

ANNUAL FINANCIAL REPORT

# CITY OF WHITEVILLE

FOR YEAR ENDED  
JUNE 30, 2021

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# **FINANCIAL SECTION**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FUND FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**



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Independent Auditors' Report

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

**Report on the Financial Statements**

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

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

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Whiteville ABC Board, which represents 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Whiteville ABC Board, is based solely on the report of another auditor. 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 of material misstatement. The financial statements of the City of Whiteville ABC Board were not audited in accordance with *Government Auditing Standards*.

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

*Members*

*American Institute of CPAs - N.C. Association of CPAs - AICPA Division of firms*

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, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective the 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 Whiteville, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity 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 Management's Discussion and Analysis on pages 4 through 9, the Local Government Employees' Retirement Systems' Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 44 through 45, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 46 through 47, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 48, 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 and the other auditor 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.

#### *Supplementary and Other Information*

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

The combining and individual fund statements, budgetary schedules, other schedules, and Schedule of Expenditures of Federal and Stte Awards are the responsibility of management and were derived from and relates 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 by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditor, the combining and individual fund statements, budgetary schedules, Schedule of Expenditures of Federal and State Awards, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021 on our consideration of the City of Whiteville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of the 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 the 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 City of Whiteville's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., P.A.*

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, North Carolina  
November 23, 2021



**City of Whiteville  
Management's Discussion and Analysis**

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

**Financial Highlights**

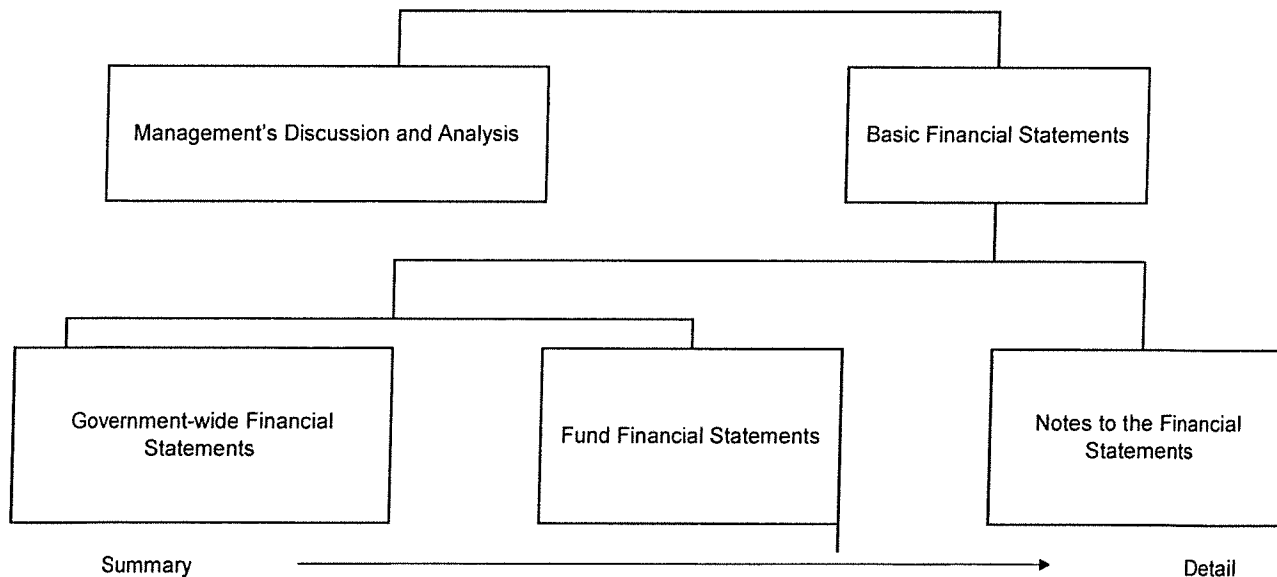
- The assets and deferred outflows of resources of the City of Whiteville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,703,646 (net position).
- The government's total net position decreased by \$68,594. Governmental activities decreased net position by \$292,111, while business-type activities increased net position by \$223,516.
- As of the close of the current fiscal year, the City of Whiteville governmental funds reported combined ending fund balances of \$4,005,178, a decrease of \$784,831 in comparison with the prior year. Approximately 51 percent of this total amount, or \$2,029,926, is available for spending at the government's discretion.
- At the end of the current fiscal year, fund balance for the General Fund was \$3,359,641, or 64 percent of total general fund expenditures for the fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to City of Whiteville's basic financial statements. The City of Whiteville's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Whiteville.

**Required Components of Annual Financial Report**

Figure 1



## Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

## Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) a component unit. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. This includes the water, sewer, sanitation, and stormwater services offered by the City of Whiteville. The final category is the component unit. Although legally separate from the City, the ABC Board is important to the City because the City exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the City. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Whiteville ABC Board, 112 South J.K. Powell Blvd, Whiteville, NC 28472.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Whiteville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Whiteville can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

**Proprietary Funds** – City of Whiteville has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Whiteville uses enterprise fund to account for its water, sewer, sanitation, and stormwaer activity. This fund is the same as the functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**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 follow directly behind the basic financial statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Whiteville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information follows directly behind the notes to the financial statements.

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

### Government-Wide Financial Analysis

**City of Whiteville Net Position**  
Figure 2

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 4,244,737	\$ 5,255,449	\$ 3,480,157	\$ 3,424,152	\$ 7,724,894	\$ 8,679,601
Capital assets	9,265,333	8,742,815	17,197,932	16,543,396	26,463,265	25,286,211
Deferred outflows of resources	1,398,785	597,614	404,435	219,381	1,803,220	816,995
<b>Total assets</b>	<b>14,908,855</b>	<b>14,595,878</b>	<b>21,082,524</b>	<b>20,186,929</b>	<b>35,991,379</b>	<b>34,782,807</b>
Long-term liabilities outstanding	7,684,283	6,916,719	3,463,712	2,728,602	11,147,995	9,645,321
Other liabilities	643,672	856,011	485,811	876,622	1,129,483	1,732,633
Deferred inflows of resources	793,756	956,232	345,982	409,012	1,139,738	1,365,244
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>9,121,711</b>	<b>8,728,962</b>	<b>4,295,505</b>	<b>4,014,236</b>	<b>13,417,216</b>	<b>12,743,198</b>
<b>Net position:</b>						
Net investments in capital assets	5,493,009	5,706,275	15,263,605	15,181,624	20,756,614	20,887,899
Restricted	1,882,075	927,665	-	-	1,882,075	927,665
Unrestricted	(944,268)	88,987	2,009,225	1,867,691	1,064,957	1,956,678
<b>Total net position</b>	<b>\$ 6,430,816</b>	<b>\$ 6,722,927</b>	<b>\$ 17,272,830</b>	<b>\$ 17,049,315</b>	<b>\$ 23,703,646</b>	<b>\$ 23,772,242</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Whiteville exceeded liabilities and deferred inflows by \$23,703,646 as of June 30, 2021. The City's net position decreased by \$68,594 for the fiscal year ended June 30, 2021. The largest portion (87.57%) of net position reflects the City's investment in capital assets (e.g. land, construction in progress, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Whiteville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Whiteville's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net position, \$1,882,075 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,064,957 is unrestricted.

**City of Whiteville Changes in Net Position**

Figure 3

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 83,521	\$ 114,047	\$ 4,251,238	\$ 4,204,257	\$ 4,334,759	\$ 4,318,304
Operating grants & contributions	635,940	1,743,752	52,057	449,724	687,997	2,193,476
Capital grants & contributions	221,086	-	-	335,143	221,086	335,143
General revenues:						
Property taxes	2,499,235	2,477,841	-	-	2,499,235	2,477,841
Other taxes	2,080,614	1,998,108	-	-	2,080,614	1,998,108
Other	47,852	154,122	160,497	205,215	208,349	359,337
Total revenues	<u>5,568,248</u>	<u>6,487,870</u>	<u>4,463,792</u>	<u>5,194,339</u>	<u>10,032,040</u>	<u>11,682,209</u>
<b>Expenses:</b>						
General Government	698,141	720,640	-	-	698,141	720,640
Public safety	3,908,516	3,562,365	-	-	3,908,516	3,562,365
Transportation	540,448	943,317	-	-	540,448	943,317
Environmental Protection	-	-	-	-	-	-
Cultural & Recreation	165,934	571,321	-	-	165,934	571,321
Economic & Physical Development	557,322	100,886	-	-	557,322	100,886
Interest on Long-term Debt	85,683	87,957	-	-	85,683	87,957
Water & Sewer	-	-	4,144,421	4,426,605	4,144,421	4,426,605
Total expenses	<u>5,956,044</u>	<u>5,986,486</u>	<u>4,144,421</u>	<u>4,426,605</u>	<u>10,100,465</u>	<u>10,413,091</u>
Increase (Decrease) in net position before transfers	(387,796)	501,384	319,371	767,734	(68,425)	1,269,118
Transfers	95,685	128,482	(95,685)	(128,482)	-	-
Increase (decrease) in net position	(292,111)	629,866	223,686	639,252	(68,425)	1,269,118
Net position, July 1	6,722,927	6,093,061	17,049,315	16,410,063	23,772,242	22,503,124
Net position, June 30	<u>\$ 6,430,816</u>	<u>\$ 6,722,927</u>	<u>\$ 17,273,001</u>	<u>\$ 17,049,315</u>	<u>\$ 23,703,817</u>	<u>\$ 23,772,242</u>

**Governmental activities.** Governmental activities decreased the City's net position by \$292,111.

\* The City received approximately \$1 million less operating grants and contributions than last year.

**Business-type activities:** Business-type activities increased the City of Whiteville's net position by \$223,516. Key elements of this increase are as follows:

\* The City received more operating and capital grants and contributions than last year.

**Financial Analysis of the City's Funds**

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

**Governmental Funds.** The focus of the City of Whiteville governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Whiteville's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Whiteville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,677,129 while total fund balance of the general fund was \$3,359,641. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32 percent of total General Fund expenditures, while total fund balance represents 64 percent of that same amount.

At June 30, 2021, the governmental funds of City of Whiteville reported a combined fund balance of \$4,005,177, a decrease of \$784,831 over last year.

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

The budgetary amendments for FY 20-21 were due to necessary increases in appropriations in order to meet and maintain service needs of the City's departments.

**Proprietary Funds.** The City of Whiteville proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the fiscal year was \$779,799 in the Water Fund, \$968,436 in the Sewer Fund, \$174,225 in the Sanitation Fund, and \$86,765 in the Stormwater Fund. The total change in net position was \$36,689 for the Water Fund, \$81,980 for the Sewer Fund, \$74,390 for the Sanitation Fund, and \$30,455 for the Stormwater Fund. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Whiteville's business-type activities.

#### Capital Assets and Debt Administration

**Capital Assets.** The City of Whiteville investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$26,463,265 (net of accumulated depreciation). These assets include buildings, land, construction in progress, machinery and equipment, and vehicles.

Major capital asset transactions during the year include the following additions:

- Vehicles for various departments
- Tractor for Water & Sewer Department
- Christmas lights
- Infrastructure for Storm Water
- Finished construction of new ABC Store

#### City of Whiteville Capital Assets

Figure 4

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 318,182	\$ 318,182	\$ 206,018	\$ 206,018	\$ 524,200	\$ 524,200
Buildings and Distribution Systems	5,907,245	5,048,881	15,385,080	15,724,505	21,292,325	20,773,386
Equipment & Vehicles	2,779,415	3,017,307	455,999	497,586	3,235,414	3,514,893
Construction in Progress	260,491	358,445	1,150,835	115,287	1,411,326	473,732
<b>Total</b>	<b>\$ 9,265,333</b>	<b>\$ 8,742,815</b>	<b>\$ 17,197,932</b>	<b>\$ 16,543,396</b>	<b>\$ 26,463,265</b>	<b>\$ 25,286,211</b>

Additional information on the City's capital assets can be found in note 3.A. of the Basic Financial Statements.

#### Long-Term Debt

As of June 30, 2021, the City had total debt of \$5,706,653 (excluding compensated absences, pension obligations, and OPEB). There was a net increase in total debt of \$324,651.

#### City of Whiteville Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Direct placement and borrowing installment agreements	\$ 3,743,253	\$ 3,928,547	\$ 1,934,329	\$ 1,361,776	\$ 5,677,582	\$ 5,290,323
Capital Leases	29,071	58,137	-	-	29,071	58,137
	<b>\$ 3,772,324</b>	<b>\$ 3,986,684</b>	<b>\$ 1,934,329</b>	<b>\$ 1,361,776</b>	<b>\$ 5,706,653</b>	<b>\$ 5,348,460</b>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable proeprty located within that government's boundaries. The legal debt margin for the City of Whiteville is \$33,554,795.

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

The City of Whiteville is located in Columbus County which is experiencing an unemployment rate of approximately 6.1% and the primary elements of the local economy, textiles and agriculture, have experienced losses in the past years. Related information may be reviewed at [www.nccommerce.com/workforce](http://www.nccommerce.com/workforce), which addresses transitions in occupations and opportunities for displaced workers. The North Carolina Department of Commerce has designated Columbus County as Tier One. This category is reserved for the most economically distressed counties.

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

**Governmental Activities:** Property tax revenues are expected to remain stable. Other tax revenues could decrease slightly due to the ongoing effects of the COVID-19 virus. Capital spending is expected to increase with the Parks Construction Project, West Side Park Pedestrian Bridge Project and various projects within the American Rescue Plan Project Fund.

**Business – type Activities:** Business revenues are expected to remain stable. Capital spending is expected to increase with the ongoing Mollies Branch Phase I and Phase II Projects as well as additional sewer rehabilitation projects which are expected to be in progress for approximately the next 2-3 years. The loan repayments will continue on the Well loan, FlexNet Smart Utility System loan, as well as Mollies Branch Phase I and II loans. The two loans for the Wastewater Treatment Plant will be paid in full, year ending June 30, 2022.

#### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Whiteville, P.O. Box 607, Whiteville, NC 28472. One can also call (910)-642-8046, visit our website [www.whitevillecity.com](http://www.whitevillecity.com) or send an email to [cbrown@ci.whiteville.nc.us](mailto:cbrown@ci.whiteville.nc.us) for more information.

BASIC FINANCIAL STATEMENTS

City of Whiteville, North Carolina  
Statement of Net Position  
June 30, 2021

Exhibit 1

	Primary Government			City of Whiteville ABC Board
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Investments	\$ 3,070,278	\$ 2,737,288	\$ 5,807,566	\$ 634,301
Taxes Receivable (Net)	64,851	-	64,851	-
Accrued Interest Receivable on Taxes	2,356	-	2,356	-
Accounts Receivable (Net)	1,194	709,392	710,586	-
Due From Other Governments	699,043	26,873	725,916	-
Due From Component Units	49,950	-	49,950	-
Inventories	-	-	-	235,289
Prepaid Expenses	-	-	-	-
Internal Balances	137,576	(137,576)	-	-
<b>Restricted assets:</b>				
Cash and cash equivalents	219,489	144,180	363,669	-
<b>Total Current Assets</b>	<b>4,244,737</b>	<b>3,480,157</b>	<b>7,724,894</b>	<b>869,590</b>
<b>Non-current Assets:</b>				
<b>Capital Assets:</b>				
Land, Non-depreciable Improvements, and Construction in Progress	578,673	1,356,853	1,935,526	-
Other Capital Assets, Net of Depreciation	8,686,660	15,841,079	24,527,739	111,540
<b>Total Capital Assets</b>	<b>9,265,333</b>	<b>17,197,932</b>	<b>26,463,265</b>	<b>111,540</b>
<b>Total Assets</b>	<b>13,510,070</b>	<b>20,678,089</b>	<b>34,188,159</b>	<b>981,130</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	1,101,262	269,844	1,371,106	19,115
OPEB deferrals	297,523	134,591	432,114	-
<b>Total deferred outflows of resources</b>	<b>1,398,785</b>	<b>404,435</b>	<b>1,803,220</b>	<b>19,115</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable and Accrued Liabilities	161,228	101,452	262,680	406,228
Customer Deposits	5,400	144,180	149,580	-
Unspent CARES Act Funding	5,364	-	5,364	-
Due to Primary Government	-	-	-	49,950
Accrued Interest Payable	35,902	8,181	44,083	-
Current portion of long-term liabilities	435,778	231,998	667,776	-
<b>Total current liabilities</b>	<b>643,672</b>	<b>485,811</b>	<b>1,129,483</b>	<b>456,178</b>
<b>Long-Term Liabilities:</b>				
Net Pension Liability	1,229,027	490,146	1,719,173	41,094
Total Pension Liability	726,584	-	726,584	-
Total OPEB Liability	1,490,962	724,517	2,215,479	-
Due in more than one year	3,594,038	1,763,238	5,357,276	-
<b>Total Liabilities</b>	<b>7,684,283</b>	<b>3,463,712</b>	<b>11,147,995</b>	<b>497,272</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	95,922	7,050	102,972	12,171
OPEB deferrals	697,474	338,932	1,036,406	-
Prepaid licenses	360	-	360	-
<b>Total deferred inflows of resources</b>	<b>793,756</b>	<b>345,982</b>	<b>1,139,738</b>	<b>12,171</b>
<b>Net Position</b>				
Net investment in capital assets	5,493,009	15,263,605	20,756,614	111,540
<b>Restricted for:</b>				
Stabilization by State Statute	1,467,582	-	1,467,582	-
Streets	214,930	-	214,930	-
Economic Development	199,563	-	199,563	-
Other	-	-	-	63,650
Unrestricted	(944,268)	2,009,225	1,064,957	315,612
<b>Total Net Position</b>	<b>\$ 6,430,816</b>	<b>\$ 17,272,830</b>	<b>\$ 23,703,646</b>	<b>\$ 490,802</b>



City of Whiteville, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2021

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	City of Whiteville ABC Board
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 698,141	\$ 37,870	\$ -	\$ -	\$ (660,271)	\$ -	\$ (660,271)	\$ -
Public safety	3,908,516	27,288	408,018	-	(3,473,210)	-	(3,473,210)	-
Transportation	540,448	-	146,980	-	(393,468)	-	(393,468)	-
Environmental Protection	-	-	3,844	-	3,844	-	3,844	-
Economic & physical	557,322	-	77,098	221,086	(259,138)	-	(259,138)	-
Cultural and recreation	165,934	18,363	-	-	(147,571)	-	(147,571)	-
Interest on Long-Term Debt	85,683	-	-	-	(85,683)	-	(85,683)	-
Total governmental activities	5,956,044	83,521	635,940	221,086	(5,015,497)	-	(5,015,497)	-
Business-type activities:								
Water	891,217	850,519	29,750	-	-	(10,948)	(10,948)	-
Sewer	1,812,274	1,883,169	22,307	-	-	93,202	93,202	-
Stormwater	216,218	218,448	-	-	-	2,230	2,230	-
Sanitation	1,224,712	1,299,102	-	-	-	74,390	74,390	-
Total business-type activities	4,144,421	4,251,238	52,057	-	-	158,874	158,874	-
Total primary government	10,100,465	4,334,759	687,997	221,086	(5,015,497)	158,874	(4,856,623)	-
Component Unit:								
City of Whiteville ABC Board	\$ 1,464,300	\$ 1,654,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,587
Total Component Unit	1,464,300	1,654,887	-	-	-	-	-	190,587
General revenues:								
Taxes:								
Property taxes, levied for general purpose					2,499,235		2,499,235	
Other taxes					8,635		8,635	
Grants and contributions not restricted to specific program					2,070,656		2,070,656	
Unrestricted investment earnings					1,323		1,323	
Miscellaneous					47,852	160,497	208,349	2,770
Total general revenues not including transfers					4,627,701	160,497	4,788,198	2,770
Transfers					95,685	(95,655)	(170)	
Total general revenues and transfers					4,723,386	64,842	4,788,028	2,770
Change in net position					(292,111)	223,516	(68,594)	193,357
Net position, beginning					6,722,927	17,049,315	23,772,242	297,445
Net position, ending					6,430,816	17,272,830	23,703,646	490,802

The Notes To The Financial Statements Are An Integral Part Of This Statement.

City of Whiteville, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2021

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	ABC Store Building Construction	Non-Major Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,982,466	373,198	\$ 714,614	\$ 3,070,278
Restricted Cash	214,089	-	5,400	219,489
Receivables, net:				
Taxes	64,437	-	414	64,851
Accounts	1,194	-	-	1,194
Due from other governments	590,500	-	108,543	699,043
Due from component unit	49,950	-	-	49,950
Due from other funds	825,938	-	-	825,938
Total assets	\$ 3,728,574	\$ 373,198	\$ 828,971	\$ 4,930,743
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	159,775	-	1,453	161,228
Due to other funds	144,361	371,409	172,592	688,362
Security Deposits	-	-	5,400	5,400
Unspent CARES Act Funding	-	-	5,364	5,364
Total liabilities	304,136	371,409	184,809	860,354
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	64,437	-	414	64,851
Prepaid licenses	360	-	-	360
Total deferred inflows of resources	64,797	-	414	65,211
Fund balances:				
Restricted				
Stabilization by State Statute	1,467,582	-	-	1,467,582
Streets	214,930	-	-	214,930
Economic Development	-	-	199,563	199,563
Assigned				
Economic Development	-	-	84,034	84,034
Cultural & Recreational	-	-	95,000	95,000
Capital Outlay	-	(371,409)	48,024	(323,385)
Hurricane Recovery	-	-	235,210	235,210
Public Safety	-	-	2,318	2,318
Unassigned	1,677,129	373,198	(20,401)	2,029,926
Total fund balances	3,359,641	1,789	643,748	4,005,178
Total liabilities, deferred inflows of resources and fund balances	\$ 3,728,574	\$ 373,198	\$ 828,971	

(continued)

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2021

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Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	\$	4,005,178
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,265,333
Deferred outflows of resources related to pensions are not reported in the funds		1,101,262
Deferred outflows of resources related to OPEB are not reported in the funds		297,523
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.		2,356
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		64,851
Pension related deferrals		(95,922)
OPEB related deferrals		(697,474)
Net pension asset (liability)		(1,229,027)
Total pension liability		(726,584)
Total OPEB liability		(1,490,962)
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		(4,065,718)
Net position of governmental activities	\$	<u>6,430,816</u>

City of Whiteville, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2021

Exhibit 4

	Major Fund			Total Governmental Funds
	General Fund	ABC Store Building Construction	Non-Major Funds	
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,453,686	\$ -	\$ 27,013	\$ 2,480,699
Other taxes and licenses	8,635	-	-	8,635
Unrestricted intergovernmental	2,070,656	-	-	2,070,656
Restricted intergovernmental	290,672	-	566,354	857,026
Permits and fees	37,870	-	-	37,870
Investment earnings	1,323	-	-	1,323
Sales and Service	45,651	-	-	45,651
Miscellaneous	37,816	1,646	8,390	47,852
Total revenues	4,946,309	1,646	601,757	5,549,712
<b>EXPENDITURES</b>				
Current:				
General government	431,837	-	1,848	433,685
Public safety	3,448,095	-	139,037	3,587,132
Transportation	393,706	-	-	393,706
Environmental protection	-	-	-	-
Cultural and recreational	371,040	-	-	371,040
Economic Development	-	-	165,642	165,642
Capital Outlay	-	966,048	209,092	1,175,140
Debt Service:				
Principal	390,951	-	-	390,951
Interest & Other Charges	89,523	-	-	89,523
Total expenditures	5,125,152	966,048	515,619	6,606,819
Excess (deficiency) of revenues over expenditures	(178,843)	(964,402)	86,138	(1,057,107)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to) other funds	(281,370)	-	190,334	(91,036)
Transfers from other funds	186,721	-	-	186,721
Lease and Installment Loan Proceeds	176,591	-	-	176,591
Total other financing sources (uses)	81,942	-	190,334	272,276
Net change in fund balance	(96,901)	(964,402)	276,472	(784,831)
Fund balances, beginning	3,456,542	966,190	367,276	4,790,008
Fund balances, ending	\$ 3,359,641	\$ 1,789	\$ 643,748	\$ 4,005,178

City of Whiteville, North Carolina  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2021

Exhibit 5

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

Net changes in fund balances - total governmental funds \$ (784,831)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	1,257,787	
Depreciation expense for governmental assets	(735,269)	
Gain (Loss) on Disposal	-	522,518

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 238,240

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities 9,819

OPEB benefit payments paid and administrative costs made in the current year are not included on the Statement of Activities 36,752

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

Change in unavailable revenue for tax revenues 18,536

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	(176,591)	
Principal payments on long-term debt	390,951	
Decrease in accrued interest payable	3,839	218,199

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

Compensated absences & related liabilities	(31,944)	
Pension expense - LGERS	(412,794)	
Pension expense - LEOSSA	(91,215)	
OPEB expense	(15,393)	(551,346)

Total changes in net position of governmental activities \$ (292,111)

## General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,516,514	\$ 2,510,334	\$ 2,453,686	\$ (56,648)
Other taxes and licenses	7,280	7,280	8,635	1,355
Unrestricted intergovernmental revenues	1,806,618	1,903,676	2,070,656	166,980
Restricted intergovernmental revenues	105,636	242,239	290,672	48,433
Permits and fees	53,262	41,642	37,870	(3,772)
Investment Earnings	52,962	52,962	1,323	(51,639)
Sales and Services	37,790	37,790	45,651	7,861
Miscellaneous	8,638	17,896	37,816	19,920
Total revenues	<u>4,588,700</u>	<u>4,813,819</u>	<u>4,946,309</u>	<u>132,490</u>
<b>Expenditures:</b>				
Current:				
General government	561,598	449,220	431,839	17,381
Public safety	3,573,097	3,582,800	3,448,095	134,705
Transportation	351,657	430,489	393,706	36,783
Cultural and recreation	435,248	399,395	371,040	28,355
Debt Service:				
Principal retirement	-	492,354	390,951	101,403
Interest and fees	-	98,615	89,523	9,092
Total expenditures	<u>4,921,600</u>	<u>5,452,873</u>	<u>5,125,154</u>	<u>327,719</u>
Revenues over/(under) expenditures	<u>(332,900)</u>	<u>(639,054)</u>	<u>(178,845)</u>	<u>460,209</u>
Other financing sources (uses):				
Transfer from (to) other fund:				
Special Revenue	(5,100)	10,641	10,641	-
Capital Project Fund	(52,000)	(208,645)	(201,145)	7,500
Stormwater Fund	-	(28,225)	(28,225)	-
Sewer Fund	-	124,080	124,080	-
Lease and Installment Loan Proceeds	70,000	226,054	176,591	(49,463)
Appropriated Fund Balance	320,000	515,148	-	(515,148)
Total other financing sources (uses)	<u>332,900</u>	<u>639,054</u>	<u>81,942</u>	<u>(557,112)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(96,903)</u>	<u>\$ (96,903)</u>
Fund balance, beginning of year			<u>3,456,542</u>	
Fund balance, end of year			<u>\$ 3,359,641</u>	

City of Whiteville, North Carolina  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2021

Exhibit 7

	Major			Non-Major	Total
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 847,818	\$ 1,466,883	\$ 137,204	\$ 285,383	\$ 2,737,288
Accounts receivable (net) - billed	212,435	196,606	99,455	7,848	516,344
Accounts receivable (net) - unbilled	42,928	90,293	56,706	-	189,927
Miscellaneous Receivable	1,402	1,186	533	-	3,121
Due From Other Funds	84,361	8,861	60,000	-	153,222
Due From Other Governments	8,189	13,463	1,183	4,038	26,873
<b>Restricted Assets:</b>					
Cash and cash equivalents	144,180	-	-	-	144,180
<b>Total current assets</b>	<b>1,341,313</b>	<b>1,777,292</b>	<b>355,081</b>	<b>297,269</b>	<b>3,770,955</b>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land and other non-depreciable assets	34,131	1,307,722	-	15,000	1,356,853
Other capital assets, net of depreciation	2,294,336	12,917,262	60,394	569,087	15,841,079
<b>Capital Assets (net)</b>	<b>2,328,467</b>	<b>14,224,984</b>	<b>60,394</b>	<b>584,087</b>	<b>17,197,932</b>
<b>Total noncurrent assets</b>	<b>2,328,467</b>	<b>14,224,984</b>	<b>60,394</b>	<b>584,087</b>	<b>17,197,932</b>
<b>Total Assets</b>	<b>3,669,780</b>	<b>16,002,276</b>	<b>415,475</b>	<b>881,356</b>	<b>20,968,887</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan deferrals	78,417	126,318	38,536	26,573	269,844
OPEB deferrals	49,013	58,598	15,694	11,286	134,591
<b>Total deferred outflows of resources</b>	<b>127,430</b>	<b>184,916</b>	<b>54,230</b>	<b>37,859</b>	<b>404,435</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts Payable and Accrued Liabilities	18,751	48,687	32,380	1,634	101,452
Due to Other Funds	-	195,798	-	95,000	290,798
Customer Deposits	144,180	-	-	-	144,180
Accrued Interest Payable	-	8,181	-	-	8,181
Current Maturities of Long Term Debt	11,183	204,242	-	16,573	231,998
<b>Total Current Liabilities</b>	<b>174,114</b>	<b>456,908</b>	<b>32,380</b>	<b>113,207</b>	<b>776,609</b>
<b>Noncurrent Liabilities</b>					
Compensated Absences	6,259	46,594	-	8,055	60,908
Total OPEB Liability	255,666	314,598	89,727	64,526	724,517
Net Pension Liability	142,437	229,444	69,997	48,268	490,146
Long Term Debt	100,634	1,584,727	-	16,969	1,702,330
<b>Total Noncurrent liabilities</b>	<b>504,996</b>	<b>2,175,363</b>	<b>159,724</b>	<b>137,818</b>	<b>2,977,901</b>
<b>Total Liabilities</b>	<b>679,110</b>	<b>2,632,271</b>	<b>192,104</b>	<b>251,025</b>	<b>3,754,510</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	2,049	3,300	1,007	694	7,050
OPEB deferrals	119,601	147,170	41,975	30,186	338,932
<b>Total deferred inflows of resources</b>	<b>121,650</b>	<b>150,470</b>	<b>42,982</b>	<b>30,880</b>	<b>345,982</b>
<b>Net Position</b>					
Net investment in capital assets	2,216,651	12,436,015	60,394	550,545	15,263,605
Unrestricted	779,799	968,436	174,225	86,765	2,009,225
<b>Total Net Position of Business - Type Activities</b>	<b>\$ 2,996,450</b>	<b>\$ 13,404,451</b>	<b>\$ 234,619</b>	<b>\$ 637,310</b>	<b>\$ 17,272,830</b>

City of Whiteville, North Carolina  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021

Exhibit 8

	Major			Non-Major	Total
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	
<b>Operating revenues:</b>					
Charges for services	\$ 772,416	\$ 1,883,259	\$ 1,299,102	\$ 218,448	\$ 4,173,225
Other operating revenues	78,103	(90)	-	-	78,013
Total operating revenues	<u>850,519</u>	<u>1,883,169</u>	<u>1,299,102</u>	<u>218,448</u>	<u>4,251,238</u>
<b>Operating Expenses:</b>					
Administration	20,664	168,726	-	-	189,390
Water Operations	800,669	-	-	-	800,669
Sewer Operations	-	561,248	-	-	561,248
Waste Water Treatment & Distribution Plant	-	640,247	-	-	640,247
Stormwater Operations	-	-	-	187,961	187,961
Sanitation	-	-	1,204,380	-	1,204,380
Depreciation	69,886	418,757	20,332	27,858	536,833
Total operating expenses	<u>891,219</u>	<u>1,788,978</u>	<u>1,224,712</u>	<u>215,819</u>	<u>4,120,728</u>
Operating income (loss)	<u>(40,700)</u>	<u>94,191</u>	<u>74,390</u>	<u>2,629</u>	<u>130,510</u>
<b>Nonoperating revenues (expenses):</b>					
Investment earnings	-	-	-	-	-
Interest and fees	-	(23,296)	-	(399)	(23,695)
Water Tank Lease	45,718	-	-	-	45,718
Sewer Line Expansion Revenue	-	112,858	-	-	112,858
Miscellaneous income	1,921	-	-	-	1,921
Total nonoperating revenues (expenses)	<u>47,639</u>	<u>89,562</u>	<u>-</u>	<u>(399)</u>	<u>136,802</u>
Income (Loss) Before Contributions and	6,939	183,753	74,390	2,230	267,312
Capital contributions	29,750	22,307	-	-	52,057
Transfers from (to) other funds	-	(124,080)	-	28,225	(95,855)
Total Income (Loss) After Contributions	<u>36,689</u>	<u>81,980</u>	<u>74,390</u>	<u>30,455</u>	<u>223,514</u>
Change in Net Position	36,689	81,980	74,390	30,455	223,515
Total Net Position, Beginning	2,777,020	13,505,211	160,229	606,855	17,049,315
Restatement (see Note 5)	182,741	(182,741)	-	-	-
Total Net Position, Ending	<u>\$ 2,996,450</u>	<u>\$ 13,404,451</u>	<u>\$ 234,619</u>	<u>\$ 637,310</u>	<u>\$ 17,272,830</u>



City of Whiteville, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

Exhibit 9

	Major		Non-Major		Total
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 820,804	\$ 1,826,887	\$ 1,291,992	\$ 225,644	\$ 4,165,327
Cash paid for goods and services	(397,538)	(892,027)	(1,017,798)	(22,307)	(2,329,670)
Cash paid to employees for services	(412,619)	(586,884)	(159,853)	(154,436)	(1,313,792)
Customer deposits received / (returned)	(22,593)	-	-	-	(22,593)
Net cash provided by (used in) operating activities	<u>(11,946)</u>	<u>347,976</u>	<u>114,341</u>	<u>48,901</u>	<u>499,272</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(3,750)	(1,021,548)	(3,750)	(162,321)	(1,191,369)
Installment Purchase Proceeds	-	1,015,090	-	50,946	1,066,036
Principal paid on loans	(11,183)	(464,897)	-	(17,404)	(493,484)
Interest & fees paid on loans	(2,741)	(23,923)	-	(399)	(27,063)
Miscellaneous income	1,921	-	-	-	1,921
Capital Contributions & Miscellaneous Grants	29,750	22,307	-	-	52,057
Sewer line expansion revenue	-	112,858	-	-	112,858
Water tank lease	45,718	-	-	-	45,718
Net cash provided by (used in) capital and related financing activities	<u>59,715</u>	<u>(360,113)</u>	<u>(3,750)</u>	<u>(129,178)</u>	<u>(433,326)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to/from other funds & transfers	(41,693)	30,151	(60,000)	95,000	23,458
Transfers to / from other funds	-	(124,080)	-	28,225	(95,855)
Net cash provided by (used in) non-capital financing activities	<u>(41,693)</u>	<u>(93,929)</u>	<u>(60,000)</u>	<u>123,225</u>	<u>(72,397)</u>
Cash flows from investment activities:					
Interest on investments	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	6,079	(106,062)	50,592	42,947	(6,444)
Cash and cash equivalents, July 1	985,919	1,572,945	86,612	242,436	2,887,912
Cash and cash equivalents, June 30	<u>\$ 991,998</u>	<u>\$ 1,466,883</u>	<u>\$ 137,204</u>	<u>\$ 285,383</u>	<u>\$ 2,881,468</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (40,700)	\$ 94,191	\$ 74,390	\$ 2,629	\$ 130,510
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	69,886	418,757	20,332	27,858	536,833
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(28,145)	(63,996)	(9,506)	3,456	(98,190)
(Increase) decrease in due from other governments	4,326	22,807	2,109	3,740	32,982
(Increase) decrease in miscellaneous receivable	(5,893)	(15,093)	287	-	(20,699)
(Increase) decrease in prepaid expense	-	-	-	-	-
(Increase) decrease in deferred outflows of resources - pension	(18,022)	(29,031)	(8,856)	(6,107)	(62,016)
(Increase) decrease in deferred outflows of resources for OPEB	(44,044)	(53,247)	(14,977)	(10,770)	(123,038)
Increase (decrease) in accounts payable and other liabilities	(6,366)	(132,603)	18,190	10	(120,769)
Increase (decrease) in accrued vacation pay	2,676	(3,026)	-	5,359	5,009
Increase (decrease) in deferred inflows of resources - pension	(1,915)	(3,085)	(941)	(649)	(6,590)
Increase (decrease) in deferred inflows of resources - OPEB	(19,917)	(24,507)	(6,990)	(5,026)	(56,440)
Increase (decrease) in OPEB liability	58,598	72,106	20,565	14,789	166,058
Increase (decrease) in net pension liability	40,166	64,703	19,738	13,611	138,218
Increase (decrease) in customer deposits	(22,593)	-	-	-	(22,593)
Total adjustments	<u>28,757</u>	<u>253,785</u>	<u>39,951</u>	<u>46,272</u>	<u>368,763</u>
Net cash provided by (used in) operating activities	<u>\$ (11,946)</u>	<u>\$ 347,976</u>	<u>\$ 114,341</u>	<u>\$ 48,901</u>	<u>\$ 499,272</u>

CITY OF WHITEVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Whiteville and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The City of Whiteville is a municipal corporation, incorporated in 1834, that is governed by an elected mayor and a six member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally-separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

**Whiteville ABC Board**

The members of the ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by State statute to distribute 55% of its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be reviewed at the Board's administrative offices at 112 South J.K. Powell Blvd., Whiteville, North Carolina 28472.

**B. Basis of Presentation**

*Government-wide Statements*: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The City reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, transportation, and environmental protection services.

**ABC Store Building Construction Fund.** This fund is used to account for the acquisition of land and construction expenses of the new ABC Store.

The City reports the following non-major governmental funds:

**WDDC Tax District Fund.** This fund accounts for the ad valorem tax levy of the municipal service district established at the request of the Whiteville Downtown City Development Commission.

**Hurricane Matthew Project Fund.** This fund is used to account for repairs necessary as a result of Hurricane Matthew.

**Firehouse Subs Grant Fund.** This fund is used to account for grant proceeds and related expenditures associated with the Firehouse Subs Grant received by the City.

**FEMA AFG Grant Fund.** This fund is used to account for grant proceeds received to purchase fire department equipment.

**HMGP Property Acquisition Fund.** This fund is used to account for funding received to purchase homes that were flooded in Hurricane Matthew.

**Hurricane Dorian Recovery Fund.** This fund is used to account for repairs necessary as a result of Hurricane Dorian.

**CARES Act Fund.** This fund is used to account for CARES Act funding received from the County. These funds will be used for relevant COVID-19 expenditures.

**Vineland Station.** This fund is used to account for rental activity and associated expenses of the Vineland Station.

**City Hall Construction Fund.** This fund accounts for capital expenditures associated with the building of the new City Hall.

**Downtown Master Plan.** This fund is used to account for USDA Grant proceeds and related expenditures for the downtown development.

**AFG COVID-19 Grant Fund.** This fund is used to account for AFG Covid-19 Grant proceeds and related expenditures for the mitigation of Covid-19.

**Parks Pedestrian Bridge Construction.** This fund is used to account for the related expenditures for the construction of the pedestrian bridge.

**Parks Construction Fund.** This fund is used to account for park construction projects.

**Hurricane Florence Recovery Fund.** This fund accounts for expenditures associated with Hurricane Florence recovery.

**HMGP Generator Fund.** This fund is used to account for grant funds received to purchase a generator.

**Downtown WIFI Project Fund.** This fund is used to account for grant funds received to update the WIFI equipment downtown.

**Duke Energy Grant.** This fund is used to account for grant funds received to purchase public safety equipment.

The City reports the following major enterprise funds:

**Water Fund.** This fund is used to account for the City's water operations.

**Sewer Fund.** This fund is used to account for the City's sewer operations.

**Sanitation Fund.** This fund is used to account for the City's sanitation operations.

The City reports the following non-major enterprise fund:

**Stormwater Fund.** This fund is used to account for the City's stormwater operations.

#### C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. 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 nonoperating revenues and expenses.

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Whiteville because the tax is levied by Columbus County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenue.

#### D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, WDDC Tax District, the Water Fund, the Sewer Fund, the Sanitation Fund, and the Stormwater Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the remaining Special Revenue Funds, Capital Project Funds, and the Enterprise Capital Project Funds, which are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Any revisions that alter the total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the City and ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers acceptances; and the North Carolina Capital Management Trust (NCCMT). The City's and the ABC Board's investments are reported at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Unexpended loan proceeds are classified as restricted assets, as the loan proceeds were restricted for project expenses. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

City of Whiteville Restricted Cash

Governmental Activities	
General Fund	
Powell Bill Funds - Streets	\$ 214,089
Vineland Station	5,400
Total Governmental activities	<u>\$ 219,489</u>
Business-type Activities	
Water Fund	
Customer Deposits	\$ 144,180
Total business-type activities	<u>\$ 144,180</u>
Total Restricted Cash	<u>\$ 363,669</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory and Prepaid Items

The inventories of the ABC Board are valued at LIFO. The City does not keep enough supplies on hand to require maintaining an inventory; expendable supplies are recorded as expenditures when purchased.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$0; equipment, furniture and fixtures, and vehicles, \$5,000; streets, \$100,000; wells, tanks, and bridges, \$100,000; culverts, \$15,000 and sidewalks and water and sewer lines, \$10,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the City are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Water and Sewer Distribution Lines	67 Years
Buildings	45 Years
Water and Sewer Equipment	40 Years
Infrastructure	30 Years
Equipment & Furniture	5-10 Years
Computers	3 - 5 Years
Vehicles	5-15 Years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the state 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 and so will not be recognized as an expense or expenditure until then. The City has two items that meets this criterion, pension deferrals and OPEB deferrals. 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 and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – property taxes receivable, pension deferrals, and OPEB deferrals.

9. Long-Term Obligations

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

In 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policy of the City allows for the maximum accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a last-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Full-time employees are entitled to eight days sick leave per calendar year, regardless of length of employment, and unused sick leave benefits are allowed to accumulate. Since the Board has no obligation for accumulated sick leave until it is actually taken no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

**Restricted Fund Balance** – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Whiteville's governing body. Any changes or removal of specific purpose requires majority action by the governing body.

**Assigned Fund Balance** – portion of fund balance that City of Whiteville intends to use for specific purposes.

- **Economic Development** – Portion of fund balance that is assigned to WDDC Development and other Economic Development projects.
- **Capital Outlay** – Portion of fund balance that is assigned to the building of the ABC store and equipments for other funds.
- **Hurricane Recovery** – Portion of fund balance that is assigned for Hurricane Recovery.
- **Public Safety** – Portion of fund balance that was remaining from firefighters grants received and not yet spent.

- Subsequent year's expenditures – Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

## 12. Defined Benefit Cost-Sharing Plans

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

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. 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.

### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Deficit in Fund Balance or Net Position of Individual Funds

None.

### NOTE 3: DETAIL NOTES ON ALL FUNDS

#### A. Assets

##### 1. Deposits

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

At June 30, 2021, the City's deposits had a carrying amount of \$2,042,693 and a bank balance of \$2,282,311. The carrying amount of deposits for the ABC Board was \$633,426 and the bank balance was \$662,328. Of the ABC Board's bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Of the City's bank balance, \$500,000 was covered by FDIC and the excess deposits were collateralized under the pooling method. Included in the carrying amount at June 30, 2021 was the City's petty cash fund which totaled \$200 and the ABC Board had petty cash which totaled \$875.



2. Investments

At June 30, 2021, the City's investment balances were as follows:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/21</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value- Level 1	\$ 4,128,542	N/A	AAAm
Total:		\$ 4,128,542		

3. Accounts Receivable and Due From Other Governments

The amounts presented in the Statement of Net Position are shown below:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Sales Tax Refund Receivable	\$ 59,099	\$ 23,922
Charges for Services - Billed	-	516,345
Charges for Services - Unbilled	-	189,927
Motor Vehicle Tax Receivable	20,026	-
Due from County - Taxes / Stormwater	17,440	2,952
ABC Board A/R	49,950	-
Returned Checks & Other Misc.Receivables	4,048	3,120
Franchise Tax Receivable	110,103	-
Local Option Sales Tax Receivable	410,838	-
Other Grants	78,683	-
Total	<u>\$ 750,187</u>	<u>\$ 736,265</u>

Receivables – Allowance for Doubtful Accounts

The amount presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowances for doubtful accounts.

<u>Fund</u>	<u>6/30/21</u>
General Fund:	
Taxes Receivable	<u>\$ 24,000</u>
Enterprise Funds:	
Water Fund	80,167
Sewer Fund	28,357
Sanitation Fund	44,436
Total - Enterprise Funds	<u>\$ 152,959</u>

4. Capital Assets

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases and Adjustments	Decreases	Ending Balances
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 318,182	\$ -	\$ -	\$ 318,182
Construction in Progress	358,445	966,046	1,064,000	260,491
Total capital assets not being depreciated	676,627	966,046	1,064,000	578,673
<b>Capital assets being depreciated</b>				
Buildings	6,051,939	1,063,998	-	7,115,937
Infrastructure	2,269,820	-	-	2,269,820
Equipment & Furn. & Fixtures	2,852,147	119,336	-	2,971,483
Vehicles	4,433,203	172,407	55,994	4,549,616
Total capital assets being depreciated	15,607,109	1,355,741	55,994	16,906,856
<b>Less accumulated depreciation for:</b>				
Buildings	1,650,670	140,204	-	1,790,874
Infrastructure	1,622,208	65,430	-	1,687,638
Equipment & Furn. & Fixtures	1,425,557	208,566	-	1,634,123
Vehicles	2,842,486	321,069	55,994	3,107,561
Total accumulated depreciation	7,540,921	\$ 735,269	\$ 55,994	8,220,196
Total capital assets being depreciated, net	8,066,188			8,686,660
<b>Governmental activity capital assets, net</b>	<b>\$ 8,742,815</b>			<b>\$ 9,265,333</b>

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

General Government	\$ 110,788
Public Safety	305,698
Transportation	144,985
Cultural & Recreational	173,797
Total Depreciation Expense	<u>\$ 735,269</u>

**Business-type activities:**

**Water Fund**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 34,131	\$ -	\$ -	\$ 34,131
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	34,131	-	-	34,131
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	6,013,210	-	-	6,013,210
Furniture, Maint Equip, & Vehicles	354,894	3,750	-	358,644
Total capital assets being depreciated	6,368,104	3,750	-	6,371,854
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	3,669,483	59,396	-	3,728,879
Furniture, Maint Equip, & Vehicles	338,149	10,490	-	348,639
Total accumulated depreciation	4,007,632	\$ 69,886	\$ -	4,077,518
Total capital assets being depreciated, net	2,360,472			2,294,336
<b>Water fund capital assets, net</b>	<b>\$ 2,394,603</b>			<b>\$ 2,328,467</b>

**Sewer Fund**

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 171,887	\$ -	\$ -	\$ 171,887
Construction in Progress	115,287	1,020,548	-	1,135,835
Total capital assets not being depreciated	287,174	1,020,548	-	1,307,722
Capital assets being depreciated:				
Plant and distribution systems	19,666,894	-	-	19,666,894
Furniture, Maint Equip, & Vehicles	1,420,176	1,000	-	1,421,176
Total capital assets being depreciated	21,087,070	1,000	-	21,088,070
Less accumulated depreciation for:				
Plant and distribution systems	6,681,116	364,274	-	7,045,390
Furniture, Maint Equip, & Vehicles	1,070,935	54,483	-	1,125,418
Total accumulated depreciation	7,752,051	\$ 418,757	\$ -	8,170,808
Total capital assets being depreciated, net	13,335,019			12,917,262
Sewer fund capital assets, net	\$ 13,622,193			\$ 14,224,984

**Stormwater Fund**

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	15,000	-	15,000
Total capital assets not being depreciated	-	15,000	-	15,000
Capital assets being depreciated:				
Plant and distribution systems	400,000	94,772	-	494,772
Furniture, Maint Equip, & Vehicles	60,384	52,549	-	112,933
Total capital assets being depreciated	460,384	147,321	-	607,705
Less accumulated depreciation for:				
Plant and distribution systems	5,000	10,527	-	15,527
Furniture, Maint Equip, & Vehicles	5,760	17,332	-	23,092
Total accumulated depreciation	10,760	\$ 27,858	\$ -	38,618
Total capital assets being depreciated, net	449,624			569,087
Stormwater fund capital assets, net	\$ 449,624			\$ 584,087

**Sanitation Fund**

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Plant and distribution systems	-	-	-	-
Furniture, Maint Equip, & Vehicles	111,720	3,750	-	115,470
Total capital assets being depreciated	111,720	3,750	-	115,470
Less accumulated depreciation for:				
Plant and distribution systems	-	-	-	-
Furniture, Maint Equip, & Vehicles	34,744	20,332	-	55,076
Total accumulated depreciation	34,744	\$ 20,332	\$ -	55,076
Total capital assets being depreciated, net	76,976			60,394
Sanitation fund capital assets, net	\$ 76,976			\$ 60,394
Business-type activities capital assets, net	\$ 16,543,396			\$ 17,197,932

Construction Commitments

The City has active construction projects as of June 30, 2021. Commitment with contractors are as follows.

	<u>Paid to Date</u>	<u>Remaining</u>
Mollies Branch Phase I Sewer Construction	\$ 1,038,586	\$ 117,424

B. - Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Whiteville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Whiteville's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.22% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Whiteville were \$333,252 for the year ended June 30, 2021.

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

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

At June 30, 2021, the City reported a liability of \$1,719,175 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the City's proportion was .04811% (measured as of June 30, 2020), which was an increase of .00291% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the City recognized pension expense of \$577,420. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 217,102	\$ -
Changes of assumptions	127,940	-
Net difference between projected and actual earnings on pension plan investments	241,928	-
Changes in proportion and differences between City contributions and proportionate share of contributions	26,242	24,736
City contributions subsequent to the measurement date	333,252	-
Total	<u>\$ 946,464</u>	<u>\$ 24,736</u>

\$333,252 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 161,224
2023	217,502
2024	138,150
2025	71,600
2026	-
Thereafter	-
	<u>\$ 588,476</u>

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

Inflation	3.0 percent
Salary Increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 3,488,019	\$ 1,719,175	\$ 249,141

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

#### b. Law Enforcement Officers Special Separation Allowance

##### 1. Plan Description.

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

The Separation Allowance covers all full-time law enforcement officers of the City. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	3
Terminated plan members entitled to but no yet receiving benefits	0
Active Plan Members	<u>24</u>
Total	<u><u>27</u></u>

2. *Summary of Significant Accounting Policies:*

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

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

3. *Actuarial Assumptions*

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

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

The discount rate is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

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

**Mortality Rate**

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

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

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

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

4. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$19,639 as benefits came due for the reporting period.

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

At June 30, 2021, the City reported a total pension liability of \$726,584. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$91,215.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,671	\$ 71,331
Changes of assumptions	197,151	6,907
City benefit payments and plan administrative expense made subsequent to the measurement date	9,819	-
Total	<u>\$ 424,641</u>	<u>\$ 78,238</u>

\$9,819 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 62,737
2023	63,172
2024	73,734
2025	85,922
2026	51,019
Thereafter	-
	<u>\$ 336,584</u>

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (0.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 790,388	\$ 726,584	\$ 668,374

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

Beginning Balance	\$ 216,654
Service Cost	31,947
Interest on the total pension liability	6,743
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	265,198
Changes of assumptions or other inputs	225,681
Benefit payments	(19,639)
Other changes	-
Ending balance of the total pension liability	<u>\$ 726,584</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 (measurement date) to 1.93 percent at June 30, 2020 (measurement date).

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.



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

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

	LGERS	LEOSSA	Total
Pension Expense (Revenue)	\$ 577,420	\$ 91,215	\$ 668,635
Pension Liability	1,719,175	726,584	2,445,759
Proportionate share of the net pension liability	0.04811%	n/a	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	217,102	217,671	434,773
Changes of assumptions	127,940	197,151	325,091
Net difference between projected and actual earnings on plan investments	241,928	-	241,928
Changes in proportion and differences between contributions and proportionate share of contributions	26,242	-	26,242
Benefit payments and administrative costs paid subsequent to the measurement date	333,252	9,819	343,071
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	-	71,331	71,331
Changes of assumptions	-	6,907	6,907
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	24,736	-	24,736

c. Supplemental Retirement Income Plan (Law Enforcement Officers and Non-Law)

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$81,240, which consisted of \$58,385 from the City and \$22,855 from law enforcement officers. The City has also elected to contribute four and one half a percent of general employees' salaries to the plan on their behalf. General employees may also make voluntary contributions to the plan. Contributions for general employees for the year ended June 30, 2021 were \$149,701, which consisted of \$90,880 from the City and \$58,821 from general employees.

e. Other Postemployment Benefit

Healthcare Benefits

*Plan Description.* Under the terms of a City resolution, the City administers a single-employer defined benefits healthcare plan ("the Retiree Health Plan"). The plan provides postemployment healthcare benefits to retirees of the City, provided they participate in the North Carolina Local Government Employees' Retirement System and have at least 20 years of creditable service with the City for all employees hired prior to June 8, 2010. The City adopted an amendment to the plan that offers healthcare benefits to retirees hired after June 8, 2010 at the following percentages: after 20 years of service, the City will pay 25%; after 25 years of service, the City will pay 50%; after 30 years of service, the City will pay 75%, and after 35 years of service, the City will pay 100%. The City pays the cost of coverage for these benefits through private insurers. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the plan consisted of the following at December 31, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	-
Active Plan Members	59
Total	<u>78</u>

**Total OPEB Liability**

The City's total OPEB liability of \$2,215,480 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Salary increases	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Discount rate	2.21%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026
Medicare	5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

**Changes in the Total OPEB Liability**

Balance at July 1, 2020	\$ 1,707,692
Changes for the year	
Service Cost	67,569
Interest	61,350
Changes in benefit terms	-
Difference between expected and actual experience	429
Changes of assumptions or other inputs	423,629
Benefit payments	(45,189)
Other	-
Net Changes	<u>507,788</u>
Total OPEB Liability at June 30, 2021	<u>\$ 2,215,480</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014, adopted by the LGERS Board.

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

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 2,653,697	\$ 2,215,480	\$ 1,875,861

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 1,838,617	\$ 2,215,480	\$ 2,719,961

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$9,846. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,562	\$ 800,370
Changes of assumptions	384,928	236,035
Benefit payments and administrative costs made subsequent to the measurement date	44,623	-
Total	<u>\$ 1,468,518</u>	<u>\$ 1,036,405</u>

\$44,623 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pension will be recognized as pension expense as follows:

#### Year ended June 30:

2022	\$ (118,313)
2023	(118,313)
2024	(118,313)
2025	(118,313)
2026	(118,313)
Thereafter	(57,350)

#### 2. Other Employment Benefit

The City has also elected to provide death benefits to employees through One America. The City pays the premiums to provide employees life insurance in the amount of one times their annual salary. The City also provides \$15,000 of life insurance coverage for department head retirees and \$5,000 of life insurance coverage for all other retirees.

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

The City has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 333,252
Benefit payments made and administrative expenses for LEOSSA	9,819
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	44,623
Differences between expected and actual experience	
LGERS	217,102
LEOSSA	217,671
OPEB	2,562
Changes of assumptions	
LGERS	127,940
LEOSSA	197,151
OPEB	384,928
Net difference between projected and actual	
LGERS	241,928
Changes in proportion and differences between employer contributions and proportionate share of contributions	
LGERS	26,242
Total	<u>\$ 1,803,220</u>

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

Prepaid taxes (General Fund)	\$ 360
Taxes Receivable, less penalties (General Fund)	64,851
Differences between expected and actual experience	
LGERS	-
LEOSSA	71,331
OPEB	800,370
Changes of assumptions	
LGERS	-
LEOSSA	6,907
OPEB	236,035
Changes in proportion and differences between employer contributions and proportionate share of contributions	
LGERS	24,736
Total	<u>\$ 1,204,589</u>

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$5 million per occurrence, property coverage up to the total insurance values of the property policy and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance and excess policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the City upon request.

The City carries flood insurance through the North Carolina League of Municipalities. The City has areas that have been mapped and designated by the Federal Emergency Management Agency as not being in a flood zone and some are in a flood zone. The City's insurance carrier will provide coverage for those areas in the flood zones B, C, and X, but no coverage is provided for property located in the other flood zones. The City does not have any additional insurance to cover this damage should it occur.

In accordance with G.S. 159-29, The City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000. The remaining employees are that have access to funds are bonded under a blanket bond for \$50,000.

5. Claims, Judgments and Contingent Liabilities

As of June 30, 2021, the City was not involved in any civil or legal actions which in the opinion of management and the City's attorney, would have an adverse or material effect on the City's financial position.

6. Long-Term Obligations

a. Capital Leases

The City has entered several agreements to lease vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

There are two outstanding lease agreements. The first agreement was executed on July 23, 2019 to lease two vehicles and requires three annual payments of \$23,926 including interest of 7.75%. The second agreement was executed on August 23, 2019 to lease equipment to upfit the two new police vehicles and requires three annual payments of \$8,564, including interest of 7.75%. Title passes to the City at the end of the lease term.

The following is an analysis of the assets recorded under capital leases at June 30, 2021:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles - Governmental	\$ 90,627	\$ 33,230	\$ 57,397
Total	\$ 90,627	\$ 33,230	\$ 57,397

The future minimum lease obligations and the net present value of these minimum lease payment as of June 30, 2021 were as follows:

	<u>Governmental</u>	<u>Enterprise</u>
2022	\$ 32,503	-
2023	-	-
2024	-	-
Total Minimum Lease Payments	32,503	-
Less: Amount representing interest	(3,432)	-
Present value of the minimum lease payments	\$ 29,071	\$ -

b. Installment Loans

**Serviced by Governmental Activities:**

<p>\$540,000 direct placement loan with BB&amp;T issued for the purchase of a Rescue Pumper Fire Truck on August 14, 2013. Annual installments of \$47,320, including interest at 3.630% are due in 15 payments. Final payment is scheduled for August 2028. The equipment stands as collateral for the loan. In the event of default, the lender may: (a) declare the unpaid principal immediately due and payable; (b) proceed by appropriate court action to enforce the performance of the covenants of the agreement or to recover for the breach thereof; (c) require the lender to pay over any balance remaining in the project fund to be applied against outstanding Required Payments in any manner the lender may reasonably deem appropriate; and (d) avail itself of all available remedies under the agreement.</p>	\$ 323,518
<p>\$520,000 direct placement loan with BB&amp;T issued for improvements to Nolan Park fitness center and recreation complex on July 13, 2015. Annual installments of \$34,667, including interest at 2.87% are due in 15 payments. Final payment is scheduled for July, 2031. The equipment stands as collateral for the loan. In the event of default, the lender may: (a) declare the unpaid principal immediately due and payable; (b) proceed by appropriate court action to enforce the performance of the covenants of the agreement or to recover for the breach thereof; (c) require the lender to pay over any balance remaining in the project fund to be applied against outstanding Required Payments in any manner the lender may reasonably deem appropriate; and (d) avail itself of all available remedies under the agreement.</p>	346,667
<p>\$2,000,000 direct placement loan with BB&amp;T issued for building the new Town Hall on March 13, 2018. Annual installments of \$200,000, plus interest at 3.01% are due in 10 annual payments. Final payment is scheduled for March 2028. The building stands as collateral for the loan. In the event of default, the lender may withdraw any balance remaining in the project fund and apply the balance against outstanding required payments.</p>	1,400,000
<p>\$688,000 direct placement loan with First Bank issued for purchasing a fire truck on February 3, 2020. Annual payments of \$53,484 including interest at 2.15% are due in 15 annual payments. Final payment is scheduled for June 2034. The equipment stands as collateral for the loan. In the event of default, the lender may: (a) declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the City; (b) proceed by appropriate court action to enforce performance of the covenants of the contract; or (c) pursue any other remedy available at law or equity to the Bank.</p>	598,690
<p>\$950,000 direct placement loan with First Bank issued for building the ABC Store construction on June 5, 2020. Annual installments of \$63,333, plus interest at 2.08% are due in 15 annual payments. Final payment is scheduled for June 2035. The Building stands as collateral for the loan. In the event of default, the lender may: (a) declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the City; (b) proceed by appropriate court action to enforce performance of the covenants of the contract; or (c) pursue any other remedy available at law or equity to the Bank.</p>	950,000

\$57,000 direct placement loan with KS State Bank revolving loan issued for purchase of Fire Department equipment on June 23, 2020. Annual installments of \$12,806, including interest at 2.08% are due in 5 annual payments. Final payment is scheduled for July 2025. The City requested and received \$20,537 as of June 30, 2021. The equipment stands as collateral for the loan. In the event of default, the lender may: (a) declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the City; (b) proceed by appropriate court action to enforce performance of the covenants of the contract; or (c) pursue any other remedy available at law or equity to the Bank.

20,537

\$156,054 direct placement loan with First Bank issued for purchase of three police trucks on August 11, 2020. Annual installments of \$53,409 including interest at 2.39% are due in 3 annual payments. Final payment is scheduled for June 2023. The vehicles stands as collateral for the loan. In the event of default, the lender may: (a) declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the City; (b) proceed by appropriate court action to enforce performance of the covenants of the contract; or (c) pursue any other remedy available at law or equity to the Bank.

103,841

Total Serviced by Governmental Activities

\$ 3,743,252

**Serviced by the Enterprise Funds:**

Note Payable - North Carolina Water Pollution Control Revolving Loan Proceeds

\$2,200,000 direct borrowing agreement with NC Water Pollution Control Revolving Loan, issued for wastewater treatment plant improvements. Principal installments are due annually on May 1 with a semiannual interest payment due on May 1 and November 1, at an interest rate of 2.27%. This note is not secured by a pledge of the faith and credit of the State of North Carolina or of the City, but is payable solely from the revenues of the project or benefited systems, or other available funds. The City agrees that any other monies due to them from the State may be withheld by the State and applied to the payment of this obligation whenever the City fails to pay any amount of principal or interest on this note when due.

\$ 157,143

Note Payable - North Carolina Water Pollution Control Revolving Loan Proceeds

\$2,250,000 direct borrowing agreement with NC Water Pollution Control Revolving Loan, issued for wastewater treatment plant improvements. Principal installments are due annually on May 1 with a semiannual interest payment due on May 1 and November 1, at an interest rate of 2.265%. This note is not secured by a pledge of the faith and credit of the State of North Carolina or of the City, but is payable solely from the revenues of the project or benefited systems, or other available funds. The City agrees that any other monies due to them from the State may be withheld by the State and applied to the payment of this obligation whenever the City fails to pay any amount of principal or interest on this note when due.

162,245

Note Payable - North Carolina Drinking Water State Revolving Loan Proceeds

\$462,104 direct borrowing agreement with NC Drinking Water Revolving Loan issued for a well replacement project. Principal installments in the amount of \$11,183 are due annually on May 1. In July 2013, the City was awarded ARRA funds to refinance the loan, which reduced the principal to \$201,288 and reduced the interest rate to 0%. This note is not secured by a pledge of the faith and credit of the State of North Carolina or of the City, but is payable solely from the revenues of the project or benefited systems, or other available funds. The City agrees that any other monies due to them from the State may be withheld by the State and applied to the payment of this obligation whenever the City fails to pay any amount of principal or interest on this note when due.

111,817

\$50,946 direct placement loan with First Bank issued for purchase of one truck for storm water on August 11, 2020. Annual installments of \$17,803 including interest at 2.39% are due in 3 annual payments. Final payment is scheduled for June 2023. The vehicle stands as collateral for the loan. In the event of default, the lender may: (a) declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the City; (b) proceed by appropriate court action to enforce performance of the covenants of the contract; or (c) pursue any other remedy available at law or equity to the Bank.

33,542

\$1,015,090 revolving loan with NC DEQ issued to fund a sanitary sewer project on September 11, 2020. Annual payments of \$55,779 without interest are due in 20 annual payments. Final payment is scheduled for May 2041. This note is not secured by a pledge of the faith and credit of the State of North Carolina or of the City, but is payable solely from the revenues of the project or benefited systems, or other available funds. The City agrees that any other monies due to them from the State may be withheld by the State and applied to the payment of this obligation whenever the City fails to pay any amount of principal or interest on this note when due.

1,015,090

\$600,000 direct placement loan with BB&T issued to purchase water/sewer equipment on October 10, 2019. Annual payments of \$157,689 including interest at 2.03% are due in 4 annual payments. Final payment is scheduled for October 2023. The equipment stands as collateral for the loan. In the event of default, the lender may: (a) declare the unpaid principal immediately due and payable; (b) proceed by appropriate court action to enforce the performance of the covenants of the agreement or to recover for the breach thereof; (c) require the lender to pay over any balance remaining in the project fund to be applied against outstanding Required Payments in any manner the lender may reasonably deem appropriate; and (d) avail itself of all available remedies under the agreement.

454,491

Total Serviced by Enterprise Funds

\$ 1,934,328

Annual debt service requirements to maturity for the City's Governmental activities are as follows:

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 435,778	\$ 101,539	\$ 551,385	\$ 17,195	\$ 987,163	\$ 118,734
2023	438,725	89,333	235,407	6,618	674,132	95,951
2024	378,369	77,066	221,513	3,137	599,882	80,203
2025	380,662	65,969	66,961	-	447,623	65,969
2026	383,026	54,784	66,961	-	449,987	54,784
2027-2031	1,256,824	127,938	334,798	-	1,591,622	127,938
2032-2036	469,868	26,669	278,894	-	748,762	26,669
2036-2041	-	-	178,409	-	178,409	-
Total	\$ 3,743,252	\$ 543,298	\$ 1,934,328	\$ 26,950	\$ 5,677,580	\$ 570,248

c. Changes in Long – Term Liabilities

	Balance July 01, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion Balance
<b>Governmental Activities:</b>					
Direct placement and borrowing installment agreements	\$ 3,928,547	\$ 176,591	\$ 361,885	\$ 3,743,253	\$ 435,778
Capital Leases	58,137	-	29,066	29,071	-
Total OPEB liability	1,149,234	341,728	-	1,490,962	-
Net pension liability (LGERs)	882,448	346,579	-	1,229,027	-
Net pension liability (LEOSSA)	216,654	509,930	-	726,584	-
Compensated Absences	225,548	31,944	-	257,492	-
<b>Governmental activity</b>					
Long term liabilities	\$ 6,460,568	\$ 1,406,772	\$ 390,951	\$ 7,476,389	\$ 435,778
<b>Business-type Activities:</b>					
<u>Water Fund</u>					
Direct Borrowing Installment Agreement	\$ 123,000	\$ -	\$ 11,183	\$ 111,817	\$ 11,183
Net pension liability (LGERs)	102,271	40,166	-	142,437	-
Total OPEB liability	197,068	58,598	-	255,666	-
Compensated Absences	3,583	2,677	-	6,260	-

Sewer Fund

Direct Borrowing Installment Agreement	1,238,776	1,015,090	464,897	1,788,969	204,242
Net pension liability (LGERS)	164,741	64,704	-	229,445	-
Total OPEB liability	242,492	72,106	-	314,598	-
Compensated Absences	49,620	-	3,025	46,595	-

Sanitation Fund

Net pension liability (LGERS)	50,259	19,739	-	69,998	-
Total OPEB liability	69,162	20,565	-	89,727	-

Stormwater Fund

Direct Borrowing Installment Agreement	-	50,946	17,404	33,542	16,573
Net pension liability (LGERS)	34,657	13,611	-	48,268	-
Total OPEB liability	49,737	14,789	-	64,526	-
Compensated Absences	2,696	5,359	-	8,055	-

## Business-type activity

long term liabilities

\$	2,328,062	\$	1,378,350	\$	496,509	\$	3,209,903	\$	231,998
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At June 30, 2021, the City had a legal debt margin of \$33,554,796.

C. Interfund Balances and Activity

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Mollie Branch Grant Fund Ph. I	\$ 12,298
General Fund	Mollie Branch Grant Fund Ph. II	13,500
General Fund	Stormwater Fund	95,000
General Fund	Sewer Fund	170,000
Sanitation	General Fund	(60,000)
Water Fund	General Fund	(84,361)
General Fund	CARES ACT Fund	(380)
General Fund	Vineland Station Fund	(20,000)
General Fund	AFG Covid-19 Fund	(2,782)
General Fund	Parks Construction Fund	(140,000)
General Fund	Duke Energy Fund	(569)
Sewer Fund	FEMA AFG Grant Fund	(8,861)
		<u>\$ (26,155)</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

Transfer from Hurricane Matthew Recovery Fund to General Fund - to transfer the remaining fund balance	\$	62,641
Transfer from General Fund to WDDC Tax Fund - to provide fund for salary expenditures		52,000
Transfer from General Fund to AFG Covid-19 Fund - to provide fund for supply purchases		1,582
Transfer from General Fund to Parks Pedestrian Bridge Construction Fund - to provide fund for construction expense		199,563
Transfer from City Hall Construction Fund to General Fund - to transfer the remaining fund balance		170
Transfer from Sewer Fund to General Fund - to transfer the fund balance		124,080
Transfer from Sewer Fund to Sewer Study Fund - to provide fund for expenditures		7,500
Transfer from Sewer Fund to Mollies Branch Ph. 1 Fund - to provide fund for construction expenses		94,947
Transfer from General Fund to Downtown Storm Water Construction Fund - to provide fund for construction expense		28,225
Total Transfers	<u>\$</u>	<u>570,708</u>



Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

**D. Net Investment in Capital Assets**

	<u>Governmental</u>	<u>Business-type</u>
Capital Assets	\$ 9,265,333	\$ 17,197,932
less: long-term debt	3,772,324	1,934,328
plus: unspent bond proceeds	-	-
Net investment in capital assets	<u>\$ 5,493,009</u>	<u>\$ 15,263,605</u>

**E. Fund Balance**

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

Total fund balance - General Fund	<u>\$ 3,359,641</u>
Less:	
Prepaid Expenses	-
Stabilization by State Statute	1,467,582
Street - Powell Bill	214,930
USDA Reserve	-
Appropriated Fund Balance in 2022 budget	-
Working Capital/Fund Balance Policy	-
Remaining Fund Balance	<u>\$ 1,677,129</u>

**NOTE 4: Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs**

The City has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**NOTE 5: Restatement**

The City reported a loan in previous years that was split between the Water Fund (30%) and the Sewer Fund (70%). They decided to pay 100% of the loan from the Sewer Fund, so a restatement was recorded to reflect 100% of the liability including accrued interest from the Water Fund to the Sewer Fund.

**NOTE 6: SUBSEQUENT EVENTS**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through November 22, 2021, the date the financial statements were available to be issued.

**ARP COVID Funds**

The City received \$844,388.88 out of \$1,688,788.00 in August 2021 from the American Rescue Plan Act of 2021. These funds are COVID-19 relief funds and the City's intent is to use them for various qualifying capital outlay items and projects.

## REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

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

**City of Whiteville, North Carolina**  
**City of Whiteville's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Eight Fiscal Years\***

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability (asset) (%)	0.04811%	0.04520%	0.04457%	0.05047%
City's proportion of the net pension liability (asset) (\$)	\$ 1,719,175	\$ 1,234,377	\$ 1,057,353	\$ 771,042
City's covered payroll	\$ 3,037,975	\$ 3,014,762	\$ 2,770,507	\$ 2,747,989
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.59%	40.94%	38.16%	28.06%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset) (%)	0.04803%	0.05282%	0.04803%	0.04850%
City's proportion of the net pension liability (asset) (\$)	\$ 1,019,358	\$ 237,053	\$ (283,255)	\$ 584,611
City's covered payroll	\$ 2,567,451	\$ 2,431,308	\$ 2,387,209	\$ 2,298,610
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.70%	9.75%	-11.87%	25.43%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

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

**City of Whiteville, North Carolina**  
**City of Whiteville's Contributions**  
**Required Supplementary Information**  
**Last Eight Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 333,252	\$ 280,299	\$ 242,630	\$ 215,529
Contributions in relation to the contractually required contribution	333,252	280,299	242,630	215,529
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,196,382	\$ 3,037,975	\$ 3,014,762	\$ 2,770,507
Contributions as a percentage of covered payroll	10.43%	9.23%	8.05%	7.78%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 206,837	\$ 176,546	\$ 174,463	\$ 170,382
Contributions in relation to the contractually required contribution	206,837	176,546	174,463	170,382
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,747,989	\$ 2,567,451	\$ 2,431,308	\$ 2,387,209
Contributions as a percentage of covered payroll	7.53%	6.88%	7.18%	7.14%

**City of Whiteville, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Five Fiscal Years\***

	2021	2020	2019	2018	2017
Beginning Balance	\$ 216,654	\$ 207,783	\$ 273,960	\$ 330,342	\$ 328,706
Service Cost	31,947	20,973	19,766	19,188	20,906
Interest on the total pension liability	6,743	7,247	8,400	12,326	11,356
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	265,198	(9,720)	(69,194)	(85,640)	-
Changes of assumptions or other inputs	225,681	7,761	(8,871)	19,774	(9,386)
Benefit payments	(19,639)	(17,390)	(16,278)	(22,030)	(21,240)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 726,584</u>	<u>\$ 216,654</u>	<u>\$ 207,783</u>	<u>\$ 273,960</u>	<u>\$ 330,342</u>

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

**City of Whiteville, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 726,584	\$ 216,654	\$ 207,783	\$ 273,960	\$ 330,342
Covered payroll	\$ 1,147,970	\$ 926,581	\$ 882,041	\$ 829,890	851,737
Total pension liability as a percentage of payroll	63.29%	23.38%	23.56%	33.01%	38.78%

Notes to the schedules:

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

**City of Whiteville, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Last Four Fiscal Years**

<b>Total OPEB Liability</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 67,569	\$ 116,869	\$ 123,618	\$ 139,194
Interest	61,350	99,456	90,200	78,733
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	429	(1,058,970)	1,667	1,903
Changes of assumptions or other inputs	423,629	17,232	(142,771)	(250,702)
Benefit payments	(45,189)	(46,759)	(52,661)	(49,675)
Other	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>\$ 507,788</b>	<b>\$ (872,172)</b>	<b>\$ 20,053</b>	<b>\$ (80,547)</b>
<b>Total OPEB Liability - beginning</b>	<b>\$ 1,707,692</b>	<b>\$ 2,579,864</b>	<b>\$ 2,559,811</b>	<b>\$ 2,640,358</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 2,215,480</b>	<b>\$ 1,707,692</b>	<b>\$ 2,579,864</b>	<b>\$ 2,559,811</b>
<b>Covered payroll</b>	<b>\$ 2,396,135</b>	<b>\$ 2,396,135</b>	<b>\$ 2,757,830</b>	<b>\$ 2,757,830</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>92.46%</b>	<b>71.27%</b>	<b>93.55%</b>	<b>92.82%</b>

**Notes to the Schedule**

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

<u>Fiscal year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES



City of Whiteville, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021

	2021		Variance Positive (Negative)
	Final Budget	Actual	
<b>Revenues</b>			
<b>Ad Valorem taxes:</b>			
Taxes	\$ 2,498,096	\$ 2,439,065	\$ (59,031)
Penalties and interest	12,238	14,621	2,383
Total	<u>2,510,334</u>	<u>2,453,686</u>	<u>(56,648)</u>
<b>Other taxes and licenses:</b>			
Assessments	400	100	(300)
In Lieu of Taxes	6,180	7,885	1,705
Privilege license	700	650	(50)
Total	<u>7,280</u>	<u>8,635</u>	<u>1,355</u>
<b>Unrestricted intergovernmental:</b>			
Beer and Wine Tax	22,723	21,564	(1,159)
Court Cost and Fees	1,200	1,809	609
Hold Harmless	244,610	307,771	63,161
Local Option Sales Tax	1,050,342	1,197,967	147,625
ABC Profit Distribution	49,212	35,008	(14,204)
Telecommunications Tax	54,579	48,364	(6,215)
Video Franchise Fee	37,140	40,825	3,685
Utilities Sales Tax & Piped Natural Gas Sales Tax	443,870	417,348	(26,522)
Total	<u>1,903,676</u>	<u>2,070,656</u>	<u>166,980</u>
<b>Restricted intergovernmental revenues:</b>			
ABC Revenue - Law Enforcement	6,000	11,441	5,441
ABC Revenue - Fire	5,820	3,501	(2,319)
Controlled Substance Tax	200	847	647
Christmas Cops	2,700	1,110	(1,590)
Waste Disposal Tax	4,452	3,844	(608)
Reimbursement Whiteville City Schools	105,636	122,949	17,313
Powell Bill allocation	117,431	146,980	29,549
Total	<u>242,239</u>	<u>290,672</u>	<u>48,433</u>
<b>Permits and fees:</b>			
Building Permits	25,000	17,624	(7,376)
Inspection Fees	16,642	20,246	3,604
Total	<u>41,642</u>	<u>37,870</u>	<u>(3,772)</u>
<b>Sales and Services:</b>			
Concessions	-	2,894	2,894
Emergency Services	5,035	8,359	3,324
Fire Protection Fees	13,130	18,929	5,799
Recreation Department Fees & Insurance Pymts.	19,625	15,469	(4,156)
Total	<u>37,790</u>	<u>45,651</u>	<u>7,861</u>

City of Whiteville, North Carolina  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

Exhibit B-1

	2021		Variance Positive (Negative)
	Final Budget	Actual	
<b>Other Revenue</b>			
Insurance recovery	2,138	21,829	19,691
Investment earnings	52,962	1,323	(51,639)
Miscellaneous	15,758	15,987	229
Total	70,858	39,139	(31,719)
Total Revenues	\$ 4,813,819	\$ 4,946,309	\$ 132,490
<b>Expenditures</b>			
<b>General Government:</b>			
Governing body:			
Salaries and employee benefits	\$ 13,150	\$ 11,201	\$ 1,949
Professional services	58	60	(2)
Operating expenditures	4,979	1,008	3,971
Total	18,187	12,269	5,918
Administration:			
Salaries and employee benefits	255,367	259,340	(3,973)
Professional services	23,000	16,612	6,388
Operating expenditures	72,666	61,956	10,710
Capital outlay	-	1,963	(1,963)
Total	351,033	339,871	11,162
Public Buildings:			
Operating expenditures	80,000	79,699	301
Total	80,000	79,699	301
Total general government	449,220	431,839	17,381
<b>Public safety:</b>			
Police department:			
Salaries and employee benefits	1,795,942	1,699,792	96,150
Professional services	67,846	76,920	(9,074)
Operating expenditures	222,661	226,961	(4,300)
Capital outlay	156,054	210,534	(54,480)
Total	2,242,503	2,214,207	28,296
Fire and rescue:			
Salaries and employee benefits	648,324	603,163	45,161
Professional services	26,710	30,342	(3,632)
Operating expenditures	205,686	187,992	17,694
Capital outlay	70,000	41,069	28,931
Total	950,720	862,566	88,154

City of Whiteville, North Carolina  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

Exhibit B-1

	2021		Variance Positive (Negative)
	Final Budget	Actual	
Planning:			
Salaries and employee benefits	93,939	98,179	(4,240)
Professional services	19,376	18,330	1,046
Operating expenditures	12,989	8,172	4,817
Total	126,304	124,681	1,623
Safety			
Salaries and employee benefits	102,326	102,056	270
Professional services	14,194	6,402	7,792
Operating expenditures	8,476	8,623	(147)
Capital outlay	-	3,281	(3,281)
Total	124,996	120,362	4,634
Inspections			
Salaries and employee benefits	107,349	87,674	19,675
Professional services	8,792	19,372	(10,580)
Operating expenditures	22,136	19,233	2,903
Total	138,277	126,279	11,998
Total public safety	3,582,800	3,448,095	134,705
Transportation:			
Streets and highways:			
Salaries and employee benefits	161,759	147,395	14,364
Operating expenditures	147,168	147,447	(279)
Professional services	10,317	12,556	(2,239)
Maintenance - sidewalks	25,000	-	25,000
Maintenance - streets	25,000	25,000	-
Capital outlay	-	361	(361)
Total	369,244	332,759	36,485
Garage:			
Professional services	7,375	8,204	(829)
Operating expenditures	53,870	52,743	1,127
Total	61,245	60,947	298
Total transportation	430,489	393,706	36,783

City of Whiteville, North Carolina  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

Exhibit B-1

	2021		Variance Positive (Negative)
	Final Budget	Actual	
<b>Cultural &amp; Recreational:</b>			
<b>Parks and recreation:</b>			
Salaries and employee benefits	277,168	201,755	75,413
Professional services	17,462	32,055	(14,593)
Operating expenditures	99,665	118,396	(18,731)
Chamber of Commerce donation	4,000	4,000	-
Columbus County Arts Council	350	350	-
Dream Center donation	750	750	-
Capital Outlay	-	13,734	(13,734)
Total cultural and recreation	<u>399,395</u>	<u>371,040</u>	<u>28,355</u>
<b>Debt Service:</b>			
Principal retirement	492,354	390,951	101,403
Interest and fees	98,615	89,523	9,092
Total debt service	<u>590,969</u>	<u>480,474</u>	<u>110,495</u>
<b>Total expenditures</b>	<u>\$ 5,452,873</u>	<u>\$ 5,125,154</u>	<u>\$ 327,719</u>
<b>Revenues over (under) expenditures</b>	<u>\$ (639,054)</u>	<u>\$ (178,845)</u>	<u>\$ 460,209</u>
<b>Other Financing Sources (Uses):</b>			
Transfer to WDDC Fund	\$ (52,000)	\$ (52,000)	\$ -
Transfer to Phase II Stormwater	(28,225)	(28,225)	-
Transfer from Hurricane Matthew Recovery Fund	62,641	62,641	-
Transfer from Sewer Fund	124,080	124,080	-
Transfer to NCDEQ Water Asset	(7,500)	-	7,500
Transfer to AFG Covid-19 Grant Fund	(1,582)	(1,582)	-
Transfer to West Side Park Bridge Fund	(199,563)	(199,563)	-
Lease and Installment Loan Proceeds	226,054	176,591	(49,463)
Appropriated Fund Balance	515,148	-	(515,148)
Total Other Financing Sources (Uses)	<u>\$ 639,054</u>	<u>\$ 81,942</u>	<u>\$ (557,112)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(96,903)</u>	<u>\$ (96,903)</u>
<b>Fund balance:</b>			
Beginning of year, July 1		3,456,542	
End of year, June 30		<u>\$ 3,359,641</u>	

City of Whiteville, North Carolina  
 Capital Project Fund - ABC Store Building Construction  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
ABC Board Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Revenue	-	144	1,646	1,790	1,790
Total revenues	-	144	1,646	1,790	1,790
<b>Expenditures:</b>					
Land Acquisition	218,000	218,002	-	218,002	(2)
Design and Construction Management	98,500	84,504	17,336	101,840	(3,340)
Building Cost	940,000	2,463	942,150	944,613	(4,613)
Soil Testing & Surveying	20,500	10,987	5,061	16,048	4,452
Equipment & Furnishings	-	-	-	-	-
Misc. Expense	-	-	100	100	(100)
Contingency	5,000	-	1,400	1,400	3,600
Total expenditures	1,282,000	315,956	966,047	1,282,003	(3)
Revenues Over (Under) Expenditures	(1,282,000)	(315,812)	(964,401)	(1,280,213)	1,787
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
NCDOT Proceeds	332,000	332,000	-	332,000	-
Loan Proceeds	950,000	950,000	-	950,000	-
Total Other Sources (Uses)	1,282,000	1,282,000	-	1,282,000	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 966,188	(964,401)	\$ 1,787	\$ 1,787
<b>Fund balances:</b>					
Beginning of year, July 1			966,190		
End of year, June 30			\$ 1,789		

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2021

Exhibit C-1

	WDDC Tax Fund	Hurricane Matthew Recovery	Firehouse Subs Grant	FEMA AFG Grant	HMGF Property Acquisition	Special Revenue				Hurricane Florence Recovery
						Hurricane Dorian Recovery	CARES Act	Vineland Station	AFG Covid-19 Grant	
Cash and cash equivalents	\$ 50,021	\$ -	\$ -	\$ -	\$ 34,821	\$ 18,653	\$ -	\$ 2,682	\$ -	\$ 137,874
Taxes Receivable	414	-	-	-	-	-	-	-	-	-
Due from other governments	5	-	-	9,191	-	3,731	7,732	67	272	74,952
Due from other funds	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 50,440	\$ -	\$ -	\$ 9,191	\$ 34,821	\$ 22,384	\$ 7,732	\$ 5,400	\$ 272	\$ 212,826
<b>Liabilities and fund balances</b>										
Liabilities:										
Accounts payable and accrued liabilities	\$ 813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640	\$ -	\$ -
Due to other funds	-	-	-	8,861	-	-	380	20,000	2,782	-
Security Deposits	-	-	-	-	-	-	-	5,400	-	-
Unspent CARES Act Funding	-	-	-	-	-	-	5,364	-	-	-
Total liabilities	813	-	-	8,861	-	-	5,744	26,040	2,782	-
Deferred inflows of resources	414	-	-	-	-	-	-	-	-	-
Fund balances:										
Restricted										
Economic Development Assigned	-	-	-	-	-	-	-	-	-	-
WDDC Tax Fund	49,213	-	-	-	-	-	-	-	-	-
Hurricane Recovery	-	-	-	-	-	22,384	-	-	-	-
Public Safety	-	-	-	330	-	-	1,988	-	-	212,826
Economic Development	-	-	-	-	34,821	-	-	-	-	-
Cultural & Recreational	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	49,213	-	-	330	34,821	22,384	1,988	(17,891)	(2,510)	-
Total liabilities and fund balances	\$ 50,440	\$ -	\$ -	\$ 9,191	\$ 34,821	\$ 22,384	\$ 7,732	\$ 8,149	\$ 272	\$ 212,826

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2021

Exhibit C-1

Assets	Capital Projects							Total Nonmajor Governmental Funds
	City Hall Construction	Parks Construction Fund	HMGP Generator	Downtown WiFi Project	Duke Energy Grant	Downtown Master Plan	Parks Pedestrian Bridge	
Cash and cash equivalents	\$ -	\$ 235,000	\$ -	\$ 36,000	\$ -	\$ -	\$ 199,563	\$ 714,614
Taxes Receivable	-	-	-	-	-	-	-	414
Due from other governments	-	-	11,185	-	1,408	-	-	108,543
Due from other funds	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 235,000	\$ 11,185	\$ 36,000	\$ 1,408	\$ -	\$ 199,563	\$ 828,971
<b>Liabilities and fund balances</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,453
Due to other funds	-	140,000	-	-	569	-	-	172,592
Security Deposits	-	-	-	-	-	-	-	5,400
Unspent CARES Act Funding	-	-	-	-	-	-	-	5,364
Total liabilities	-	140,000	-	-	569	-	-	184,809
Deferred inflows of resources	-	-	-	-	-	-	-	414
Fund balances:								
Restricted								
Economic Development	-	-	-	-	-	-	199,563	199,563
WDDC Tax Fund	-	-	-	-	-	-	-	49,213
Hurricane Recovery	-	-	-	-	-	-	-	235,210
Public Safety	-	-	-	-	-	-	-	2,318
Economic Development	-	-	-	-	-	-	-	34,821
Cultural & Recreational	-	95,000	-	-	-	-	-	95,000
Capital Outlay	-	-	11,185	36,000	839	-	-	48,024
Unassigned	-	-	-	-	-	-	-	(20,401)
Total fund balances	-	95,000	11,185	36,000	839	-	199,563	643,748
Total liabilities and fund balances	\$ -	\$ 235,000	\$ 11,185	\$ 36,000	\$ 1,408	\$ -	\$ 199,563	\$ 828,971

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Year Ended June 30, 2021

	WDDC Tax Fund	Hurricane Matthew Recovery	Firehouse Subs Grant	FEMA AGF Grant	Special Revenue				Hurricane Florence Recovery	
					HMGP Property Acquisition	Hurricane Dorian Recovery	CARES Act	Vineland Station		AFG Covid-19 Grant
<b>Revenues:</b>										
Ad Valorem taxes	\$ 27,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	7,506	120,000	77,098	3,731	136,933	-	-	-
Other Revenue	3,365	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>30,378</b>	<b>-</b>	<b>7,506</b>	<b>120,000</b>	<b>77,098</b>	<b>3,731</b>	<b>136,933</b>	<b>5,025</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>										
General government	-	-	-	-	-	-	-	1,848	-	-
Public safety	-	-	-	-	-	-	134,945	-	4,092	-
Economic and physical development	69,146	-	-	-	41,276	-	-	11,020	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	7,506	136,170	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>69,146</b>	<b>-</b>	<b>7,506</b>	<b>136,170</b>	<b>41,276</b>	<b>-</b>	<b>134,945</b>	<b>18,200</b>	<b>-</b>	<b>-</b>
<b>Revenues over expenditures</b>	<b>(38,768)</b>	<b>-</b>	<b>-</b>	<b>(16,170)</b>	<b>35,822</b>	<b>3,731</b>	<b>1,988</b>	<b>(26,043)</b>	<b>(4,092)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>										
Transfer (to) from General Fund	52,000	(62,641)	-	-	-	-	-	-	-	1,582
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>52,000</b>	<b>(62,641)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,582</b>
<b>Net Change in Fund Balance</b>	<b>13,233</b>	<b>(62,641)</b>	<b>-</b>	<b>(16,170)</b>	<b>35,821</b>	<b>3,731</b>	<b>1,988</b>	<b>(26,042)</b>	<b>(2,510)</b>	<b>-</b>
Fund balance, beginning	35,980	62,641	-	16,500	(1,000)	18,653	-	8,151	-	212,826
<b>Fund balance, ending</b>	<b>\$ 49,213</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 330</b>	<b>\$ 34,821</b>	<b>\$ 22,384</b>	<b>\$ 1,988</b>	<b>\$ (17,891)</b>	<b>\$ (2,510)</b>	<b>\$ 212,826</b>



City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Year Ended June 30, 2021

Exhibit C-2

	Capital Projects								Total Nonmajor Governmental Funds
	City Hall Construction	Parks Construction Fund	HMGP Generator	Downtown WIFI Project	Duke Energy Grant	Downtown Master Plan	Parks Pedestrian Bridge		
<b>Revenues:</b>									
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,013
Restricted intergovernmental	-	-	176,886	-	-	44,200	-	-	566,354
Other Revenue	-	-	-	-	-	-	-	-	8,390
<b>Total Revenues</b>	-	-	176,886	-	-	44,200	-	-	601,757
<b>Expenditures:</b>									
General government	-	-	-	-	-	-	-	-	1,848
Public safety	-	-	-	-	-	-	-	-	139,037
Economic and physical development	-	-	-	-	-	44,200	-	-	165,642
Transportation	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	14,000	33,217	-	-	-	209,093
<b>Total Expenditures</b>	-	-	-	14,000	33,217	44,200	-	-	515,620
<b>Revenues over expenditures</b>	-	-	176,886	(14,000)	(33,217)	-	-	-	86,137
<b>Other Financing Sources (Uses)</b>									
Transfer (to) from General Fund	(170)	-	-	-	-	-	-	199,563	190,334
Loan Proceeds	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(170)	-	-	-	-	-	-	199,563	190,334
<b>Net Change in Fund Balance</b>	(170)	-	176,886	(14,000)	(33,217)	-	-	199,563	276,472
Fund balance, beginning	170	95,000	(165,701)	50,000	34,056	-	-	-	367,276
<b>Fund balance, ending</b>	-	\$ 95,000	\$ 11,185	\$ 36,000	\$ 839	\$ -	\$ -	\$ 199,563	\$ 643,748

City of Whiteville, North Carolina  
Special Revenue Fund - WDDC Tax District Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit C-3

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Ad Valorem Taxes - Current Year	\$ 26,000	\$ 26,728	\$ 728
Ad Valorem Taxes - Prior Year	500	285	(215)
Other Revenue	<u>3,600</u>	<u>3,365</u>	<u>(235)</u>
Total revenues	<u>30,100</u>	<u>30,378</u>	<u>278</u>
<b>Expenditures:</b>			
Economic and Physical Development			
Salaries and Benefits	60,225	59,712	513
Other Operating Expenses	<u>21,875</u>	<u>9,434</u>	<u>12,441</u>
Total expenditures	<u>82,100</u>	<u>69,146</u>	<u>12,954</u>
Revenues Over (Under) Expenditures	<u>(52,000)</u>	<u>(38,768)</u>	<u>13,232</u>
<b>Other Financing Sources (Uses)</b>			
Transfer from General Fund	<u>52,000</u>	<u>52,000</u>	\$ -
Total Other Sources (Uses)	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	13,232	<u>\$ 13,232</u>
<b>Fund balances:</b>			
Beginning of year, July 1		<u>35,980</u>	
End of year, June 30		<u>\$ 49,212</u>	

City of Whiteville, North Carolina  
 Special Revenue Fund - Hurricane Matthew Recovery  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Proceeds	290,343	\$ 290,343	\$ -	\$ 290,343	\$ -
State of NC Proceeds	48,038	48,038	-	48,038	-
Insurance Proceeds	165,722	165,722	-	165,722	-
Total revenues	<u>504,103</u>	<u>504,103</u>	<u>-</u>	<u>504,103</u>	<u>-</u>
<b>Expenditures:</b>					
Administration	15,320	15,320	-	15,320	-
Police Hurricane Expenditures	35,855	35,855	-	35,855	-
Fire Hurricane Expenditures	50,328	50,328	-	50,328	-
Public Works Hurricane Expenditures	130,888	130,888	-	130,888	-
Parks and Recreation Hurricane Expenditures	177,393	177,393	-	177,393	-
WWTP Hurricane Expenditures	31,678	31,678	-	31,678	-
Contribution to Fund Balance	-	-	-	-	-
Total expenditures	<u>441,462</u>	<u>441,462</u>	<u>-</u>	<u>441,462</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>62,641</u>	<u>62,641</u>	<u>-</u>	<u>62,641</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfer to General Fund	(62,641)	-	(62,641)	(62,641)	-
Total Other Sources (Uses)	<u>(62,641)</u>	<u>-</u>	<u>(62,641)</u>	<u>(62,641)</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 62,641</u>	<u>(62,641)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>62,641</u>		
End of year, June 30			<u>\$ -</u>		

City of Whiteville, North Carolina  
 Special Revenue Fund - Firehouse Subs Grant  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Firehouse Subs Grant	\$ 7,506	\$ -	\$ 7,506	\$ 7,506	\$ -
Total revenues	<u>7,506</u>	<u>-</u>	<u>7,506</u>	<u>7,506</u>	<u>-</u>
<b>Expenditures:</b>					
Equipment	7,506	-	7,506	7,506	-
Total expenditures	<u>7,506</u>	<u>-</u>	<u>7,506</u>	<u>7,506</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

City of Whiteville, North Carolina  
 Special Revenue Fund - FEMA AFG Grant  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA AFG Grant	\$ 120,000	\$ -	\$ 120,000	\$ 120,000	\$ -
Total revenues	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
<b>Expenditures:</b>					
Equipment - Air Packs	136,500	-	136,170	136,170	330
Total expenditures	<u>136,500</u>	<u>-</u>	<u>136,170</u>	<u>136,170</u>	<u>330</u>
Revenues Over (Under) Expenditures	<u>(16,500)</u>	<u>-</u>	<u>(16,170)</u>	<u>(16,170)</u>	<u>330</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	16,500	16,500	-	16,500	-
Total Other Sources (Uses)	<u>16,500</u>	<u>16,500</u>	<u>-</u>	<u>16,500</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 16,500</u>	<u>(16,170)</u>	<u>\$ 330</u>	<u>\$ 330</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>16,500</u>		
End of year, June 30			<u>\$ 330</u>		

City of Whiteville, North Carolina  
Special Revenue Fund - HMGP Property Acquisition Grant  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Hurricane Matthew Proceeds	\$ 196,892	\$ 7,000	\$ 77,098	\$ 84,098	\$ (112,794)
Total revenues	<u>196,892</u>	<u>7,000</u>	<u>77,098</u>	<u>84,098</u>	<u>(112,794)</u>
<b>Expenditures:</b>					
Acquisition	144,636	-	48	48	144,588
Demo & Hazard Mitigation	25,380	-	40,724	40,724	(15,344)
Professional Fees	17,500	-	504	504	16,996
Project Management Cost	9,376	8,000	-	8,000	1,376
Total expenditures	<u>196,892</u>	<u>8,000</u>	<u>41,276</u>	<u>49,276</u>	<u>147,616</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,000)</u>	<u>35,822</u>	<u>34,822</u>	<u>34,822</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>35,822</u>	<u>\$ 34,822</u>	<u>\$ 34,822</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>(1,000)</u>		
End of year, June 30			<u>\$ 34,822</u>		

City of Whiteville, North Carolina  
Special Revenue Fund - Hurricane Dorian Recovery  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Proceeds	\$ 79,500	\$ 74,629	\$ 3,731	\$ 78,360	\$ (1,140)
State of NC Proceeds	26,500	-	-	-	(26,500)
Total revenues	<u>106,000</u>	<u>74,629</u>	<u>3,731</u>	<u>78,360</u>	<u>(27,640)</u>
<b>Expenditures:</b>					
Emergency Response - Admin	20,000	-	-	-	20,000
Emergency Response-Police	40,000	25,602	-	25,602	14,398
Emergency Response - Fire	20,000	-	-	-	20,000
Emergency Response-Public Works	20,000	24,927	-	24,927	(4,927)
CATEGORY C - Road Repair	6,000	5,447	-	5,447	553
Total expenditures	<u>106,000</u>	<u>55,976</u>	<u>-</u>	<u>55,976</u>	<u>50,024</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>18,653</u>	<u>3,731</u>	<u>22,384</u>	<u>22,384</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 18,653</u>	<u>3,731</u>	<u>\$ 22,384</u>	<u>\$ 22,384</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>18,653</u>		
End of year, June 30			<u>\$ 22,384</u>		

City of Whiteville, North Carolina  
 Special Revenue Fund - CARES Act Funding  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
CARES Act Proceeds	\$ 178,696	\$ 36,399	\$ 136,933	\$ 173,332	\$ (5,364)
Total revenues	<u>178,696</u>	<u>36,399</u>	<u>136,933</u>	<u>173,332</u>	<u>(5,364)</u>
<b>Expenditures:</b>					
Emergency Response - Supplies	20,000	-	12,090	12,090	7,910
Emergency Response-Equipment	158,696	36,399	122,855	159,254	(558)
Total expenditures	<u>178,696</u>	<u>36,399</u>	<u>134,945</u>	<u>171,344</u>	<u>7,352</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,988</u>	<u>1,988</u>	<u>1,988</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,988</u>	<u>\$ 1,988</u>	<u>\$ 1,988</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 1,988</u>		



City of Whiteville, North Carolina  
Special Revenue Fund - Vineland Station  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit C-10

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Rental Income	\$ 20,500	\$ 5,025	\$ (15,475)
Other Revenue	-	-	-
Total revenues	<u>20,500</u>	<u>5,025</u>	<u>(15,475)</u>
<b>Expenditures:</b>			
Economic and Physical Development			
Salaries & Wages	8,000	1,717	6,283
Payroll Taxes	1,500	131	1,369
Contract Labor	-	7,200	(7,200)
Telephone & Postage	2,000	2,355	(355)
Utilities	3,000	-	3,000
R&M - Buildings & Grounds	5,000	325	4,675
Departmental Supplies	500	77	423
Insurance & Bonds	500	1,063	(563)
Capital Outlay	25,000	18,200	6,800
Total expenditures	<u>45,500</u>	<u>31,068</u>	<u>14,432</u>
Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(26,043)</u>	<u>(1,043)</u>
<b>Other Financing Sources (Uses)</b>			
Transfer from General Fund	25,000	-	(25,000)
Total Other Sources (Uses)	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>(26,043)</u>	<u>\$ (26,043)</u>
<b>Fund balances:</b>			
Beginning of year, July 1		<u>8,151</u>	
End of year, June 30		<u>\$ (17,892)</u>	

City of Whiteville, North Carolina  
 Special Revenue Fund - AFG Covid-19 Grant Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
AFG COVID-19 Proceeds	\$ 31,638	\$ -	\$ -	\$ -	\$ (31,638)
Total revenues	<u>31,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,638)</u>
<b>Expenditures:</b>					
Supplies	33,220	-	4,092	4,092	29,128
Total expenditures	<u>33,220</u>	<u>-</u>	<u>4,092</u>	<u>4,092</u>	<u>29,128</u>
Revenues Over (Under) Expenditures	<u>(1,582)</u>	<u>-</u>	<u>(4,092)</u>	<u>(4,092)</u>	<u>(2,510)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	1,582	-	1,582	1,582	-
Total Other Sources (Uses)	<u>1,582</u>	<u>-</u>	<u>1,582</u>	<u>1,582</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(2,510)</u>	<u>\$ (2,510)</u>	<u>\$ (2,510)</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (2,510)</u>		

City of Whiteville, North Carolina  
Special Revenue Fund - Hurricane Florence Recovery  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Proceeds	\$ 1,171,000	\$ 1,119,216	\$ -	\$ 1,119,216	\$ (51,784)
State of NC Proceeds	270,000	135,580	-	135,580	(134,420)
Insurance Proceeds	560,000	478,345	-	478,345	(81,655)
Total revenues	<u>2,001,000</u>	<u>1,733,141</u>	<u>-</u>	<u>1,733,141</u>	<u>(267,859)</u>
<b>Expenditures:</b>					
Debris Removal	407,000	406,783	-	406,783	217
Emergency Response	310,000	212,650	-	212,650	97,350
Road Repair	300,000	122,183	-	122,183	177,817
Building & Equipment Damages	626,000	556,254	-	556,254	69,746
Wastewater	134,000	133,999	-	133,999	1
Parks	224,000	88,446	-	88,446	135,554
Total expenditures	<u>2,001,000</u>	<u>1,520,315</u>	<u>-</u>	<u>1,520,315</u>	<u>480,685</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>212,826</u>	<u>-</u>	<u>212,826</u>	<u>212,826</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 212,826</u>	<u>-</u>	<u>\$ 212,826</u>	<u>\$ 212,826</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>212,826</u>		
End of year, June 30			<u>\$ 212,826</u>		

City of Whiteville, North Carolina  
 Capital Project Fund - City Hall Construction  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Fees	-	-	-	-	-
Design Fees	-	-	-	-	-
Building & Site Work	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-
Generator	-	-	-	-	-
Equipment and Furnishings	-	-	-	-	-
Construction Contingency	-	-	-	-	-
Supplies	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfer (to) General Fund	-	-	(170)	(170)	(170)
Transfer from Utility Fund	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>(170)</u>	<u>(170)</u>	<u>(170)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(170)</u>	<u>\$ (170)</u>	<u>\$ (170)</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>170</u>		
End of year, June 30			<u>\$ -</u>		

City of Whiteville, North Carolina  
 Capital Project Fund - Parks Construction Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Golden Leaf Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Equipment	235,000	-	-	-	235,000
Total expenditures	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
Revenues Over (Under) Expenditures	<u>(235,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	235,000	95,000	-	95,000	(140,000)
Total Other Sources (Uses)	<u>235,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>(140,000)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 95,000</u>	<u>-</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>95,000</u>		
End of year, June 30			<u>\$ 95,000</u>		

City of Whiteville, North Carolina  
 Capital Project Fund - HMGP Generator  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
NC Emergency Management	\$ 184,495	\$ -	176,886	\$ 176,886	\$ (7,609)
Total revenues	<u>184,495</u>	<u>-</u>	<u>176,886</u>	<u>176,886</u>	<u>(7,609)</u>
<b>Expenditures:</b>					
Project Management Costs	7,500	-	-	-	7,500
Equip.-EOC & Fire Dept. Generators	176,995	165,701	-	165,701	11,294
Total expenditures	<u>184,495</u>	<u>165,701</u>	<u>-</u>	<u>165,701</u>	<u>18,794</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(165,701)</u>	<u>176,886</u>	<u>11,185</u>	<u>11,185</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (165,701)</u>	<u>176,886</u>	<u>\$ 11,185</u>	<u>\$ 11,185</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>(165,701)</u>		
End of year, June 30			<u>\$ 11,185</u>		

City of Whiteville, North Carolina  
 Capital Project Fund - Downtown WIFI Project  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Grant Proceeds	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Fees and Equipment	50,000	-	14,000	14,000	36,000
Total expenditures	<u>50,000</u>	<u>-</u>	<u>14,000</u>	<u>14,000</u>	<u>36,000</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>50,000</u>	<u>(14,000)</u>	<u>36,000</u>	<u>36,000</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 50,000</u>	<u>(14,000)</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>50,000</u>		
End of year, June 30			<u>\$ 36,000</u>		

City of Whiteville, North Carolina  
 Capital Project Fund - Duke Energy Grant  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Duke Energy Grant	\$ 49,600	\$ 49,630	\$ -	\$ 49,630	\$ 30
Total revenues	<u>49,600</u>	<u>49,630</u>	<u>-</u>	<u>49,630</u>	<u>30</u>
<b>Expenditures:</b>					
Safety Equipment	49,600	15,574	33,217	48,791	809
Total expenditures	<u>49,600</u>	<u>15,574</u>	<u>33,217</u>	<u>48,791</u>	<u>809</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>34,056</u>	<u>(33,217)</u>	<u>839</u>	<u>839</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 34,056</u>	<u>(33,217)</u>	<u>\$ 839</u>	<u>\$ 839</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>34,056</u>		
End of year, June 30			<u>\$ 839</u>		



City of Whiteville, North Carolina  
 Capital Project Fund - Downtown Master Plan  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
USDA Grant Proceeds	\$ 44,200	\$ -	\$ 44,200	\$ 44,200	\$ -
Total revenues	<u>44,200</u>	<u>-</u>	<u>44,200</u>	<u>44,200</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Fees	44,200	-	44,200	44,200	-
Total expenditures	<u>44,200</u>	<u>-</u>	<u>44,200</u>	<u>44,200</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

City of Whiteville, North Carolina  
 Capital Project Fund - Parks Pedestrian Bridge Construction  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>					
Engineering Design	13,500	-	-	-	13,500
Bidding Assistance	5,000	-	-	-	5,000
Construction Administration	7,400	-	-	-	7,400
Construction Observation	7,400	-	-	-	7,400
Construction - Bid Price	166,263	-	-	-	166,263
Total expenditures	199,563	-	-	-	199,563
Revenues Over (Under) Expenditures	(199,563)	-	-	-	199,563
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	199,563	-	199,563	199,563	-
Total Other Sources (Uses)	199,563	-	199,563	199,563	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ -	199,563	\$ 199,563	\$ 199,563
<b>Fund balances:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ 199,563		

City of Whiteville, North Carolina  
Water Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit D-1

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	870,000	\$ 772,413	\$ (97,587)
Water Connections	2,500	14,506	12,006
Reconnection Fees	20,000	63,597	43,597
Total Operating Revenues	<u>892,500</u>	<u>850,516</u>	<u>(41,984)</u>
<b>Nonoperating Revenues:</b>			
Interest on Investments	-	-	-
Water Tank Lease	55,000	45,718	(9,282)
Miscellaneous	4,800	1,921	(2,879)
Total Nonoperating Revenues	<u>59,800</u>	<u>47,639</u>	<u>(12,161)</u>
<b>Total Revenues</b>	<u>952,300</u>	<u>898,155</u>	<u>(54,145)</u>
<b>Expenditures:</b>			
<b>Water &amp; Sewer Administration:</b>			
Professional Fees	6,251	3,193	3,058
<b>Governing Body</b>			
Salaries and Employee Benefits	-	11,919	(11,919)
Total Administration	<u>6,251</u>	<u>15,112</u>	<u>(8,861)</u>
<b>Water Operations:</b>			
Salaries and Employee Benefits	425,936	403,376	22,560
Utilities	71,000	72,476	(1,476)
Supplies	185,513	138,964	46,549
Other Departmental Expenses	185,282	141,539	43,743
Capital Outlay	-	3,750	(3,750)
Total Water Operations	<u>867,731</u>	<u>760,105</u>	<u>107,626</u>
<b>Debt service:</b>			
Principal Retirement	15,755	11,183	4,572
Interest and other charges	249	-	249
Total Debt Service	<u>16,004</u>	<u>11,183</u>	<u>4,821</u>
Total Expenditures	<u>889,986</u>	<u>786,400</u>	<u>103,586</u>
<b>Other Financing Sources (Uses):</b>			
Transfer from (to) General Fund	-	-	-
Appropriated (Contributed) Fund Balance	(62,314)	-	62,314
Total Other Sources (Uses)	<u>(62,314)</u>	<u>-</u>	<u>62,314</u>
<b>Revenues and Other Sources over Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>111,755</u>	<u>\$ 111,755</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Reconciling Items:</b>			
Principal retirement		11,183	
Capital outlay		3,750	
Depreciation		(69,886)	
Increase (decrease) in deferred outflows of resources - pensions		18,022	
Increase (decrease) in deferred outflows of resources - OPEB		44,044	
(Increase) decrease in net pension liability		(40,166)	
(Increase) decrease in OPEB liability		(58,598)	
(Increase) decrease in deferred inflows of resources - pensions		1,915	
(Increase) decrease in deferred inflows of resources - OPEB		19,917	
Capital Contribution (Ex D-1A)		29,750	
Expenditures (Ex D-1A)		(35,000)	
Total Reconciling items		<u>(75,066)</u>	
<b>Change in net position</b>		<u>\$ 36,689</u>	

City of Whiteville, North Carolina  
 Water Assessment Project - Capital Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
NCDEQ Grant Proceeds	\$ 150,000	\$ -	\$ 29,750	\$ 29,750	\$ (120,250)
Total revenues	<u>150,000</u>	<u>-</u>	<u>29,750</u>	<u>29,750</u>	<u>(120,250)</u>
<b>Expenditures:</b>					
Professional Services	157,500	-	35,000	35,000	122,500
Total expenditures	<u>157,500</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>122,500</u>
Revenues Over (Under) Expenditures	<u>(7,500)</u>	<u>-</u>	<u>(5,250)</u>	<u>(5,250)</u>	<u>2,250</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from Other Fund	7,500	7,500	-	7,500	-
Total Other Sources (Uses)	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ (5,250)</u>	<u>\$ 2,250</u>	<u>\$ 2,250</u>

NOTE: 70% of this project is allocated to Sewer and 30% to Water (both loan proceeds and capital asset).

City of Whiteville, North Carolina  
Sewer Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit D-2

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Sewer Charges	\$ 2,050,000	\$ 1,881,609	\$ (168,391)
Sewer Connections	-	1,650	1,650
Reconnection Fees	20,000	(90)	(20,090)
<b>Total Operating Revenues</b>	<u>2,070,000</u>	<u>1,883,169</u>	<u>(186,831)</u>
<b>Nonoperating Revenues:</b>			
Sewer Line Expansion Revenue	94,000	112,858	18,858
Miscellaneous	5,000	-	(5,000)
<b>Total Nonoperating Revenues</b>	<u>99,000</u>	<u>112,858</u>	<u>13,858</u>
<b>Total Revenues</b>	<u>2,169,000</u>	<u>1,996,027</u>	<u>(172,973)</u>
<b>Expenditures:</b>			
<b>Sewer Administration:</b>			
Salaries and Employee Benefits	128,996	133,509	(4,513)
Supplies	3,500	2,392	1,108
Other Departmental Expenses	24,450	19,680	4,770
Professional Fees	4,451	2,149	2,302
<b>Governing Body</b>			
Salaries and Employee Benefits	5,072	4,870	202
Other Expenses	6,091	699	5,392
<b>Total Administration</b>	<u>172,560</u>	<u>163,299</u>	<u>9,261</u>
<b>Sewer Operations:</b>			
Salaries and Employee Benefits	205,700	203,380	2,320
Utilities	28,000	41,307	(13,307)
Supplies	97,000	89,216	7,784
Other Departmental Expenses	101,219	70,361	30,858
Capital Outlay	180,000	148,259	31,741
<b>Total Sewer Operations</b>	<u>611,919</u>	<u>552,523</u>	<u>59,396</u>
<b>Wastewater Treatment:</b>			
Salaries and Employee Benefits	248,414	242,099	6,315
Utilities	145,001	119,719	25,282
Supplies	96,070	106,893	(10,823)
Other Departmental Expenses	185,111	148,837	36,274
Capital Outlay	-	-	-
<b>Total Wastewater Treatment</b>	<u>674,596</u>	<u>617,548</u>	<u>57,048</u>
<b>Debt service:</b>			
Principal Retirement	464,897	464,897	-
Interest and other charges	26,664	23,296	3,368
<b>Total Debt Service</b>	<u>491,561</u>	<u>488,193</u>	<u>3,368</u>
<b>Total Expenditures</b>	<u>1,950,636</u>	<u>1,821,563</u>	<u>129,073</u>

City of Whiteville, North Carolina  
Sewer Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit D-2

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Other Financing Sources (Uses):</b>			
Transfer to Other Funds	(226,527)	(226,527)	-
Appropriated (Contributed) Fund Balance	8,163	-	(8,163)
<b>Total Other Sources (Uses)</b>	<u>(218,364)</u>	<u>(226,527)</u>	<u>(8,163)</u>
<b>Revenues and Other Sources over Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>(52,063)</u>	<u>\$ (52,063)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Principal retirement		464,897	
Capital outlay		1,000	
Depreciation		(418,757)	
Increase (decrease) in deferred outflows of resources - pensions		29,031	
Increase (decrease) in deferred outflows of resources - OPEB		53,247	
(Increase) decrease in net pension liability		(64,703)	
(Increase) decrease in OPEB liability		(72,106)	
(Increase) decrease in deferred inflows of resources - pensions		3,085	
(Increase) decrease in deferred inflows of resources - OPEB		24,507	
Capital Contribution (Ex D-2A)		22,307	
Expenditures (Ex D-2A)		(10,912)	
Transfers from (to) Project Funds (Ex D-2A & D-2B)		102,447	
Total Reconciling items		<u>134,043</u>	
<b>Change in net position</b>		<u>\$ 81,980</u>	

City of Whiteville, North Carolina  
Waste Water Asset Inventory & Assessment - Capital Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
NCDENR Grant Proceeds	\$ 150,000	\$ 127,693	\$ 22,307	\$ 150,000	\$ -
Total revenues	<u>150,000</u>	<u>127,693</u>	<u>22,307</u>	<u>150,000</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Fees	146,500	132,998	13,502	146,500	-
Computer Hardware	-	-	(2,590)	(2,590)	2,590
Computer Software	11,000	11,000	-	11,000	-
Total expenditures	<u>157,500</u>	<u>143,998</u>	<u>10,912</u>	<u>154,910</u>	<u>2,590</u>
Revenues Over (Under) Expenditures	<u>(7,500)</u>	<u>(16,305)</u>	<u>11,395</u>	<u>(4,910)</u>	<u>2,590</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from Sewer Fund	-	-	7,500	7,500	7,500
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ (7,500)</u>	<u>\$ (16,305)</u>	<u>\$ 18,895</u>	<u>\$ 2,590</u>	<u>\$ 10,090</u>

City of Whiteville, North Carolina  
Mollie Branch Sewer Construction- Capital Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Years	Total to Date	
<b>Expenditures:</b>					
Administrative Cost	\$ 81,740	\$ 18,177	\$ 55,742	\$ 73,919	\$ 7,821
Engineering Cost	98,910	97,110	178,702	275,812	(176,902)
Surveying	20,200	-	-	-	20,200
Bidding Assistance	12,000	-	-	-	12,000
Loan Closing Fee	22,312	-	-	-	22,312
Construction Cost	975,360	-	772,604	772,604	202,756
Total expenditures	<u>1,210,522</u>	<u>115,287</u>	<u>1,007,048</u>	<u>1,122,335</u>	<u>88,187</u>
Revenues Over (Under) Expenditures	<u>(1,210,522)</u>	<u>(115,287)</u>	<u>(1,007,048)</u>	<u>(1,122,335)</u>	<u>88,187</u>
<b>Other Financing Sources (Uses)</b>					
NCDEQ Loan	1,115,575	-	1,015,090	1,015,090	(100,485)
Transfer from Sewer Fund	94,947	-	94,947	94,947	-
Total Other Sources (Uses)	<u>1,210,522</u>	<u>-</u>	<u>1,110,037</u>	<u>1,110,037</u>	<u>(100,485)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (115,287)</u>	<u>\$ 102,989</u>	<u>\$ (12,298)</u>	<u>\$ (12,298)</u>



City of Whiteville, North Carolina  
Mollie Branch Sewer Construction Ph. II - Capital Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Years		
<b>Revenues:</b>					
Grant Proceeds-NCDEQ	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Total revenues	500,000	-	-	-	(500,000)
<b>Expenditures:</b>					
Construction Administrative Fees	97,990	-	-	-	97,990
Bidding Assistance	10,000	-	-	-	10,000
Loan Administration Fees	10,000	-	-	-	10,000
Closing Cost	58,016	-	-	-	58,016
Land Surveying & Legal Fees	25,000	-	-	-	25,000
Engineering Planning	30,000	-	-	-	30,000
Engineering Design	188,630	-	5,000	5,000	183,630
Construction Cost	2,449,758	-	-	-	2,449,758
Construction Inspection	89,420	-	8,500	8,500	80,920
Total expenditures	2,958,814	-	13,500	13,500	2,945,314
Revenues Over (Under) Expenditures	(2,458,814)	-	(13,500)	(13,500)	2,445,314
<b>Other Financing Sources (Uses)</b>					
Loan Proceeds-NCDEQ	2,458,814	-	-	-	(2,458,814)
Total Other Sources (Uses)	2,458,814	-	-	-	(2,458,814)
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ -	\$ (13,500)	\$ (13,500)	\$ (13,500)

City of Whiteville, North Carolina  
Stormwater Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit D-3

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Stormwater Assessments	\$ 213,362	\$ 218,448	\$ 5,086
<b>Total Operating Revenues</b>	<u>213,362</u>	<u>218,448</u>	<u>5,086</u>
<b>Nonoperating Revenues:</b>			
Interest on Investments	-	-	-
Miscellaneous	-	-	-
<b>Total Nonoperating Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>213,362</u>	<u>218,448</u>	<u>5,086</u>
<b>Expenditures:</b>			
<b>Stormwater Operations:</b>			
Salaries and Employee Benefits	136,529	159,795	(23,266)
Professional Fees	42,785	187	42,598
Supplies	10,000	12,239	(2,239)
Other Departmental Expenses	3,048	9,869	(6,821)
Capital Outlay	145,946	147,343	(1,397)
<b>Total Stormwater Operations</b>	<u>338,308</u>	<u>329,433</u>	<u>8,875</u>
<b>Debt Service:</b>			
Principal Retirement	18,000	17,404	596
Interest and Fees	3,000	399	2,601
<b>Total Debt Service</b>	<u>21,000</u>	<u>17,803</u>	<u>3,197</u>
<b>Total Expenditures</b>	<u>359,308</u>	<u>347,236</u>	<u>12,072</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated (Contributed) Fund Balance	95,000	-	(95,000)
Loan proceeds	50,946	50,946	-
<b>Total Other Sources (Uses)</b>	<u>145,946</u>	<u>50,946</u>	<u>(95,000)</u>
<b>Revenues and Other Sources over Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>(77,842)</u>	<u>\$ (77,842)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Reconciling Items:</b>			
Loan Proceeds		(50,946)	
Principal Retirement		17,404	
Capital outlay		147,321	
Depreciation		(27,858)	
Increase (decrease) in deferred outflows of resources - pensions		6,107	
Increase (decrease) in deferred outflows of resources - OPEB		10,770	
(Increase) decrease in net pension liability		(13,611)	
(Increase) decrease in OPEB liability		(14,789)	
(Increase) decrease in deferred inflows of resources - pensions		649	
(Increase) decrease in deferred inflows of resources - OPEB		5,026	
Transfers from (to) Project Funds (Ex D-3b)		28,225	
<b>Total Reconciling items</b>		<u>108,298</u>	
<b>Change in net position</b>		<u>\$ 30,456</u>	

City of Whiteville, North Carolina  
 Stormwater Construction Fund - Capital Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Golden Leaf Grant	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Fees	96,345	90,115	-	90,115	6,230
Stormwater Construction	303,655	309,885	-	309,885	(6,230)
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Whiteville, North Carolina  
Downtown Stormwater Construction Fund - Capital Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2021

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Prof. Fees-Engineering Design	15,000	-	-	-	15,000
Cleaning & Video Inspection	8,500	-	-	-	8,500
Bidding Assistance	5,000	-	-	-	5,000
Construction Administration	10,000	-	-	-	10,000
Construction Observation	10,000	-	-	-	10,000
Stormwater Construction	179,725	-	15,000	15,000	164,725
Total expenditures	<u>228,225</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>213,225</u>
Revenues Over (Under)					
Expenditures	<u>(228,225)</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>213,225</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	28,225	-	28,225	28,225	-
Transfer from Stormwater Fund	200,000	200,000	-	200,000	-
Total Other Sources (Uses)	<u>228,225</u>	<u>200,000</u>	<u>28,225</u>	<u>228,225</u>	<u>-</u>
Revenues and Other Sources					
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 13,225</u>	<u>\$ 213,225</u>	<u>\$ 213,225</u>

City of Whiteville, North Carolina  
Sanitation Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Year Ended June 30, 2021

Exhibit D-4

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Refuse Collection Fees	\$ 1,319,752	\$ 1,299,102	\$ (20,650)
<b>Total Operating Revenues</b>	<u>1,319,752</u>	<u>1,299,102</u>	<u>(20,650)</u>
<b>Nonoperating Revenues:</b>			
Interest on Investments	-	-	-
Miscellaneous	-	-	-
<b>Total Nonoperating Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>1,319,752</u>	<u>1,299,102</u>	<u>(20,650)</u>
<b>Expenditures:</b>			
<b>Sanitation Services:</b>			
Salaries and Employee Benefits	173,858	159,853	14,005
Professional Fees	-	30	(30)
Other Operating Expenses	81,311	69,415	11,896
Contract Services	946,981	966,543	(19,562)
Capital Outlay	-	3,750	(3,750)
<b>Total Administration</b>	<u>1,202,150</u>	<u>1,199,591</u>	<u>2,559</u>
<b>Total Expenditures</b>	<u>1,202,150</u>	<u>1,199,591</u>	<u>2,559</u>
<b>Other Financing Sources (Uses):</b>			
Transfer from (to) General Fund	-	-	-
Appropriated From (Transfer to) Fund Balance	(117,602)	-	117,602
<b>Total Other Sources (Uses)</b>	<u>(117,602)</u>	<u>-</u>	<u>117,602</u>
<b>Revenues and Other Sources over Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>99,511</u>	<u>\$ 99,511</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Reconciling Items:</b>			
Capital outlay		3,750	
Depreciation		(20,332)	
Increase (decrease) in deferred outflows of resources - pensions		8,856	
Increase (decrease) in deferred outflows of resources - OPEB		14,977	
(Increase) decrease in net pension liability		(19,738)	
(Increase) decrease in OPEB liability		(20,565)	
(Increase) decrease in deferred inflows of resources - pensions		941	
(Increase) decrease in deferred inflows of resources - OPEB		6,990	
<b>Total Reconciling items</b>		<u>(25,121)</u>	
<b>Change in net position</b>		<u>\$ 74,390</u>	

## OTHER SCHEDULES

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This section contains additional information on property taxes.

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

City of Whiteville, North Carolina  
 General Fund  
 Schedule of Ad Valorem Taxes Receivable  
 June 30, 2021

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 2,470,996	\$ 2,428,447	\$ 42,548
2019-2020	32,104	-	23,042	9,062
2018-2019	5,482	-	2,801	2,681
2017-2018	3,381	-	980	2,401
2016-2017	3,136	-	888	2,248
2015-2016	1,671	-	282	1,389
2014-2015	1,606	-	198	1,408
2013-2014	5,960	-	188	5,772
2012-2013	12,981	-	192	12,789
2011-2012	8,346	-	206	8,140
2010-2011	9,441	-	9,441	0
<b>Totals</b>	<b>\$ 84,108</b>	<b>\$ 2,470,996</b>	<b>\$ 2,466,667</b>	<b>88,437</b>

Less: Allowance for Uncollectible Accounts:

General Fund 24,000

Ad valorem taxes receivable - net \$ 64,437

Reconciliation with revenues:

Ad valorem taxes - General Fund \$ 2,453,686

Reconciling items:

Interest & Penalties Collected (14,621)

Tax releases, written off & adjustments 27,602

Subtotal 12,981

Total collections and credits \$ 2,466,667

City of Whiteville, North Carolina  
 Analysis of Current Tax Levy  
 City - Wide Levy  
 For the Year Ended June 30, 2021

Exhibit E-2

	City - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Net levy					
Property taxed at current year's rate	<u>\$ 466,225,596</u>	0.5300	<u>\$ 2,470,996</u>	<u>\$ 2,231,099</u>	<u>\$ 239,897</u>
Total Property Valuation			<u>2,470,996</u>	<u>2,231,099</u>	<u>239,897</u>
Net levy			2,470,996	2,231,099	239,897
Uncollected taxes at June 30, 2021			<u>42,548</u>	<u>42,548</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,428,447</u>	<u>\$ 2,188,551</u>	<u>\$ 239,897</u>
Current levy collection percentage			<u>98.28%</u>	<u>98.09%</u>	<u>100.00%</u>



# COMPLIANCE SECTION





*Thompson, Price, Scott, Adams & Co, P.A.*

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Internal Control Over Financial Reporting And On Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards***

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whiteville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Whiteville's basic financial statements, and have issued our report thereon dated November 23, 2021. Our report includes a reference to other auditors who audited the financial statements of the Whiteville ABC Board, as described in our report on the City of Whiteville's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Whiteville ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. 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.

Members

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Whiteville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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*.

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 23, 2021



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**Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With  
OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

To the Board of Directors  
City of Whiteville, North Carolina

Report on Compliance for Each Major State Program

We have audited City of Whiteville's compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Whiteville's major state programs for the year ended June 30, 2021. The City of Whiteville's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 23, 2021

CITY OF WHITEVILLE, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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**Section I. Summary of Auditors' Results**

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material Weakness (es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(s)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

State Awards

Internal control over major State programs:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(s) identified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major State programs:

Program Name  
Connect NC Bond

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**Section II. Financial Statement Findings**

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None reported.

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**Section III. State Award Findings and Questioned Costs**

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None reported.



**Darren Currie**  
City Manager  
24 Hill Plaza  
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Whiteville, NC 28472

# City of Whiteville

**Terry L. Mann**  
Mayor  
**Sara B. Thompson**  
Mayor Pro-Tem  
**Tim Blackmon**  
Council Member  
**Jimmy Clarida**  
Council Member  
**Robert Leder**  
Council Member  
**Timothy Collier**  
Council Member  
**Justin S. Smith**  
Council Member

Corrective Action Plan  
For the Fiscal Year Ended June 30, 2021

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## Section II. Financial Statement Findings

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None reported.

CITY OF WHITEVILLE, NORTH CAROLINA  
Summary of Prior Year Audit Findings  
For the Fiscal Year Ended June 30, 2021

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Section II. Financial Statement Findings

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Finding Status: 2020-001  
Corrected.



City of Whiteville, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For The Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Awards:					
<b><u>U.S. Department of Agriculture</u></b>					
Rural Business Development Grant	10.351		\$ 44,200	\$ -	-
<b><u>U.S. Department of Treasury</u></b>					
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office					
Passed-through Columbus County:					
Coronavirus Relief Fund	21.019		134,945	-	-
<b><u>U.S. Department of Homeland Security</u></b>					
Pass-through N.C. Dept. of Public Safety: Division of Emergency Management					
Hazard Mitigation Grant - Acquisition	97.039		30,957	10,319	-
Assistance to Firefighters Grant	97.044		120,000	-	-
COVID-19 - Assistance to Firefighters Grant	97.044	EMW-2020-FG-04578	4,092	-	-
Total Assistance - Federal Programs			<u>\$ 334,194</u>	<u>\$ 10,319</u>	<u>\$ -</u>
State Awards:					
<b><u>The Golden Leaf Foundation:</u></b>					
Passed-through N.C. Department of Commerce Downtown MSD Stormwater Improvements					
			\$ -	\$ -	\$ -
<b><u>NC Department of Environmental Quality</u></b>					
Wastewater - Asset Inventory and Assessment Grant		E-AIA-W-16-0048	-	13,502	-
Connect NC Bond		E-SRP-W-17-0123	-	1,027,388	-
Water Asset Inventory & Assessment Grant			-	29,750	-
<b><u>N.C. Dept. of Transportation</u></b>					
Powell Bill			-	25,000	-
<b><u>NC Dept. of Natural &amp; Cultural Resources</u></b>					
Downtown Wi-Fi Grant			-	14,000	-
Total Assistance - State Programs			<u>\$ -</u>	<u>\$ 1,109,640</u>	<u>\$ -</u>
Total Assistance			<u>\$ 334,194</u>	<u>\$ 1,119,959</u>	<u>\$ -</u>

**City of Whiteville, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2021**

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<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
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Notes to the Schedule of Expenditures of State Financial Awards

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of State awards includes the State grant activity of the City of Whiteville under the programs of the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Whiteville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Whiteville.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

The City of Whiteville has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.