projects, buildings, public safety capital improvements and debt relief.

CDBG/CHIP Grant Fund – This fund is used to account for CDBG grant activity.

**CITY OF WASHINGTON, GEORGIA
 SPLOST CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEETS
 December 31, 2020 and 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,000	\$ 1,000
Total assets	\$ 1,000	\$ 1,000
 FUND BALANCES		
Restricted	\$ 1,000	\$ 1,000
Total liabilities and fund balances	\$ 1,000	\$ 1,000

CITY OF WASHINGTON, GEORGIA
SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019

	2020	2019
REVENUES		
Total revenues	\$ 0	\$ 0
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	0	(8)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(8)
Fund balances, January 1	1,000	1,008
Fund balances, December 31	\$ 1,000	\$ 1,000

CITY OF WASHINGTON, GEORGIA
2017 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 121,302	\$ 56
Intergovernmental receivable	49,941	44,180
Total assets	\$ 171,243	\$ 44,236
 FUND BALANCES		
Restricted	\$ 171,243	\$ 44,236
Total liabilities and fund balances	\$ 171,243	\$ 44,236

CITY OF WASHINGTON, GEORGIA
2017 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ 275,607	\$ 249,713
Interest	18	2
	<u>275,625</u>	<u>249,715</u>
Total revenues		
	<u>275,625</u>	<u>249,715</u>
EXPENDITURES		
	<u>0</u>	<u>0</u>
Total expenditures		
	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	275,625	249,715
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	<u>(148,618)</u>	<u>(248,729)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	127,007	986
Fund balances, January 1	<u>44,236</u>	<u>43,250</u>
Fund balances, December 31	<u><u>\$ 171,243</u></u>	<u><u>\$ 44,236</u></u>

CITY OF WASHINGTON, GEORGIA
CDBG/CHIP GRANT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Intergovernmental receivable	\$ 101,487	\$ 112,091
Notes receivable	15,200	24,000
Due from other funds	0	3,290
Total assets	\$ 116,687	\$ 139,381
LIABILITIES		
Accounts payable	\$ 96,968	\$ 86,527
Retainages payable	0	28,854
Unearned revenue	15,200	24,000
Total liabilities	112,168	139,381
FUND BALANCES		
Restricted	4,519	0
Total liabilities and fund balances	\$ 116,687	\$ 139,381

CITY OF WASHINGTON, GEORGIA
CDBG/CHIP GRANT CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ 406,998	\$ 509,095
Total revenues	<u>406,998</u>	<u>509,095</u>
EXPENDITURES		
Capital outlay		
Housing and Development		
Community Development and Housing	344,482	458,600
Total expenditures	<u>344,482</u>	<u>458,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,516</u>	<u>50,495</u>
Other financing sources (uses)		
Transfers in (out)		
General Fund	42,847	30,732
Water Sewer Enterprise Fund	(100,844)	(84,517)
Electric Enterprise Fund	0	3,290
Total other financing sources (uses)	<u>(57,997)</u>	<u>(50,495)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,519	0
Fund balances, January 1	<u>0</u>	<u>0</u>
Fund balances, December 31	<u><u>\$ 4,519</u></u>	<u><u>\$ 0</u></u>

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PERMANENT FUNDS

Debt service funds are used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

Cemetery Perpetual Care Fund – This fund is used to account for monies collected from the sale of perpetual care contracts at City-owned cemeteries, as well as receipt of investment earnings on all perpetual care investments and payment of cemetery maintenance expenditures.

Historical Properties Commission Trust Fund – This fund is used to account for receipts and disbursements of contributions for City-owned historical properties. The principal must be maintained intact.

Callaway Charitable Trust Endowment Principal Fund – This fund is used to account for the principal originally donated for the Callaway Charitable Endowment Trust. The principal must be maintained intact and invested.

**CITY OF WASHINGTON, GEORGIA
 CEMETERY PERPETUAL CARE PERMANENT FUND
 COMPARATIVE BALANCE SHEETS
 December 31, 2020 and 2019**

	2020	2019
ASSETS		
Investments	\$ 37,688	\$ 37,127
Total assets	\$ 37,688	\$ 37,127
 FUND BALANCES		
Assigned	\$ 37,688	\$ 37,127
Total liabilities and fund balances	\$ 37,688	\$ 37,127

**CITY OF WASHINGTON, GEORGIA
CEMETERY PERPETUAL CARE PERMANENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019**

	2020	2019
REVENUES		
Interest	\$ 561	\$ 296
Total revenues	561	296
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	561	296
Fund balances, January 1	37,127	36,831
Fund balances, December 31	\$ 37,688	\$ 37,127

CITY OF WASHINGTON, GEORGIA
HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND
COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	2020	2019
ASSETS		
Investments	\$ 18,012	\$ 17,716
Total assets	\$ 18,012	\$ 17,716
 FUND BALANCES		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	8,022	7,726
Total liabilities and fund balances	\$ 18,012	\$ 17,716

CITY OF WASHINGTON, GEORGIA
HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019

	2020	2019
REVENUES		
Interest	\$ 296	\$ 141
Total revenues	296	141
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	296	141
Fund balances, January 1	17,716	17,575
Fund balances, December 31	\$ 18,012	\$ 17,716

**CITY OF WASHINGTON, GEORGIA
 CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL
 PERMANENT FUND
 COMPARATIVE BALANCE SHEETS
 December 31, 2020 and 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 38,634	\$ 38,433
Investments	11,193	10,993
Total assets	\$ 49,827	\$ 49,426
 FUND BALANCES		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	39,837	39,436
Total liabilities and fund balances	\$ 49,827	\$ 49,426

CITY OF WASHINGTON, GEORGIA
CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL
PERMANENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2020 and 2019

	2020	2019
REVENUES		
Interest	\$ 401	\$ 390
Total revenues	401	390
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	401	390
Fund balances, January 1	49,426	49,036
Fund balances, December 31	\$ 49,827	\$ 49,426

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer Fund – This fund is used to account for the operation and maintenance of the City's water and sewer services.

Electric Fund – This fund is used to account for user fees and expenses for the electric services provided to the citizens of the City.

Solid Waste Fund – This fund is used to account for user fees and expenses for the sanitation services provided to the citizens of the City.

Internet Telecommunications Fund – This fund is used to account for user fees and expenses for the internet services available to the citizens of the City.

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the years ended December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Restricted cash and cash equivalents	\$ 97,298	\$ 97,298
Accounts receivable (net)	416,002	455,023
Inventories	199,823	202,538
Prepaid items	9,776	11,302
Total current assets	722,899	766,161
Capital assets		
Land	194,710	194,710
Construction in progress	125,337	37,687
Buildings	57,481	57,481
Infrastructure	23,079,971	22,993,676
Machinery and equipment	710,858	692,163
Vehicles	293,591	305,626
Accumulated depreciation	(10,225,948)	(9,763,678)
Total capital assets (net of accumulated depreciation)	14,236,000	14,517,665
Total assets	14,958,899	15,283,826
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to the measurement date	18,189	14,436
Pension experience differences	8,316	18,547
Pension investment return differences	75,422	740
Pension assumption changes	0	6,677
Pension allocation changes	16,629	0
Total deferred outflows of resources	118,556	40,400
LIABILITIES		
Current liabilities		
Accounts payable	61,099	79,730
Retainages payable	7,890	0
Due to other funds	10,093	0
Accrued salaries and payroll liabilities	35,639	33,323
Compensated absences	24,313	25,106
Accrued interest payable	9,414	11,445
Capital lease payable	38,562	47,770
Notes payable	605,719	602,753
Current liabilities payable from restricted assets		
Customer deposits payable	97,298	97,298
Total current liabilities	890,027	897,425

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the years ended December 31, 2020 and 2019

	2020	2019
Noncurrent liabilities		
Net pension liability	\$ 282,579	\$ 142,217
Capital lease payable	82,541	119,158
Notes payable	6,610,054	6,913,662
Total noncurrent liabilities	6,975,174	7,175,037
Total liabilities	7,865,201	8,072,462
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	11,988	0
NET POSITION		
Net investment in capital assets	6,891,234	6,814,767
Unrestricted	309,032	436,997
Total net position	\$ 7,200,266	\$ 7,251,764

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 1,302,703	\$ 1,394,325
Sewer sales	1,043,448	1,112,025
Other	51,526	16,340
Total operating revenues	<u>2,397,677</u>	<u>2,522,690</u>
OPERATING EXPENSES		
Costs of sales and services	1,064,814	1,142,754
Personal services	947,056	859,965
Depreciation	474,305	464,595
Total operating expenses	<u>2,486,175</u>	<u>2,467,314</u>
Operating income (loss)	<u>(88,498)</u>	<u>55,376</u>
Non-operating revenues (expenses)		
Interest and investment earnings	0	600
Interest expense	(25,077)	(50,059)
Gain (loss) on sale of assets	0	1,901
Total non-operating revenues (expenses)	<u>(25,077)</u>	<u>(47,558)</u>
Net income (loss) before transfers	<u>(113,575)</u>	<u>7,818</u>
Transfers in (out)		
CDBG/CHIP Grant Capital Projects Fund	100,844	84,517
SPLOST Capital Projects Fund	0	8
2017 SPLOST Capital Projects Fund	148,618	248,729
Electric Enterprise Fund	(187,385)	58,269
Total transfers in (out)	<u>62,077</u>	<u>391,523</u>
Change in net position	(51,498)	399,341
Net position, January 1	<u>7,251,764</u>	<u>6,852,423</u>
Net position, December 31	<u><u>\$ 7,200,266</u></u>	<u><u>\$ 7,251,764</u></u>

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from customers	\$ 2,385,172	\$ 2,528,654
Payments to suppliers	(1,059,649)	(1,215,178)
Payments to employees	(871,339)	(853,591)
Other receipts	51,526	16,340
	<u>505,710</u>	<u>476,225</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	10,093	0
Payments to other funds	(187,385)	0
	<u>(177,292)</u>	<u>0</u>
Cash flows from capital and related financing activities:		
Receipts from other funds	249,462	391,524
Payments for acquisitions of capital assets	(184,750)	(369,781)
Proceeds from sale of assets	0	1,901
Payments of capital related accounts payable	(19,555)	(54,315)
Payments of retainage payable	0	(1,000)
Principal payments - promissory notes	(300,642)	(608,806)
Proceeds - capital leases	0	201,380
Principal payments - capital leases	(45,825)	(52,123)
Interest paid	(27,108)	(44,820)
	<u>(328,418)</u>	<u>(536,040)</u>
Cash flows from investing activities:		
Interest and investment earnings received	0	600
Proceeds from maturity of investments	0	156,513
	<u>0</u>	<u>157,113</u>
Net increase (decrease) in cash and cash equivalents	0	97,298
Cash and cash equivalents, January 1	<u>97,298</u>	<u>0</u>
Cash and cash equivalents, December 31	<u><u>\$ 97,298</u></u>	<u><u>\$ 97,298</u></u>

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (88,498)	\$ 55,376
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	474,305	464,595
(Increase) decrease in accounts receivable	39,021	22,305
(Increase) decrease in inventories	2,715	(5,751)
(Increase) decrease in prepaid items	1,526	(4,746)
(Increase) decrease in pension contributions made after measurement date	(3,753)	(3,971)
(Increase) decrease in pension experience differences	10,231	10,122
(Increase) decrease in pension investment return differences	(74,682)	(740)
(Increase) decrease in pension assumption changes	6,677	4,322
(Increase) decrease in pension allocation changes	(16,629)	0
Increase (decrease) in accounts payable	924	(61,928)
Increase (decrease) in accrued payroll liabilities	1,523	422
Increase (decrease) in net pension liability	140,362	27,574
Increase (decrease) in pension investment return differences	0	(31,355)
Increase (decrease) in pension assumption changes	11,988	0
	<u>594,208</u>	<u>420,849</u>
Total adjustments		
	<u>\$ 505,710</u>	<u>\$ 476,225</u>
Net cash provided (used) by operating activities		

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$0 and \$19,555 for the years ended December 31, 2020 and 2019, respectively.

Acquisition of capital assets through retainage payable totaled \$7,890 and \$0 for the years ended December 31, 2020 and 2019, respectively.

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 865,189	\$ 420,019
Investments	538,532	184,262
Receivables (net)		
Accounts	1,092,696	1,186,010
Intergovernmental	308,855	350,395
Due from other funds	21,237	195,000
Inventories	291,737	294,585
Prepaid items	13,665	12,184
Total current assets	3,131,911	2,642,455
Restricted assets		
MEAG Generation Trust		
Investments	1,112,382	1,085,977
Customer deposits		
Cash and cash equivalents	227,566	222,987
Total restricted assets	1,339,948	1,308,964
Capital assets		
Land	8,480	8,480
Buildings	494,044	494,044
Infrastructure	2,506,534	2,506,534
Machinery and equipment	245,127	226,067
Vehicles	589,122	589,122
Accumulated depreciation	(2,588,985)	(2,486,569)
Total capital assets (net of accumulated depreciation)	1,254,322	1,337,678
Total assets	5,726,181	5,289,097
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to the measurement date	27,613	29,349
Pension investment return differences	114,502	1,830
Pension experience differences	12,625	24,763
Pension assumption changes	0	6,931
Total deferred outflows of resources	154,740	62,873

**CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2020 and 2019**

	2020	2019
LIABILITIES		
Current liabilities		
Accounts payable	\$ 672,897	\$ 906,235
Accrued salaries and payroll liabilities	16,588	17,966
Due to other funds	6,242	14,462
Compensated absences	8,292	14,277
Capital lease payable	23,752	58,304
Current liabilities payable from restricted assets		
Customer deposits payable	227,566	222,987
Total current liabilities	955,337	1,234,231
Noncurrent liabilities		
Net pension liability	428,998	285,693
Capital lease payable	24,917	48,670
Total noncurrent liabilities	453,915	334,363
Total liabilities	1,409,252	1,568,594
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	18,200	0
Pension allocation changes	29,352	0
Total deferred inflows of resources	47,552	0
NET POSITION		
Net investment in capital assets	1,185,593	1,230,704
Restricted for MEAG Generation Trust	1,112,382	1,085,977
Unrestricted	2,126,142	1,466,695
Total net position	\$ 4,424,117	\$ 3,783,376

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for sales and services		
Electric sales	\$ 10,103,670	\$ 10,421,891
Other	1,256	12,680
Total operating revenues	<u>10,104,926</u>	<u>10,434,571</u>
OPERATING EXPENSES		
Costs of sales and services	7,837,363	7,904,729
Personal services	538,494	624,885
Depreciation	103,416	103,416
Total operating expenses	<u>8,479,273</u>	<u>8,633,030</u>
Operating income (loss)	<u>1,625,653</u>	<u>1,801,541</u>
Non-operating revenues (expenses)		
Intergovernmental revenues	323,248	380,107
Interest and investment earnings	33,182	62,447
Interest expense	(4,049)	(6,319)
Total non-operating revenues (expenses)	<u>352,381</u>	<u>436,235</u>
Net income (loss) before transfers	<u>1,978,034</u>	<u>2,237,776</u>
Transfers in (out)		
General Fund	(1,628,333)	(2,579,421)
E-911 Special Revenue Fund	(6,242)	(11,172)
CDBG/CHIP Grant Capital Projects Fund	0	(3,290)
Water and Sewer Enterprise Fund	187,385	(58,269)
Solid Waste Enterprise Fund	119,476	96,811
Internet Telecommunications Enterprise Fund	(9,579)	12,112
Total transfers in (out)	<u>(1,337,293)</u>	<u>(2,543,229)</u>
Change in net position	640,741	(305,453)
Net position, January 1	<u>3,783,376</u>	<u>4,088,829</u>
Net position, December 31	<u><u>\$ 4,424,117</u></u>	<u><u>\$ 3,783,376</u></u>

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 10,201,563	\$ 10,483,350
Payments to suppliers	(8,089,395)	(7,641,269)
Payments to employees	(446,866)	(580,238)
Other receipts	1,256	12,680
	<u>1,666,558</u>	<u>2,274,523</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Receipts from other funds	480,624	108,923
Payments to other funds	(1,652,374)	(2,711,471)
Receipts from other governments	364,788	268,045
	<u>(806,962)</u>	<u>(2,334,503)</u>
Net cash provided (used) by non-capital financing activities		
Cash flows from capital and related financing activities:		
Principal payments - capital leases	(58,305)	(56,033)
Interest paid	(4,049)	(6,318)
	<u>(62,354)</u>	<u>(62,351)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Interest and investment earnings received	33,182	62,447
Proceeds from maturity of investments	0	289,424
Purchase of investments	(380,675)	(296,588)
	<u>(347,493)</u>	<u>55,283</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	<u>449,749</u>	<u>(67,048)</u>
Cash and cash equivalents, January 1	<u>643,006</u>	<u>710,054</u>
Cash and cash equivalents, December 31	<u><u>\$ 1,092,755</u></u>	<u><u>\$ 643,006</u></u>

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

	2020	2019
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,625,653	\$ 1,801,541
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	103,416	103,416
(Increase) decrease in accounts receivable	93,314	20,249
(Increase) decrease in inventories	2,848	(30,684)
(Increase) decrease in prepaid items	(1,481)	(897)
(Increase) decrease in pension contributions made after measurement date	1,736	(9,816)
(Increase) decrease in pension experience differences	12,138	25,019
(Increase) decrease in pension investment return differences	(112,672)	(1,830)
(Increase) decrease in pension assumption changes	6,931	10,682
Increase (decrease) in accounts payable	(253,398)	295,041
Increase (decrease) in accrued payroll liabilities	(7,363)	(6,205)
Increase (decrease) in customer deposits	4,579	41,210
Increase (decrease) in net pension liability	143,305	68,155
Increase (decrease) in pension investment return differences	0	(41,358)
Increase (decrease) in pension assumption changes	18,200	0
Increase (decrease) in pension allocation changes	29,352	0
	40,905	472,982
Total adjustments		
Net cash provided (used) by operating activities	\$ 1,666,558	\$ 2,274,523
Cash and cash equivalents reconciliation		
Cash and cash equivalents	\$ 865,189	\$ 420,019
Restricted cash and cash equivalents	227,566	222,987
Total cash and cash equivalents	\$ 1,092,755	\$ 643,006

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$20,060 and \$0 for the years ended December 31, 2020 and 2019, respectively.

CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Accounts receivable (net)	\$ 74,821	\$ 79,884
Prepaid items	1,548	1,372
Total current assets	<u>76,369</u>	<u>81,256</u>
Capital assets		
Land	4,000	4,000
Construction in progress	67,800	0
Buildings	185,161	185,161
Machinery and equipment	54,080	103,754
Vehicles	552,468	566,701
Accumulated depreciation	<u>(503,501)</u>	<u>(494,716)</u>
Total capital assets (net of accumulated depreciation)	<u>360,008</u>	<u>364,900</u>
Total assets	<u>436,377</u>	<u>446,156</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to the measurement date	15,601	18,947
Pension investment return differences	64,694	635
Pension experience differences	7,133	15,619
Pension assumption changes	<u>0</u>	<u>3,136</u>
Total deferred outflows of resources	<u>87,428</u>	<u>38,337</u>
LIABILITIES		
Current liabilities		
Accounts payable	84,281	16,910
Interest payable	1,726	2,440
Accrued salaries and payroll liabilities	7,770	8,538
Compensated absences	4,994	8,337
Capital lease payable	<u>18,303</u>	<u>46,656</u>
Total current liabilities	<u>117,074</u>	<u>82,881</u>
Noncurrent liabilities		
Net pension liability	242,383	166,486
Capital lease payable	<u>50,011</u>	<u>68,314</u>
Total noncurrent liabilities	<u>292,394</u>	<u>234,800</u>
Total liabilities	<u>409,468</u>	<u>317,681</u>

**CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2020 and 2019**

	2020	2019
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	\$ 18,389	\$ 0
Pension allocation changes	10,283	0
Total deferred inflows of resources	28,672	0
NET POSITION		
Net investment in capital assets	223,894	249,930
Unrestricted	(138,229)	(83,118)
Total net position	\$ 85,665	\$ 166,812

CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	\$ 554,503	\$ 533,828
OPERATING EXPENSES		
Costs of sales and services	177,252	160,372
Personal services	263,048	251,855
Depreciation	58,946	56,259
Total operating expenses	<u>499,246</u>	<u>468,486</u>
Operating income (loss)	<u>55,257</u>	<u>65,342</u>
Non-operating revenues (expenses)		
Interest expense	(4,047)	(5,077)
Gain (loss) on sale of assets	(12,921)	(7,943)
Total non-operating revenues (expenses)	<u>(16,968)</u>	<u>(13,020)</u>
Net income (loss) before transfers	<u>38,289</u>	<u>52,322</u>
Transfers in (out)		
Electric Enterprise Fund	(119,476)	(96,811)
Internet Telecommunications Enterprise Fund	40	0
Total transfers in (out)	<u>(119,436)</u>	<u>(96,811)</u>
Change in net position	(81,147)	(44,489)
Net position, January 1	<u>166,812</u>	<u>211,301</u>
Net position, December 31	<u><u>\$ 85,665</u></u>	<u><u>\$ 166,812</u></u>

CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 559,566	\$ 535,910
Payments to suppliers	(177,857)	(162,340)
Payments to employees	(211,681)	(230,779)
Net cash provided (used) by operating activities	170,028	142,791
Cash flows from non-capital financing activities:		
Receipts from other funds	40	0
Payments to other funds	(119,476)	(96,811)
Net cash provided (used) by non-capital financing activities	(119,436)	(96,811)
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	0	(59,265)
Proceeds from sale of capital assets	825	3,421
Proceeds from issuance of capital lease	0	49,932
Principal payments - capital lease	(46,656)	(36,291)
Interest paid	(4,761)	(3,777)
Net cash provided (used) by capital and related financing activities	(50,592)	(45,980)
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	0	0
Cash and cash equivalents, December 31	\$ 0	\$ 0

**CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019**

	2020	2019
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 55,257	\$ 65,342
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	58,946	56,259
(Increase) decrease in accounts receivable	5,063	2,082
(Increase) decrease in prepaid items	(176)	(213)
(Increase) decrease in pension contributions made after measurement date	3,346	(3,407)
(Increase) decrease in pension experience differences	8,486	8,683
(Increase) decrease in pension investment return differences	(64,059)	(635)
(Increase) decrease in pension assumption changes	3,136	3,707
Increase (decrease) in accounts payable	(429)	(1,755)
Increase (decrease) in accrued payroll liabilities	(4,111)	1,395
Increase (decrease) in net pension liability	75,897	23,652
Increase (decrease) in pension investment return differences	0	(12,319)
Increase (decrease) in pension assumption changes	18,389	0
Increase (decrease) in pension allocation changes	10,283	0
Total adjustments	114,771	77,449
Net cash provided (used) by operating activities	\$ 170,028	\$ 142,791

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$67,800 and \$0 for the years ended December 31, 2020 and 2019, respectively.

CITY OF WASHINGTON, GEORGIA
INTERNET TELECOMMUNICATIONS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Accounts receivable	\$ 35,064	\$ 23,357
Noncurrent assets		
Investment in joint venture	455,544	445,261
Capital assets		
Machinery and equipment	519,711	519,711
Accumulated depreciation	(519,711)	(519,711)
Total capital assets (net of accumulated depreciation)	0	0
Total assets	<u>490,608</u>	<u>468,618</u>
LIABILITIES		
Accounts payable	1,405	0
NET POSITION		
Unrestricted	489,203	468,618
Total net position	<u>\$ 489,203</u>	<u>\$ 468,618</u>

CITY OF WASHINGTON, GEORGIA
INTERNET TELECOMMUNICATIONS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the years ended December 31, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Charges for sales and services		
Telecommunications charges	\$ 5,838	\$ 5,926
Total operating revenues	5,838	5,926
OPERATING EXPENSES		
Costs of sales and services	16,860	16,995
Total operating expenses	16,860	16,995
Operating income (loss)	(11,022)	(11,069)
Non-operating revenues (expenses)		
Interest and investment earnings	11,786	23,160
Net increase (decrease) in the fair value of investments	10,282	(19,732)
Total non-operating revenues (expenses)	22,068	3,428
Net income (loss) before transfers	11,046	(7,641)
Transfers in (out)		
Electric Enterprise Fund	9,579	(12,112)
Solid Waste Enterprise Fund	(40)	0
Total transfers in (out)	9,539	(12,112)
Change in net position	20,585	(19,753)
Net position, January 1	468,618	488,371
Net position, December 31	\$ 489,203	\$ 468,618

CITY OF WASHINGTON, GEORGIA
INTERNET TELECOMMUNICATIONS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 5,916	\$ 5,947
Payments to suppliers	(15,455)	(16,995)
Net cash provided (used) by operating activities	(9,539)	(11,048)
Cash flows from non-capital financing activities:		
Receipts from other funds	9,579	0
Payments to other funds	(40)	(12,112)
Net cash provided (used) by non-capital financing activities	9,539	(12,112)
Cash flows from investing activities:		
Interest and investment earnings received	0	23,160
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	0	0
Cash and cash equivalents, December 31	\$ 0	\$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (11,022)	\$ (11,069)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	78	21
Increase (decrease) in accounts payable	1,405	0
Total adjustments	1,483	21
Net cash provided (used) by operating activities	\$ (9,539)	\$ (11,048)

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled \$10,282 and (\$19,732) for the years ended December 31, 2020 and 2019, respectively.

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OTHER REPORTING SECTION

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Independent Auditor's 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

Honorable Mayor and
Members of the City Council
City of Washington, Georgia

We have audited, 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, the 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, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Washington, Georgia's basic financial statements and have issued our report thereon dated May 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Washington, Georgia'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 City of Washington, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Washington, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency to be a material weakness:

2020-001

Condition: While performing audit procedures on cash receipts, we noted that the same person is posting payments to the ledger, preparing deposits, taking deposits to the bank, and performing the monthly bank reconciliations.

Criteria: Proper segregation of duties requires that the duties of preparing deposits, recording receipts in the ledger, and preparing monthly bank reconciliations should be performed by different employees.

Effect: Failure to maintain adequate segregation of duties subjects the City to greater risk of loss due to employee fraud.

Cause: The same employee has custody over cash receipts, records receipts in the ledger, and prepares the monthly bank reconciliations.

2020-001, continued

Recommendation: To ensure that proper internal controls are in place, the City should properly segregate duties.

Management Response: Management concurs with this finding. The City will segregate duties of the cash receipting process. This action was taken immediately upon receipt of the comment from our auditors.

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. We consider the following deficiencies to be significant deficiencies:

2020-002

Condition: The auditors were unable to perform audit procedures on traffic citations. We noted that the City does not receive supporting documentation from the County for traffic citations issued by County officers within the City's limits.

Criteria: Adequate internal control requires adequate supporting documentation for citations issued by County officers.

Cause: The City does not maintain the supporting documentation for traffic citations issued by the County officers.

Effect: Failure to maintain adequate supporting documentation for traffic citations issued by County officers exposes the City to a greater risk of loss due to fraud.

Recommendation: In order to maintain adequate internal control over traffic citations, a log of traffic citations issued by County officers should be requested from the County monthly and reconciled to traffic citation cases tried in the City's Municipal Court.

Management Response: Management concurs with this finding. However, due to the fact that the issuing of traffic citations has been outsourced to the County, concurrence with this finding is difficult. Management intends to work with County personnel to establish sufficient procedures to reconcile traffic citations issued by the County's officers to the City's Municipal Court records.

2020-003

Condition: While performing audit procedures on the Municipal Court, we noted that cash bonds are not deposited until after disposition of the case.

Criteria: Proper internal controls require that cash bonds be deposited and transactions recorded in a timely manner.

Cause: Staff is not depositing cash bonds when they are received. They are being held for deposit until after disposition of the case.

Effect: Failure to deposit cash bonds in a timely manner exposes the City to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Washington, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

City of Washington, Georgia's Response to Findings

The City of Washington, Georgia's response to the findings identified in our audit is described previously. The City of Washington, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City of Washington, Georgia'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants
Gainesville, Georgia
May 28, 2021

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STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2020

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2011 SPLOST</u>					
Water and Sewer Improvements	\$ 2,025,960	\$ 2,025,960	\$ 2,229,669	\$ 0	\$ 2,229,669
<u>2017 SPLOST</u>					
Water and Sewer; Streets and Sidewalks; Buildings; Fire Facilities and Equipment					
Water and Sewer	\$ 1,336,778	\$ 1,336,778	\$ 569,591	\$ 148,618	\$ 718,209

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.