

**CITY OF WHITEVILLE  
WHITEVILLE, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2020**

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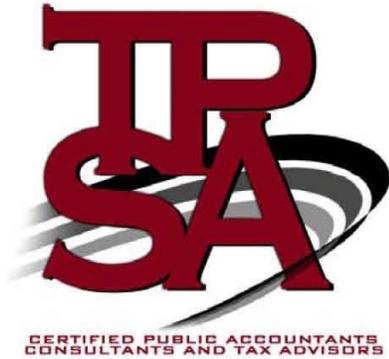
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## FINANCIAL SECTION



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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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation 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, 2020, 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 and 47, and the Other Postemployment Benefits' 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 State 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 January 20, 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  
January 20, 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, 2020. 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**

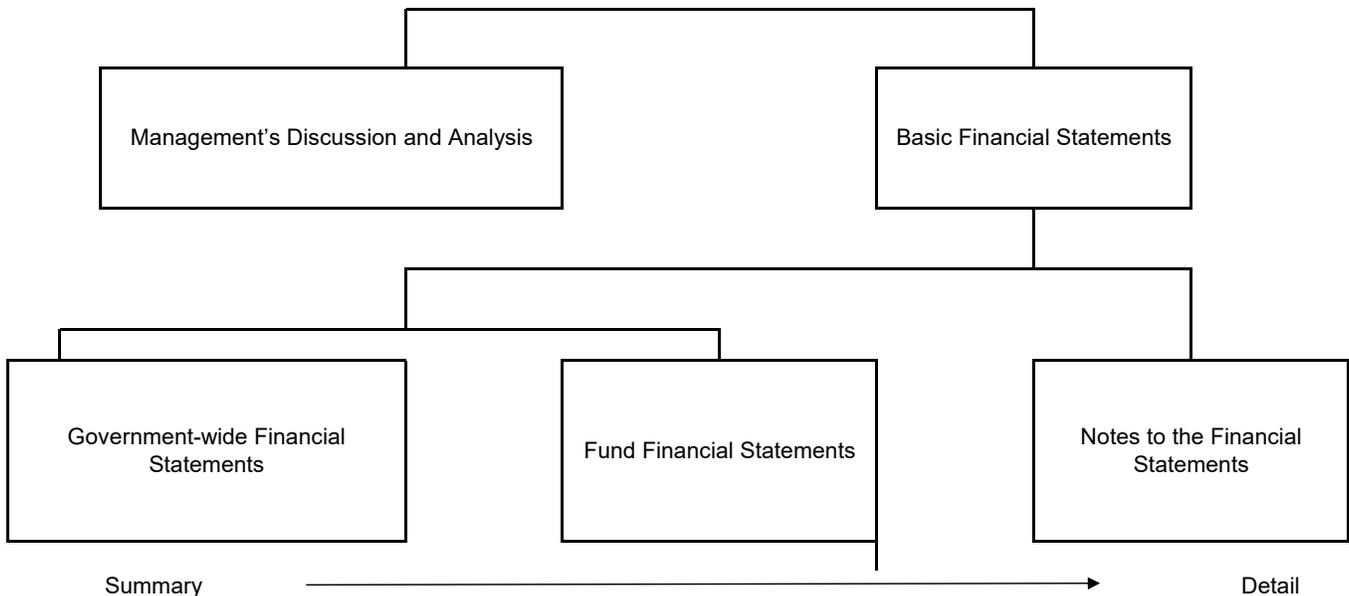
- The assets and deferred outflows of resources of the City of Whiteville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,772,242 (net position).
- The government's total net position increased by \$1,269,117. Governmental activities increased net position by \$629,866, while business-type activities increased net position by \$639,252.
- As of the close of the current fiscal year, the City of Whiteville governmental funds reported combined ending fund balances of \$4,790,008, an increase of \$1,237,878 in comparison with the prior year. Approximately 43 percent of this total amount, or \$2,076,232, is available for spending at the government's discretion.
- At the end of the current fiscal year, fund balance for the General Fund was \$3,456,542, or 63 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 5,255,449	\$ 4,013,057	\$ 3,424,152	\$ 3,748,396	\$ 8,679,601	\$ 7,761,453
Capital assets	8,742,815	7,908,601	16,543,396	15,219,254	25,286,211	23,127,855
Deferred outflows of resources	597,614	637,188	219,381	262,056	816,995	899,244
Total assets	14,595,878	12,558,846	20,186,929	19,229,706	34,782,807	31,788,552
Long-term liabilities outstanding	6,916,719	6,060,881	2,728,602	2,695,390	9,645,321	8,756,271
Other liabilities	856,011	803,316	876,622	754,582	1,732,633	1,557,898
Deferred inflows of resources	956,232	404,904	409,012	124,253	1,365,244	529,157
Total liabilities & deferred inflows of resources	8,728,962	7,269,101	4,014,236	3,574,225	12,743,198	10,843,326
Net position:						
Net investments in capital assets	5,706,275	5,235,786	15,181,624	14,090,718	20,887,899	19,326,504
Restricted	927,665	1,895,500	-	-	927,665	1,895,500
Unrestricted	88,987	(1,038,225)	1,867,691	2,319,345	1,956,678	1,281,120
Total net position	\$ 6,722,927	\$ 6,093,061	\$ 17,049,315	\$ 16,410,063	\$ 23,772,242	\$ 22,503,124

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 \$23,772,242 as of June 30, 2020. The City’s net position increased by \$1,269,117 for the fiscal year ended June 30, 2020. The largest portion (87.87%) 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, \$927,665 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,956,678 is unrestricted.

**City of Whiteville Changes in Net Position**

Figure 3

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 114,047	\$ 85,821	\$ 4,204,257	\$ 4,054,955	\$ 4,318,304	\$ 4,140,776
Operating grants & contributions	1,743,752	325,711	449,724	50,123	2,193,476	375,834
Capital grants & contributions	-	332,000	335,143	109,823	335,143	441,823
General revenues:						
Property taxes	2,477,841	2,510,711	-	-	2,477,841	2,510,711
Other taxes	1,998,108	1,923,461	-	-	1,998,108	1,923,461
Other	154,122	602,575	205,215	186,509	359,337	789,084
<b>Total revenues</b>	<b>6,487,870</b>	<b>5,780,279</b>	<b>5,194,339</b>	<b>4,401,410</b>	<b>11,682,208</b>	<b>10,181,689</b>
<b>Expenses:</b>						
General Government	720,640	909,480	-	-	720,640	909,480
Public safety	3,562,365	3,497,858	-	-	3,562,365	3,497,858
Transportation	943,317	522,511	-	-	943,317	522,511
Environmental Protection	-	412,558	-	-	-	412,558
Cultural & Recreation	571,321	544,639	-	-	571,321	544,639
Economic & Physical Development	100,886	208,750	-	-	100,886	208,750
Interest on Long-term Debt	87,957	90,009	-	-	87,957	90,009
Water & Sewer	-	-	4,426,605	3,940,631	4,426,605	3,940,631
<b>Total expenses</b>	<b>5,986,486</b>	<b>6,185,805</b>	<b>4,426,605</b>	<b>3,940,631</b>	<b>10,413,091</b>	<b>10,126,436</b>
Increase (Decrease) in net position before transfers	501,384	(405,526)	767,734	460,779	1,269,118	55,253
Transfers	128,482	(119,900)	(128,482)	119,900	-	-
Increase (decrease) in net position	629,866	(525,426)	639,252	580,679	1,269,118	55,253
Net position, July 1	6,093,061	6,534,440	16,410,063	15,829,384	22,503,124	22,363,824
Restatement	-	84,047	-	-	-	84,047
<b>Net position, June 30</b>	<b>\$ 6,722,927</b>	<b>\$ 6,093,061</b>	<b>\$ 17,049,315</b>	<b>\$ 16,410,063</b>	<b>\$ 23,772,242</b>	<b>\$ 22,503,124</b>

**Governmental activities.** Governmental activities decreased the City's net position by \$629,866.

\* The City received FEMA reimbursements to cover significant expenditures made in previous years.

**Business-type activities:** Business-type activities increased the City of Whiteville's net position by \$639,252. Key elements of this increase are as follows:

- \* Contributed Capital from NCDOT.
- \* Grants received to finance various projects.

## 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 \$2,242,933 while total fund balance of the general fund was \$3,456,542. 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 41 percent of total General Fund expenditures, while total fund balance represents 63 percent of that same amount.

At June 30, 2020, the governmental funds of City of Whiteville reported a combined fund balance of \$4,790,008, an increase of \$1,237,878 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 19-20 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 \$685,416 in the Water Fund, \$941,791 in the Sewer Fund, \$83,253 in the Sanitation Fund, and \$157,231 in the Stormwater Fund. The total change in net position was \$101,741 for the Water Fund, \$88,714 for the Sewer Fund, \$182,284 for the Sanitation Fund, and \$266,513 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, 2020, totals \$25,286,211 (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
- Purchased pumper fire truck
- Ball field lights
- Generators (EOC and Fire Department)
- Finished construction of new City Hall
- Started construction of new ABC Store

### City of Whiteville Capital Assets

**Figure 4**

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 318,182	\$ 286,102	\$ 206,018	\$ 206,018	\$ 524,200	\$ 492,120
Buildings and Distribution Systems	5,048,881	1,894,268	15,724,505	14,544,497	20,773,386	16,438,765
Equipment & Vehicles	3,017,307	2,324,921	497,586	267,966	3,514,893	2,592,887
Construction in Progress	358,445	3,403,309	115,287	200,773	473,732	3,604,082
Total	<u>\$ 8,742,815</u>	<u>\$ 7,908,600</u>	<u>\$ 16,543,396</u>	<u>\$ 15,219,254</u>	<u>\$ 25,286,211</u>	<u>\$ 23,127,854</u>

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, 2020, the City had total debt of \$5,348,456 (excluding compensated absences, pension obligations, and OPEB). There was a net increase in total debt of \$1,554,761.

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 property located within that government's boundaries. The legal debt margin for the City of Whiteville is \$32,641,944.

### **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 7.2% 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, 2021**

**Governmental Activities:** Property tax revenues are expected to remain stable. Other tax revenues could decrease slightly due to the effects of the COVID-19 virus. Capital spending is expected to increase with the ongoing Mollies Branch Phase I Sewer Project as well as additional sewer rehabilitation projects which are expected to be in progress for approximately 3 years. Construction will continue on the new ABC store.

**Business – type Activities:** Business revenues are expected to remain stable. The loan repayments will continue on the Wastewater Treatment Plant and Well loans. New loan payments will begin for the FlexNet Smart Utility System loan, as well as Mollies Branch Phase I and Phase II loans.

### **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, 2020

	Primary Government			City of Whiteville ABC Board
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Current Assets:				
Cash and Investments	\$ 3,172,684	\$ 2,721,139	\$ 5,893,823	\$ 538,015
Taxes Receivable (Net)	44,995	-	44,995	-
Accrued Interest Receivable on Taxes	3,676	-	3,676	-
Accounts Receivable (Net)	1,194	590,503	591,697	-
Due From Other Governments	761,578	99,782	861,360	-
Due From Component Units	71,454	-	71,454	-
Inventories	-	-	-	74,837
Internal Balances	154,045	(154,045)	-	-
Restricted assets:				
Cash and cash equivalents	1,045,823	166,773	1,212,596	-
Total Current Assets	<u>5,255,449</u>	<u>3,424,152</u>	<u>8,679,601</u>	<u>612,852</u>
Non-current Assets:				
Capital Assets:				
Land, Non-depreciable Improvements, and Construction in Progress	676,627	321,305	997,932	-
Other Capital Assets, Net of Depreciation	8,066,188	16,222,091	24,288,279	-
Total Capital Assets	<u>8,742,815</u>	<u>16,543,396</u>	<u>25,286,211</u>	<u>-</u>
Total Assets	<u>13,998,264</u>	<u>19,967,548</u>	<u>33,965,812</u>	<u>612,852</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	547,033	207,828	754,861	23,437
OPEB deferrals	50,581	11,553	62,134	-
Total deferred outflows of resources	<u>597,614</u>	<u>219,381</u>	<u>816,995</u>	<u>23,437</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	342,241	222,221	564,462	285,639
Customer Deposits	4,500	166,773	171,273	-
Unspent CARES Act Funding	69,669	-	69,669	-
Accrued Interest Payable	39,741	11,549	51,290	-
Current portion of long-term liabilities	399,860	476,079	875,939	-
Total current liabilities	<u>856,011</u>	<u>876,622</u>	<u>1,732,633</u>	<u>285,639</u>
Long-Term Liabilities:				
Net Pension Liability	882,448	351,928	1,234,376	47,245
Total Pension Liability	216,654	-	216,654	-
Total OPEB Liability	1,149,234	558,459	1,707,693	-
Due in more than one year	3,812,372	941,593	4,753,965	-
Total Liabilities	<u>6,916,719</u>	<u>2,728,602</u>	<u>9,645,321</u>	<u>332,884</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	142,252	13,640	155,892	5,960
OPEB deferrals	813,620	395,372	1,208,992	-
Prepaid licenses	360	-	360	-
Total deferred inflows of resources	<u>956,232</u>	<u>409,012</u>	<u>1,365,244</u>	<u>5,960</u>
<b>Net Position</b>				
Net investment in capital assets	5,706,275	15,181,624	20,887,899	-
Restricted for:				
Stabilization by State Statute	800,659	-	800,659	-
Streets	92,950	-	92,950	-
Economic Development	34,056	-	34,056	-
Other	-	-	-	50,340
Unrestricted	88,987	1,867,691	1,956,678	247,105
Total Net Position	<u>\$ 6,722,927</u>	<u>\$ 17,049,315</u>	<u>\$ 23,772,242</u>	<u>\$ 297,445</u>

City of Whiteville, North Carolina  
 Statement of Activities  
 For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			City of Whiteville ABC Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 720,640	\$ 81,777	\$ 465,771	\$ -	\$ (173,092)	\$ -	\$ (173,092)	\$ -
Public safety	3,562,365	19,744	432,453	-	(3,110,168)	-	(3,110,168)	-
Transportation	943,317	-	262,866	-	(680,451)	-	(680,451)	-
Environmental Protection	-	-	339,702	-	339,702	-	339,702	-
Economic & physical	100,886	-	162,011	-	61,125	-	61,125	-
Cultural and recreation	571,321	12,526	80,948	-	(477,847)	-	(477,847)	-
Interest on Long-Term Debt	87,957	-	-	-	(87,957)	-	(87,957)	-
Total governmental activities	5,986,486	114,047	1,743,752	-	(4,128,687)	-	(4,128,687)	-
Business-type activities:								
Water	869,125	870,136	-	-	-	1,011	1,011	-
Sewer	2,160,191	1,823,178	449,724	-	-	112,711	112,711	-
Stormwater	302,990	234,360	-	335,143	-	266,513	266,513	-
Sanitation	1,094,299	1,276,583	-	-	-	182,284	182,284	-
Total business-type activities	4,426,605	4,204,257	449,724	335,143	-	562,519	562,519	-
Total primary government	\$ 10,413,091	\$ 4,318,304	\$ 2,193,476	\$ 335,143	(4,128,687)	562,519	(3,566,168)	-
Component Unit:								
City of Whiteville ABC Board	\$ 1,362,926	\$ 1,308,854	\$ -	\$ -	-	-	-	(54,072)
Total Component Unit	\$ 1,362,926	\$ 1,308,854	\$ -	\$ -	\$ -	\$ -	\$ -	(54,072)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					2,477,841	-	2,477,841	-
Other taxes					750	-	750	-
Grants and contributions not restricted to specific program					1,928,291	-	1,928,291	-
Unrestricted investment earnings					69,067	-	69,067	2,507
Miscellaneous					154,122	205,215	359,337	540
Total general revenues not including transfers					4,630,071	205,215	4,835,286	3,047
Transfers					128,482	(128,482)	-	-
Total general revenues and transfers					4,758,553	76,733	4,835,286	3,047
Change in net position					629,866	639,252	1,269,118	(51,025)
Net position, beginning, previously reported					6,093,061	16,410,063	22,503,124	348,470
Net position, ending					\$ 6,722,927	\$ 17,049,315	\$ 23,772,242	\$ 297,445

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

City of Whiteville, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Hurricane Florence Recovery	Non-Major Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,701,268	\$ 31,088	\$ 440,328	\$ 3,172,684
Restricted Cash	91,179	-	954,644	1,045,823
Receivables, net:				
Taxes	44,108	-	887	44,995
Accounts	1,194	-	-	1,194
Due from other governments	566,371	181,738	13,469	761,578
Due from component unit	71,454	-	-	71,454
Due from other funds	161,640	-	-	161,640
Total assets	<u>\$ 3,637,214</u>	<u>\$ 212,826</u>	<u>\$ 1,409,328</u>	<u>\$ 5,259,368</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 136,204	\$ -	\$ 206,037	\$ 342,241
Due to other funds	-	-	7,595	7,595
Security Deposits	-	-	4,500	4,500
Unspent CARES Act Funding	-	-	69,669	69,669
Total liabilities	<u>136,204</u>	<u>-</u>	<u>287,801</u>	<u>424,005</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	44,108	-	887	44,995
Prepaid licenses	360	-	-	360
Total deferred inflows of resources	<u>44,468</u>	<u>-</u>	<u>887</u>	<u>45,355</u>
Fund balances:				
Restricted				
Stabilization by State Statute	800,659	-	-	800,659
Streets	92,950	-	-	92,950
Economic Development	-	-	34,056	34,056
Assigned				
Economic Development	-	-	44,131	44,131
Capital Outlay	-	-	1,111,360	1,111,360
Hurricane Recovery	-	212,826	81,294	294,120
Public Safety	-	-	16,500	16,500
Subsequent year's expenditures	320,000	-	-	320,000
Unassigned	2,242,933	-	(166,701)	2,076,232
Total fund balances	<u>3,456,542</u>	<u>212,826</u>	<u>1,120,640</u>	<u>4,790,008</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,637,214</u>	<u>\$ 212,826</u>	<u>\$ 1,409,328</u>	

(continued)

City of Whiteville, North Carolina  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 Governmental Funds  
 June 30, 2020

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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	\$	4,790,008
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		8,742,815
Deferred outflows of resources related to pensions are not reported in the funds		547,033
Deferred outflows of resources related to OPEB are not reported in the funds		50,581
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.		3,676
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		44,995
Pension related deferrals		(142,252)
OPEB related deferrals		(813,620)
Net pension asset (liability)		(882,448)
Total pension liability		(216,654)
Total OPEB liability		(1,149,234)
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.		<u>(4,251,973)</u>
Net position of governmental activities	\$	<u><u>6,722,927</u></u>

City of Whiteville, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	Major Fund			Total Governmental Funds
	General Fund	Hurricane Florence Recovery	Non-Major Funds	
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,436,022	\$ -	\$ 26,387	\$ 2,462,409
Other taxes and licenses	750	-	-	750
Unrestricted intergovernmental	1,928,291	-	-	1,928,291
Restricted intergovernmental	273,260	1,254,796	215,696	1,743,752
Permits and fees	81,777	-	-	81,777
Investment earnings	69,067	-	-	69,067
Sales and Service	32,270	-	-	32,270
Miscellaneous	91,200	31,163	31,759	154,122
Total revenues	<u>4,912,637</u>	<u>1,285,959</u>	<u>273,842</u>	<u>6,472,438</u>
<b>EXPENDITURES</b>				
Current:				
General government	422,534	135,835	24,927	583,296
Public safety	3,875,972	12,250	62,001	3,950,223
Transportation	694,491	112,705	5,447	812,643
Environmental protection	-	-	-	-
Cultural and recreational	603,563	44,928	-	648,491
Economic Development	-	3,430	97,669	101,099
Capital Outlay	-	-	490,584	490,584
Debt Service:				
Principal	414,758	-	-	414,758
Interest & Other Charges	90,575	-	-	90,575
Total expenditures	<u>6,101,893</u>	<u>309,148</u>	<u>680,628</u>	<u>7,091,669</u>
Excess (deficiency) of revenues over expenditures	<u>(1,189,256)</u>	<u>976,811</u>	<u>(406,786)</u>	<u>(619,231)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to) other funds	(126,629)	-	126,629	-
Transfers from other funds	128,482	-	-	128,482
Lease and Installment Loan Proceeds	778,627	-	950,000	1,728,627
Total other financing sources (uses)	<u>780,480</u>	<u>-</u>	<u>1,076,629</u>	<u>1,857,109</u>
Net change in fund balance	(408,776)	976,811	669,843	1,237,878
Fund balances, beginning	<u>3,865,318</u>	<u>(763,985)</u>	<u>450,797</u>	<u>3,552,130</u>
Fund balances, ending	<u>\$ 3,456,542</u>	<u>\$ 212,826</u>	<u>\$ 1,120,640</u>	<u>\$ 4,790,008</u>

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

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, 2020

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

Net changes in fund balances - total governmental funds \$ 1,237,878

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	1,574,039	
Depreciation expense for governmental assets	(739,824)	
Gain (Loss) on Disposal	-	
	-	834,215

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 200,384

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities 9,427

OPEB benefit payments paid and administrative costs made in the current year are not included on the Statement of Activities 38,666

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 15,432

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	(1,728,627)	
Principal payments on long-term debt	414,758	
Decrease in accrued interest payable	2,618	
	-	(1,311,251)

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	(28,799)	
Pension expense - LGERS	(383,133)	
Pension expense (revenue) - LEOSSA	6,266	
OPEB expense (revenue)	10,781	
	-	(394,885)

Total changes in net position of governmental activities \$ 629,866

City of Whiteville, North Carolina  
General Fund

Exhibit 6

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2020

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,586,500	\$ 2,586,500	\$ 2,436,022	\$ (150,478)
Other taxes and licenses	6,624	6,624	750	(5,874)
Unrestricted intergovernmental revenues	1,956,478	1,956,478	1,928,291	(28,187)
Restricted intergovernmental revenues	278,524	278,524	273,260	(5,264)
Permits and fees	57,768	57,768	81,777	24,009
Investment Earnings	126,788	126,788	69,067	(57,721)
Sales and Services	76,143	76,143	32,270	(43,873)
Miscellaneous	88,946	92,029	91,200	(829)
Total revenues	<u>5,177,771</u>	<u>5,180,854</u>	<u>4,912,637</u>	<u>(268,217)</u>
<b>Expenditures:</b>				
Current:				
General government	442,760	442,763	422,534	20,229
Public safety	4,146,366	4,145,904	3,875,972	269,932
Transportation	465,282	700,282	694,491	5,791
Cultural and recreation	716,120	744,662	603,563	141,099
Debt Service:				
Principal retirement	371,940	471,940	414,758	57,182
Interest and fees	69,903	98,385	90,575	7,810
Total expenditures	<u>6,212,371</u>	<u>6,603,936</u>	<u>6,101,893</u>	<u>502,043</u>
Revenues over/(under) expenditures	<u>(1,034,600)</u>	<u>(1,423,082)</u>	<u>(1,189,256)</u>	<u>233,826</u>
Other financing sources (uses):				
Transfer from (to) other fund:				
Special Revenue	(52,000)	(61,200)	(60,323)	877
Capital Project Fund	-	(16,500)	(66,306)	(49,806)
Stormwater Fund	-	-	-	-
Sewer Fund	-	128,482	128,482	-
Lease and Installment Loan Proceeds	801,000	801,000	778,627	(22,373)
Appropriated Fund Balance	285,600	571,300	-	(571,300)
Total other financing sources (uses)	<u>1,034,600</u>	<u>1,423,082</u>	<u>780,480</u>	<u>(642,602)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(408,776)</u>	<u>\$ (408,776)</u>
Fund balance, beginning of year			3,865,318	
Prior Period Adjustment			-	
Fund balance, end of year			<u>\$ 3,456,542</u>	

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

City of Whiteville, North Carolina  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2020

	Major		Non-Major		Total
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 819,146	\$ 1,572,945	\$ 86,612	\$ 242,436	\$ 2,721,139
Accounts receivable (net) - billed	184,290	132,610	92,977	11,304	421,181
Accounts receivable (net) - unbilled	36,951	75,053	53,679	-	165,683
Miscellaneous Receivable	1,486	1,333	820	-	3,639
Due From Other Funds	39,908	-	-	-	39,908
Due From Other Governments	52,442	36,270	3,292	7,778	99,782
Restricted Assets:					
Cash and cash equivalents	166,773	-	-	-	166,773
Total current assets	<u>1,300,996</u>	<u>1,818,211</u>	<u>237,380</u>	<u>261,518</u>	<u>3,618,105</u>
Noncurrent assets:					
Capital assets:					
Land and other non-depreciable assets	34,131	287,174	-	-	321,305
Other capital assets, net of depreciation	2,360,472	13,335,019	76,976	449,624	16,222,091
Capital Assets (net)	<u>2,394,603</u>	<u>13,622,193</u>	<u>76,976</u>	<u>449,624</u>	<u>16,543,396</u>
Total noncurrent assets	<u>2,394,603</u>	<u>13,622,193</u>	<u>76,976</u>	<u>449,624</u>	<u>16,543,396</u>
Total Assets	<u>\$ 3,695,599</u>	<u>\$ 15,440,404</u>	<u>\$ 314,356</u>	<u>\$ 711,142</u>	<u>\$ 20,161,501</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan deferrals	\$ 60,395	\$ 97,287	\$ 29,680	\$ 20,466	\$ 207,828
OPEB deferrals	4,969	5,351	717	516	11,553
Total deferred outflows of resources	<u>65,364</u>	<u>102,638</u>	<u>30,397</u>	<u>20,982</u>	<u>219,381</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts Payable and Accrued Liabilities	25,117	181,290	14,190	1,624	222,221
Due to Other Funds	39,908	154,045	-	-	193,953
Customer Deposits	166,773	-	-	-	166,773
Accrued Interest Payable	2,741	8,808	-	-	11,549
Current Maturities of Long Term Debt	54,835	421,244	-	-	476,079
Total Current Liabilities	<u>289,374</u>	<u>765,387</u>	<u>14,190</u>	<u>1,624</u>	<u>1,070,575</u>
Noncurrent Liabilities					
Compensated Absences	3,583	49,620	-	2,696	55,899
Total OPEB Liability	197,068	242,492	69,162	49,737	558,459
Net Pension Liability	102,271	164,741	50,259	34,657	351,928
Long Term Debt	248,165	637,529	-	-	885,694
Total Noncurrent liabilities	<u>551,087</u>	<u>1,094,382</u>	<u>119,421</u>	<u>87,090</u>	<u>1,851,980</u>
Total Liabilities	<u>840,461</u>	<u>1,859,769</u>	<u>133,611</u>	<u>88,714</u>	<u>2,922,555</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	3,964	6,385	1,948	1,343	13,640
OPEB deferrals	139,518	171,677	48,965	35,212	395,372
Total deferred inflows of resources	<u>143,482</u>	<u>178,062</u>	<u>50,913</u>	<u>36,555</u>	<u>409,012</u>
<b>Net Position</b>					
Net investment in capital assets	2,091,604	12,563,420	76,976	449,624	15,181,624
Unrestricted	685,416	941,791	83,253	157,231	1,867,691
Total Net Position of Business - Type Activities	<u>\$ 2,777,020</u>	<u>\$ 13,505,211</u>	<u>\$ 160,229</u>	<u>\$ 606,855</u>	<u>\$ 17,049,315</u>

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

City of Whiteville, North Carolina  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020

Exhibit 8

	Major			Non-Major	Total
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	
<b>Operating revenues:</b>					
Charges for services	\$ 837,504	\$ 1,781,967	\$ 1,276,583	\$ 234,360	\$ 4,130,414
Other operating revenues	32,632	41,211	-	-	73,843
Total operating revenues	<u>870,136</u>	<u>1,823,178</u>	<u>1,276,583</u>	<u>234,360</u>	<u>4,204,257</u>
<b>Operating Expenses:</b>					
Administration	18,578	159,276	-	-	177,854
Water Operations	777,796	-	-	-	777,796
Sewer Operations	-	856,291	-	-	856,291
Waste Water Treatment & Distribution Plant	-	698,229	-	-	698,229
Stormwater Operations	-	-	-	292,230	292,230
Sanitation	-	-	1,079,794	-	1,079,794
Depreciation	70,077	420,217	14,505	10,760	515,559
Total operating expenses	<u>866,451</u>	<u>2,134,013</u>	<u>1,094,299</u>	<u>302,990</u>	<u>4,397,753</u>
Operating income (loss)	<u>3,685</u>	<u>(310,835)</u>	<u>182,284</u>	<u>(68,630)</u>	<u>(193,496)</u>
<b>Nonoperating revenues (expenses):</b>					
Investment earnings	-	-	-	-	-
Interest and fees	(2,674)	(26,178)	-	-	(28,852)
Water Tank Lease	49,408	-	-	-	49,408
Sewer Line Expansion Revenue	-	89,161	-	-	89,161
Miscellaneous income	51,322	15,324	-	-	66,646
Total nonoperating revenues (expenses)	<u>98,056</u>	<u>78,307</u>	<u>-</u>	<u>-</u>	<u>176,363</u>
Income (Loss) Before Contributions and	101,741	(232,528)	182,284	(68,630)	(17,133)
Capital contributions	-	449,724	-	335,143	784,867
Transfers from (to) other funds	-	(128,482)	-	-	(128,482)
Total Income (Loss) After Contributions	<u>101,741</u>	<u>88,714</u>	<u>182,284</u>	<u>266,513</u>	<u>639,252</u>
Change in Net Position	101,741	88,714	182,284	266,513	639,252
Total Net Position, Beginning	<u>2,675,279</u>	<u>13,416,497</u>	<u>(22,055)</u>	<u>340,342</u>	<u>16,410,063</u>
Total Net Position, Ending	<u>\$ 2,777,020</u>	<u>\$ 13,505,211</u>	<u>\$ 160,229</u>	<u>\$ 606,855</u>	<u>\$ 17,049,315</u>

City of Whiteville, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2020

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	\$ 926,885	\$ 1,907,872	\$ 1,292,615	\$ 215,357	\$ 4,342,729
Cash paid for goods and services	(437,681)	(989,402)	(1,002,079)	(65,801)	(2,494,963)
Cash paid to employees for services	(364,094)	(576,006)	(177,805)	(124,003)	(1,241,908)
Customer deposits received / (returned)	(24,794)	-	-	-	(24,794)
Net cash provided by (used in) operating activities	<u>100,316</u>	<u>342,464</u>	<u>112,731</u>	<u>25,553</u>	<u>581,064</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(280,000)	(1,227,060)	(30,835)	(301,811)	(1,839,706)
Installment Purchase Proceeds	180,000	420,000	-	-	600,000
Principal paid on loans	(15,506)	(343,601)	-	-	(359,107)
Interest & fees paid on loans	(248)	(21,727)	-	-	(21,975)
Miscellaneous income	51,302	15,324	-	-	66,626
Capital Contributions & Miscellaneous Grants	-	449,724	-	335,143	784,867
Sewer line expansion revenue	-	89,161	-	-	89,161
Water tank lease	49,408	-	-	-	49,408
Net cash provided by (used in) capital and related financing activities	<u>(15,044)</u>	<u>(618,179)</u>	<u>(30,835)</u>	<u>33,332</u>	<u>(630,726)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Due to/from other funds & transfers	(43,167)	129,777	(16,396)	(48,750)	21,464
Transfers to / from other funds	-	(128,482)	-	-	(128,482)
Net cash provided by (used in) non-capital financing activities	<u>(43,167)</u>	<u>1,295</u>	<u>(16,396)</u>	<u>(48,750)</u>	<u>(107,018)</u>
Cash flows from investment activities:					
Interest on investments	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	42,105	(274,420)	65,500	10,135	(156,680)
Cash and cash equivalents, July 1	943,814	1,847,365	21,112	232,301	3,044,592
Cash and cash equivalents, June 30	<u>\$ 985,919</u>	<u>\$ 1,572,945</u>	<u>\$ 86,612</u>	<u>\$ 242,436</u>	<u>\$ 2,887,912</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 3,685	\$ (310,835)	\$ 182,284	\$ (68,630)	\$ (193,496)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	70,077	420,217	14,505	10,760	515,559
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	60,112	83,325	14,303	(11,304)	146,436
(Increase) decrease in due from other governments	(5,286)	(13,727)	2,176	(7,699)	(24,536)
(Increase) decrease in miscellaneous receivable	1,924	15,096	(447)	-	16,573
(Increase) decrease in prepaid expense	-	-	-	-	-
(Increase) decrease in deferred outflows of resources - pension	34,315	27,328	65	(20,466)	41,242
(Increase) decrease in deferred outflows of resources for OPEB	1,633	915	(599)	(516)	1,433
Increase (decrease) in accounts payable and other liabilities	5,005	139,982	(114,111)	(237)	30,639
Increase (decrease) in accrued vacation pay	(4,514)	2,048	-	2,696	230
Increase (decrease) in deferred inflows of resources - pension	(4,925)	(5,310)	(844)	1,343	(9,736)
Increase (decrease) in deferred inflows of resources - OPEB	100,020	123,099	36,164	35,212	294,495
Increase (decrease) in OPEB liability	(118,792)	(145,981)	(33,206)	49,737	(248,242)
Increase (decrease) in net pension liability	(18,143)	6,307	12,441	34,657	35,262
Increase (decrease) in customer deposits	(24,794)	-	-	-	(24,794)
Total adjustments	<u>96,632</u>	<u>653,299</u>	<u>(69,553)</u>	<u>94,183</u>	<u>774,561</u>
Net cash provided by (used in) operating activities	<u>\$ 100,316</u>	<u>\$ 342,464</u>	<u>\$ 112,731</u>	<u>\$ 25,553</u>	<u>\$ 581,064</u>

CITY OF WHITEVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**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.

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

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 AGF 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.

**Golden Leaf Vehicle / Equipment Grant.** This fund is used to account for Golden Leaf Grant proceeds and related expenditures for the replacement of vehicles and equipment.

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

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

**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. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating, and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have 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	\$ 91,179
Vineland Station	4,500
ABC Store Building Construction (unspent loan proceeds)	950,144
Total Governmental activities	\$ 1,045,823
Business-type Activities	
Water Fund	
Customer Deposits	\$ 166,773
Total business-type activities	\$ 166,773
Total Restricted Cash	\$ 1,212,596

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, 2019. 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 meet 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.

**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 new City Hall.
- **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

The deficit fund balances of the HMGP Property Acquisition Fund (\$1,000) and the HMGP Generator Fund (\$165,701) resulted from the City having to spend funds for disaster assistance prior to receiving reimbursements from FEMA.

## 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, 2020, the City's deposits had a carrying amount of \$2,128,835 and a bank balance of \$2,144,156. The carrying amount of deposits for the ABC Board was \$537,140 and the bank balance was \$600,304. 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, 2020 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, 2020, the City's investment balances were as follows:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/20</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value- Level 1	\$ 302,890	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value- Level 2	4,674,694	.15 years	Unrated
Total:		\$ 4,977,584		

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	\$ 71,699	\$ 94,310
Charges for Services - Billed	-	421,181
Charges for Services - Unbilled	-	165,683
Motor Vehicle Tax Receivable	16,084	-
Due from County - Taxes / Stormwater	26,329	5,472
ABC Board A/R	71,454	-
Returned Checks & Other Misc.Receivables	4,017	3,639
Franchise Tax Receivable	106,005	-
Local Option Sales Tax Receivable	354,668	-
Other Grants	183,970	-
Total	<u>\$ 834,226</u>	<u>\$ 690,285</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, 2020 are net of the following allowances for doubtful accounts.

<u>Fund</u>	<u>6/30/20</u>
General Fund:	
Taxes Receivable	<u>\$ 40,000</u>
Enterprise Funds:	
Water Fund	74,084
Sewer Fund	26,037
Sanitation Fund	41,731
Total - Enterprise Funds	<u>\$ 141,852</u>

4. Capital Assets

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases and Adjustments	Decreases	Ending Balances
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 286,102	\$ 32,080	\$ -	\$ 318,182
Construction in Progress	3,403,309	490,584	3,535,448	358,445
Total capital assets not being depreciated	3,689,411	522,664	3,535,448	676,627
<b>Capital assets being depreciated</b>				
Buildings	2,897,205	3,154,734	-	6,051,939
Infrastructure	2,071,061	198,759	-	2,269,820
Equipment & Furn. & Fixtures	2,442,054	410,093	-	2,852,147
Vehicles	3,609,966	823,237	-	4,433,203
Total capital assets being depreciated	11,020,286	4,586,823	-	15,607,109
<b>Less accumulated depreciation for:</b>				
Buildings	1,512,251	138,419	-	1,650,670
Infrastructure	1,561,747	60,461	-	1,622,208
Equipment & Furn. & Fixtures	1,186,544	239,013	-	1,425,557
Vehicles	2,540,555	301,931	-	2,842,486
Total accumulated depreciation	6,801,097	\$ 739,824	\$ -	7,540,921
Total capital assets being depreciated, net	4,219,189			8,066,188
<b>Governmental activity capital assets, net</b>	<b>\$ 7,908,600</b>			<b>\$ 8,742,815</b>

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

General Government	\$ 101,641
Public Safety	316,655
Transportation	154,103
Cultural & Recreational	167,425
Total Depreciation Expense	<u>\$ 739,824</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	-	180,000	180,000	-
Total capital assets not being depreciated	34,131	180,000	180,000	34,131
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	5,733,210	280,000	-	6,013,210
Furniture, Maint Equip, & Vehicles	354,894	-	-	354,894
Total capital assets being depreciated	6,088,104	280,000	-	6,368,104
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	3,615,162	54,321	-	3,669,483
Furniture, Maint Equip, & Vehicles	322,392	15,757	-	338,149
Total accumulated depreciation	3,937,554	\$ 70,078	\$ -	4,007,632
Total capital assets being depreciated, net	2,150,550			2,360,472
<b>Water fund capital assets, net</b>	<b>\$ 2,184,681</b>			<b>\$ 2,394,603</b>

**Sewer Fund**

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 171,887	\$ -	\$ -	\$ 171,887
Construction in Progress	42,200	493,087	420,000	115,287
Total capital assets not being depreciated	214,087	493,087	420,000	287,174
Capital assets being depreciated:				
Plant and distribution systems	18,756,372	910,522	-	19,666,894
Furniture, Maint Equip, & Vehicles	1,176,725	243,451	-	1,420,176
Total capital assets being depreciated	19,933,097	1,153,973	-	21,087,070
Less accumulated depreciation for:				
Plant and distribution systems	6,329,923	351,193	-	6,681,116
Furniture, Maint Equip, & Vehicles	1,001,907	69,028	-	1,070,935
Total accumulated depreciation	7,331,830	\$ 420,221	\$ -	7,752,051
Total capital assets being depreciated, net	12,601,267			13,335,019
Sewer fund capital assets, net	\$ 12,815,354			\$ 13,622,193

**Stormwater Fund**

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	158,573	241,427	400,000	-
Total capital assets not being depreciated	158,573	241,427	400,000	-
Capital assets being depreciated:				
Plant and distribution systems	-	400,000	-	400,000
Furniture, Maint Equip, & Vehicles	-	60,384	-	60,384
Total capital assets being depreciated	-	460,384	-	460,384
Less accumulated depreciation for:				
Plant and distribution systems	-	5,000	-	5,000
Furniture, Maint Equip, & Vehicles	-	5,760	-	5,760
Total accumulated depreciation	-	\$ 10,760	\$ -	10,760
Total capital assets being depreciated, net	-			449,624
Stormwater fund capital assets, net	\$ 158,573			\$ 449,624

**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	80,885	30,835	-	111,720
Total capital assets being depreciated	80,885	30,835	-	111,720
Less accumulated depreciation for:				
Plant and distribution systems	-	-	-	-
Furniture, Maint Equip, & Vehicles	20,239	14,505	-	34,744
Total accumulated depreciation	20,239	\$ 14,505	\$ -	34,744
Total capital assets being depreciated, net	60,646			76,976
Sanitation fund capital assets, net	\$ 60,646			\$ 76,976
Business-type activities capital assets, net	\$ 15,219,254			\$ 16,543,396

## Construction Commitments

The City has no active construction projects as of June 30, 2020.

### 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2020, was 9.70% of compensation for law enforcement officers and 9.02% 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 \$280,299 for the year ended June 30, 2020.

*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, 2020, the City reported a liability of \$1,234,377 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the City's proportion was .0452% (measured as of June 30, 2019), which was a decrease of .0006% from its proportion measured as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the City recognized pension expense of \$529,816. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,357	\$ -
Changes of assumptions	201,183	-
Net difference between projected and actual earnings on pension plan investments	30,108	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,996	47,846
City contributions subsequent to the measurement date	280,299	-
Total	<u>\$ 728,943</u>	<u>\$ 47,846</u>

\$280,299 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 198,970
2022	56,582
2023	109,547
2024	35,699
2025	-
Thereafter	-
	<u>\$ 400,798</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2018 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, 2018 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, 2020 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 2018 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)	\$ 2,823,245	\$ 1,234,377	\$ (86,295)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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, 2019, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	2
Terminated plan members entitled to but no yet receiving benefits	0
Active Plan Members	23
Total	25

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, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 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, 2018 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, 2014.

Mortality Rate

Deaths After Retirement (Healthy): Mortality Rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality Rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

Deaths Before Retirement: Mortality Rates are based on the RP-2014 Total Data Set for Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale MP-2015.

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 \$17,390 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, 2020, the City reported a total pension liability of \$216,654. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension revenue of \$6,266.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 98,292
Changes of assumptions	16,489	9,755
City benefit payments and plan administrative expense made subsequent to the measurement date	9,427	-
Total	<u>\$ 25,916</u>	<u>\$ 108,047</u>

\$9,427 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (25,235)
2022	(25,235)
2023	(24,800)
2024	(14,238)
2025	(2,050)
Thereafter	-
	<u>\$ (91,558)</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 3.26 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 (2.26 percent) or one percentage point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 238,833	\$ 216,654	\$ 196,964

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

Beginning Balance	\$ 207,783
Service Cost	20,973
Interest on the total pension liability	7,247
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(9,720)
Changes of assumptions or other inputs	7,761
Benefit payments	(17,390)
Other changes	-
Ending balance of the total pension liability	<u>\$ 216,654</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 (measurement date) to 3.26 percent at June 30, 2019 (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 for the period ended December 31, 2018.

**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)	\$ 529,816	\$ (6,266)	\$ 523,550
Pension Liability	1,234,377	216,654	1,451,031
Proportionate share of the net pension liability	0.04520%	n/a	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	211,357	-	211,357
Changes of assumptions	201,183	16,489	217,672
Net difference between projected and actual earnings on plan investments	30,108	-	30,108
Changes in proportion and differences between contributions and proportionate share of contributions	5,996	-	5,996
Benefit payments and administrative costs paid subsequent to the measurement date	280,299	9,427	289,726
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	-	98,292	98,292
Changes of assumptions	-	9,755	9,755
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	47,846	-	47,846

**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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2020 were \$70,5165, which consisted of \$52,295 from the City and \$18,221 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, 2020 were \$136,036, which consisted of \$89,634 from the City and \$46,402 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.

	2020
Retirees and dependents receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	-
Active Plan Members	59
Total	78

**Total OPEB Liability**

The City's total OPEB liability of \$1,707,692 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2019 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	3.50%
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**

<b>Balance at July 1, 2019</b>	\$ 2,579,864
<b>Changes for the year</b>	
Service Cost	116,869
Interest	99,456
Changes in benefit terms	-
Difference between expected and actual experience	(1,058,970)
Changes of assumptions or other inputs	17,232
Benefit payments	(46,759)
Other	-
<b>Net Changes</b>	<u>(872,172)</u>
<b>Total OPEB Liability at June 30, 2020</b>	<u>\$ 1,707,692</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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 (2.50%) and 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB Liability	\$ 2,010,723	\$ 1,707,692	\$ 168,257

*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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,454,986	\$ 1,707,692	\$ 2,036,864

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$42,667. At June 30, 2020, 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	\$ 2,577	\$ 929,670
Changes of assumptions	15,128	279,321
Benefit payments and administrative costs made subsequent to the measurement date	44,429	-
Total	<u>\$ 1,271,125</u>	<u>\$ -</u>

\$44,429 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, 2021. Other amounts reported as deferred inflows of resources related to pension will be recognized as pension expense as follows:

**Year ended June 30:**

2021	\$ (170,090)
2022	(170,090)
2023	(170,090)
2024	(170,090)
2025	(170,090)
Thereafter	(340,836)

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	\$ 280,299
Benefit payments made and administrative expenses for LEOSSA	9,427
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	44,429
Differences between expected and actual experience	
LGERS	211,357
LEOSSA	-
OPEB	2,577
Changes of assumptions	
LGERS	201,183
LEOSSA	16,489
OPEB	15,128
Net difference between projected and actual	
LGERS	30,108
Changes in proportion and differences between employer contributions and proportionate share of contributions	
LGERS	5,996
Total	<u>\$ 816,993</u>

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

Prepaid taxes (General Fund)	\$	360
Taxes Receivable, less penalties (General Fund)		44,995
Differences between expected and actual experience		
LGERS		-
LEOSSA		98,292
OPEB		929,670
Changes of assumptions		
LGERS		-
LEOSSA		9,755
OPEB		279,321
Changes in proportion and differences between employer contributions and proportionate share of contributions		
LGERS		47,846
Total		<u><u>\$ 1,410,239</u></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, 2020, 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, 2020:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles - Governmental	\$ 90,627	\$ 16,615	\$ 74,012
Total	<u>\$ 90,627</u>	<u>\$ 16,615</u>	<u>\$ 74,012</u>

The future minimum lease obligations and the net present value of these minimum lease payment as of June 30, 2020 were as follows:

	<u>Governmental</u>	<u>Enterprise</u>
2021	\$ 32,490	\$ -
2022	32,503	-
2023	-	-
2024	-	-
Total Minimum Lease Payments	<u>64,993</u>	<u>-</u>
Less: Amount representing interest	<u>(6,856)</u>	<u>-</u>
Present value of the minimum lease payments	<u>\$ 58,137</u>	<u>\$ -</u>

b. Installment Loans

**Serviced by Governmental Activities:**

\$540,000 direct placement loan with BB&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.

\$ 357,849

\$520,000 direct placement loan with BB&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.

381,333

\$2,000,000 direct placement loan with BB&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.

1,600,000

\$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.

639,365

\$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.

950,000

Total Serviced by Governmental Activities \$ 3,928,547

**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. \$ 314,286

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. 324,490

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. 123,000

\$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. 600,000

Total Serviced by Enterprise Funds \$ 1,361,776

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
2021	\$ 371,876	\$ 106,066	\$ 476,079	\$ 26,664	\$ 847,955	\$ 132,730
2022	373,985	95,607	479,033	16,468	853,018	112,075
2023	376,157	85,084	162,659	6,212	538,816	91,296
2024	378,395	74,495	165,734	3,137	544,129	77,632
2025	380,702	63,838	11,183	-	391,885	63,838
2026-2030	1,493,332	162,810	55,904	-	1,549,236	162,810
2031-2035	554,100	32,198	11,184	-	565,284	32,198
Total	<u>\$ 3,928,547</u>	<u>\$ 620,098</u>	<u>\$ 1,361,776</u>	<u>\$ 52,481</u>	<u>\$ 5,290,323</u>	<u>\$ 672,579</u>

c. Changes in Long – Term Liabilities

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion Balance
<b>Governmental Activities:</b>					
Direct placement and borrowing installment agreements	\$ 2,606,976	\$ 1,638,000	\$ 316,429	\$ 3,928,547	\$ 371,876
Capital Leases	65,839	90,627	98,329	58,137	27,984
Total OPEB liability	1,773,164	-	623,930	1,149,234	-
Net pension liability (LGERS)	740,687	141,761	-	882,448	-
Net pension liability (LEOSSA)	207,783	8,871	-	216,654	-
Compensated Absences	196,749	28,799	-	225,548	-
<b>Governmental activity</b>					
Long term liabilities	<u>\$ 5,591,198</u>	<u>\$ 1,908,058</u>	<u>\$ 1,038,688</u>	<u>\$ 6,460,568</u>	<u>\$ 399,860</u>
<b>Business-type Activities:</b>					
<u>Water Fund</u>					
Direct Borrowing Installment Agreement	\$ 134,181	\$ 180,000	\$ 11,183	\$ 302,998	\$ 54,835
Capital Leases	4,324	-	4,324	-	-
Net pension liability (LGERS)	120,414	-	18,143	102,271	-
Total OPEB liability	315,860	-	118,792	197,068	-
Compensated Absences	8,097	-	4,514	3,583	-
<u>Sewer Fund</u>					
Direct Borrowing Installment Agreement	958,162	420,000	319,388	1,058,774	421,244
Capital Leases	24,213	-	24,213	-	-
Net pension liability (LGERS)	158,434	6,307	-	164,741	-
Total OPEB liability	388,473	-	145,981	242,492	-
Compensated Absences	47,572	2,048	-	49,620	-
<u>Sanitation Fund</u>					
Net pension liability (LGERS)	37,818	12,441	-	50,259	-
Total OPEB liability	102,368	-	33,206	69,162	-
Compensated Absences	-	-	-	-	-
<u>Stormwater Fund</u>					
Net pension liability (LGERS)	-	34,657	-	34,657	-
Total OPEB liability	-	49,737	-	49,737	-
Compensated Absences	-	2,696	-	2,696	-
<b>Business-type activity</b>					
long term liabilities	<u>\$ 2,299,916</u>	<u>\$ 707,886</u>	<u>\$ 679,744</u>	<u>\$ 2,328,058</u>	<u>\$ 476,079</u>

At June 30, 2020, the City had a legal debt margin of \$32,583,807.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2020 consist of the following:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Mollie Branch Grant Fund	\$ 107,002
General Fund	HMGP Property Acquisition Fund	1,000
General Fund	Sewer Study Grant Fund	18,894
General Fund	Sewer Fund	28,148
General Fund	City Hall Construction	6,595
Flexnet Project Fund	Water Fund	39,908
		<u>\$ 201,547</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, 2020, consist of the following:

Transfer from General Fund to WDCC Fund - to provide local funds for salaries and benefits	\$ 61,200
Transfer from General Fund to AGF Grant Fund - to provide local match for grant	16,500
Transfer from Firehouse Sub Grant Fund to the General Fund - to close out the project	877
Transfer from Golden Leaf Equipment Grant Fund to the General Fund - to close out the project	194
Transfer from General Fund to the WIFI Project Fund - to reclass grant proceeds were recorded in General Fund in prior year	50,000
Transfer from Sewer Fund to the General Fund - to provide funds for debt service	128,482
Transfer from Water Fund to the Water Assessment Project Fund - to provide local match for grant	<u>7,500</u>
Total Transfers	<u><u>\$ 264,753</u></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	\$ 8,742,815	\$ 16,543,396
less: long-term debt	3,986,684	1,361,772
plus: unspent bond proceeds	950,144	-
Net investment in capital assets	<u><u>\$ 5,706,275</u></u>	<u><u>\$ 15,181,624</u></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>\$ 3,456,542</u>
Less:	
Prepaid Expenses	-
Stabilization by State Statute	800,659
Street - Powell Bill	92,950
USDA Reserve	-
Appropriated Fund Balance in 2021 budget	320,000
Working Capital/Fund Balance Policy	-
Remaining Fund Balance	<u><u>\$ 2,242,933</u></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: SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 15, 2020, the date the financial statements were available to be issued.

The City had entered into financing agreements for \$207,000 with First Bank to purchase police vehicles and \$57,000 to purchase fire truck equipment as of 6-30-20. However, these agreements were pushed back because of COVID, and the funds were not received nor disbursed until FY 20-21. Therefore these agreements are not included in the 6-30-20 loan balances.

In addition, the City entered into a contract with a construction company to build the ABC Store. The contract was not executed until July 2020, so it was not reflected in the construction commitments footnote, but the City is obligated to pay \$939,415 to the Contractor for this project.

## 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 Payrol
- 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 Seven Fiscal Years\***

	<b>Local Government Employees' Retirement System</b>						
	2020	2019	2018	2017	2016	2015	2014
City of Whiteville's proportion of the net pension liability (asset) (%)	0.04520%	0.04457%	0.05047%	0.04803%	0.05282%	0.04803%	0.04850%
City of Whiteville's proportion of the net pension liability (asset) (\$)	\$ 1,234,377	\$ 1,057,353	\$ 771,042	\$ 1,019,358	\$ 237,053	\$ (283,255)	\$ 584,611
City of Whiteville's covered payroll	\$ 3,014,762	\$ 2,770,507	\$ 2,747,989	\$ 2,567,451	\$ 2,431,308	\$ 2,387,209	\$ 2,298,610
City of Whiteville's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.94%	38.16%	28.06%	39.70%	9.75%	-11.87%	25.43%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	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 Seven Fiscal Years**

**Local Government Employees' Retirement System**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 280,299	\$ 242,630	\$ 215,529	\$ 206,837	\$ 176,546	\$ 174,463	\$ 170,382
Contributions in relation to the contractually required contribution	280,299	242,630	215,529	206,837	176,546	174,463	170,382
Contribution deficiency (excess)	<u>\$ -</u>						
City of Whiteville's covered payroll	\$ 3,037,975	\$ 3,014,762	\$ 2,770,507	\$ 2,747,989	\$ 2,567,451	\$ 2,431,308	\$ 2,387,209
Contributions as a percentage of covered payroll	9.23%	8.05%	7.78%	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**  
**June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 207,783	\$ 273,960	\$ 330,342	\$ 328,706
Service Cost	20,973	19,766	19,188	20,906
Interest on the total pension liability	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	(9,720)	(69,194)	(85,640)	-
Changes of assumptions or other inputs	7,761	(8,871)	19,774	(9,386)
Benefit payments	(17,390)	(16,278)	(22,030)	(21,240)
Other changes	-	-	-	-
Ending balance of the total pension liability	<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**  
**June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 216,654	\$ 207,783	\$ 273,960	\$ 330,342
Covered payroll	\$ 926,581	\$ 882,041	\$ 829,890	851,737
Total pension liability as a percentage of payroll	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**  
**Other Postemployment Benefits**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**

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

**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>
2020	3.50%
2019	3.89%
2018	3.56%

## INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of Whiteville, North Carolina  
 General Fund  
 Comparative Balance Sheets  
 June 30, 2020 and June 30, 2019

Exhibit B-1

	June 30, 2020	June 30, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 2,701,268	\$ 2,139,606
Restricted Cash	91,179	408,823
Receivables, net:		
Taxes	44,108	30,296
Accounts	1,194	86,694
Due from other governments	566,371	557,058
Due from other funds	161,640	894,742
Due from component unit	71,454	40,601
Total assets	\$ 3,637,214	\$ 4,157,820
<b>Liabilities and fund balances</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 136,204	\$ 242,387
Due to other funds	-	19,459
Total liabilities	136,204	261,846
Deferred Inflows of Resources		
Property taxes	44,108	30,296
Prepaid Licenses	360	360
Total deferred inflows of resources	44,468	30,656
Fund balances:		
Restricted:		
Stabilization by State Statute	800,659	1,579,095
Streets	92,950	299,113
Debt Reserve	-	17,292
Assigned		
Subsequent year's expenditures	320,000	311,000
Unassigned		
Total fund balances	2,242,933	1,658,818
Total liabilities, deferred inflows of resources and fund balances	\$ 3,456,542	\$ 3,865,318
Total liabilities, deferred inflows of resources and fund balances	\$ 3,637,214	\$ 4,157,820

City of Whiteville, North Carolina  
General Fund

Exhibit B-2

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
<b>Revenues</b>				
Ad Valorem taxes:				
Taxes	\$ 2,586,500	\$ 2,422,398	\$ (164,102)	\$ 2,470,377
Penalties and interest	-	13,624	13,624	11,931
Total	<u>2,586,500</u>	<u>2,436,022</u>	<u>(150,478)</u>	<u>2,482,308</u>
Other taxes and licenses:				
Assessments	77	300	223	75
In Lieu of Taxes	6,109	-	(6,109)	5,931
Privilege license	438	450	12	500
Total	<u>6,624</u>	<u>750</u>	<u>(5,874)</u>	<u>6,506</u>
Unrestricted intergovernmental:				
Beer and Wine Tax	26,250	22,323	(3,927)	22,723
Court Cost and Fees	1,600	1,227	(373)	1,828
Hold Harmless	290,648	269,548	(21,100)	269,225
Local Option Sales Tax	1,062,501	1,057,508	(4,993)	1,020,770
ABC Profit Distribution	31,500	61,354	29,854	42,522
Telecommunications Tax	60,540	48,682	(11,858)	60,173
Video Franchise Fee	46,024	41,937	(4,087)	44,267
Utilities Sales Tax & Piped Natural Gas Sales Tax	437,415	425,712	(11,703)	437,503
Total	<u>1,956,478</u>	<u>1,928,291</u>	<u>(28,187)</u>	<u>1,899,011</u>
Restricted intergovernmental revenues:				
ABC Revenue - Law Enforcement	6,300	7,531	1,231	6,000
ABC Revenue - Fire	2,730	11,153	8,423	4,252
Controlled Substance Tax	300	128	(172)	507
Christmas Cops	400	2,700	2,300	400
NCDNCR Grant Proceeds	-	-	-	50,000
Waste Disposal Tax	3,794	3,963	169	3,694
Reimbursement Whiteville City Schools	105,000	91,210	(13,790)	101,534
Powell Bill allocation	160,000	156,575	(3,425)	159,324
Total	<u>278,524</u>	<u>273,260</u>	<u>(5,264)</u>	<u>325,711</u>
Permits and fees:				
Building Permits	21,248	64,278	43,030	12,892
Inspection Fees	36,520	17,499	(19,021)	23,337
Total	<u>57,768</u>	<u>81,777</u>	<u>24,009</u>	<u>36,229</u>
Sales and Services:				
Refuse Collection Fees	-	-	-	-
Rent	-	-	-	6,696
Concessions	5,000	435	(4,565)	288
Emergency Services	16,000	4,875	(11,125)	11,483
Fire Protection Fees	9,051	14,869	5,818	10,779
Recreation Department Fees & Insurance Pymts.	46,092	12,091	(34,001)	20,346
Total	<u>76,143</u>	<u>32,270</u>	<u>(43,873)</u>	<u>49,592</u>

City of Whiteville, North Carolina  
General Fund

Exhibit B-2

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
<b>Other Revenue</b>				
Insurance recovery	3,883	27,427	23,544	805
Investment earnings	126,788	69,067	(57,721)	17,944
Sale of Fixed Assets	39,643	50,000	10,357	130,000
Miscellaneous	48,503	13,773	(34,730)	21,881
<b>Total</b>	<b>218,817</b>	<b>160,267</b>	<b>(58,550)</b>	<b>170,630</b>
<b>Total Revenues</b>	<b>\$ 5,180,854</b>	<b>\$ 4,912,637</b>	<b>\$ (268,217)</b>	<b>\$ 4,969,987</b>
<b>Expenditures</b>				
<b>General Government:</b>				
<b>Governing body:</b>				
Salaries and employee benefits	\$ 12,311	\$ 8,766	\$ 3,545	\$ 12,793
Professional services	-	(30)	30	58
Operating expenditures	16,827	8,316	8,511	5,972
<b>Total</b>	<b>29,138</b>	<b>17,052</b>	<b>12,086</b>	<b>18,823</b>
<b>Administration:</b>				
Salaries and employee benefits	245,584	246,563	(979)	204,481
Professional services	8,901	20,112	(11,211)	16,714
Operating expenditures	79,140	63,465	15,675	69,846
Capital outlay	-	-	-	-
<b>Total</b>	<b>333,625</b>	<b>330,140</b>	<b>3,485</b>	<b>291,041</b>
<b>Public Buildings:</b>				
Operating expenditures	80,000	75,342	4,658	41,066
Capital outlay	-	-	-	-
<b>Total</b>	<b>80,000</b>	<b>75,342</b>	<b>4,658</b>	<b>41,066</b>
<b>Total general government</b>	<b>442,763</b>	<b>422,534</b>	<b>20,229</b>	<b>350,930</b>
<b>Public safety:</b>				
<b>Police department:</b>				
Salaries and employee benefits	1,645,299	1,496,433	148,866	1,450,310
Professional services	67,846	107,419	(39,573)	71,355
Operating expenditures	301,983	264,111	37,872	277,477
Capital outlay	172,000	148,438	23,562	44,219
<b>Total</b>	<b>2,187,128</b>	<b>2,016,401</b>	<b>170,727</b>	<b>1,843,361</b>
<b>Fire and rescue:</b>				
Salaries and employee benefits	628,592	590,697	37,895	574,782
Professional services	17,044	25,269	(8,225)	13,173
Operating expenditures	215,841	205,123	10,718	219,226
Capital outlay	711,000	704,915	6,085	-
<b>Total</b>	<b>1,572,477</b>	<b>1,526,004</b>	<b>46,473</b>	<b>807,181</b>

City of Whiteville, North Carolina  
General Fund

Exhibit B-2

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
<b>Planning:</b>				
Salaries and employee benefits	90,387	86,415	3,972	84,971
Professional services	19,376	8,176	11,200	9,019
Operating expenditures	25,972	12,237	13,735	13,830
Capital outlay	-	-	-	-
Total	135,735	106,828	28,907	107,820
<b>Safety</b>				
Salaries and employee benefits	98,322	95,436	2,886	92,870
Professional services	15,522	9,005	6,517	12,975
Operating expenditures	8,476	9,279	(803)	8,026
Capital outlay	1,200	-	1,200	4,963
Total	123,520	113,720	9,800	118,834
<b>Inspections</b>				
Salaries and employee benefits	103,661	99,387	4,274	99,451
Professional services	8,792	6,748	2,044	7,655
Operating expenditures	14,591	6,884	7,707	7,691
Capital outlay	-	-	-	-
Total	127,044	113,019	14,025	114,797
Total public safety	4,145,904	3,875,972	269,932	2,991,993
<b>Transportation:</b>				
<b>Streets and highways:</b>				
Salaries and employee benefits	117,232	135,251	(18,019)	114,132
Operating expenditures	144,011	126,889	17,122	126,343
Professional services	11,917	11,017	900	13,950
Maintenance - sidewalks	60,000	60,000	-	62,251
Maintenance - streets	287,320	287,319	1	98,648
Capital outlay	20,680	15,418	5,262	212,884
Total	641,160	635,894	5,266	628,208
<b>Garage:</b>				
Salaries and employee benefits	-	-	-	637
Professional services	7,375	8,709	(1,334)	8,987
Operating expenditures	42,747	49,888	(7,141)	33,198
Capital outlay	9,000	-	9,000	6,137
Total	59,122	58,597	525	48,959
Total transportation	700,282	694,491	5,791	677,167

City of Whiteville, North Carolina  
General Fund

Exhibit B-2

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
Cultural & Recreational:				
Parks and recreation:				
Salaries and employee benefits	254,680	228,349	26,331	223,460
Professional services	17,462	16,229	1,233	16,085
Operating expenditures	192,120	131,653	60,467	145,871
Chamber of Commerce donation	4,000	4,000	-	4,000
Columbus County Arts Council	350	300	50	350
Columbus JOBS	300	300	-	-
Dream Center donation	750	750	-	750
Capital Outlay	275,000	221,982	53,018	51,568
Total cultural and recreation	<u>744,662</u>	<u>603,563</u>	<u>141,099</u>	<u>442,084</u>
Debt Service:				
Principal retirement	471,940	414,758	57,182	369,258
Interest and fees	98,385	90,575	7,810	98,043
Total debt service	<u>570,325</u>	<u>505,333</u>	<u>64,992</u>	<u>467,301</u>
Total expenditures	<u>\$ 6,603,936</u>	<u>\$ 6,101,893</u>	<u>\$ 502,043</u>	<u>\$ 4,929,475</u>
Revenues over (under) expenditures	<u>\$ (1,423,082)</u>	<u>\$ (1,189,256)</u>	<u>\$ 233,826</u>	<u>\$ 40,512</u>
Other financing sources (uses):				
Transfer to WDDC Fund	\$ (61,200)	\$ (61,200)	\$ -	\$ (35,425)
Transfer to Capital Project Funds	-	-	-	(95,000)
Transfer to FEMA AFG Grant	(16,500)	(16,500)	-	-
Transfer to Stormwater Fund	-	-	-	(250,000)
Transfer from Sewer Fund	128,482	128,482	-	130,100
Transfer from Firehouse Sub Grant	-	877	-	-
Transfer from Golden Leaf Equipment Grant	-	194	-	-
Transfer to WIFI Project Fund	-	(50,000)	-	-
Lease and Installment Loan Proceeds	801,000	778,627	(22,373)	-
Appropriated Fund Balance	571,300	-	(571,300)	-
Total	<u>\$ 1,423,082</u>	<u>\$ 780,480</u>	<u>\$ (593,673)</u>	<u>\$ (250,325)</u>
Net change in fund balance	<u>\$ -</u>	<u>(408,776)</u>	<u>\$ (359,847)</u>	<u>(209,813)</u>
Fund balance:				
Beginning of year, July 1		3,865,318		4,109,666
Restatement (see Note 6)		-		(34,535)
End of year, June 30		<u>\$ 3,456,542</u>		<u>\$ 3,865,318</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, 2020

	Budget Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Years	Total to Date	
<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	447,182	31,163	478,345	(81,655)
Total revenues	<u>2,001,000</u>	<u>447,182</u>	<u>1,285,959</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	200,400	12,250	212,650	97,350
Road Repair	300,000	9,478	112,705	122,183	177,817
Building & Equipment Damages	626,000	420,419	135,835	556,254	69,746
Wastewater	134,000	130,569	3,430	133,999	1
Parks	224,000	43,518	44,928	88,446	135,554
Total expenditures	<u>2,001,000</u>	<u>1,211,167</u>	<u>309,148</u>	<u>1,520,315</u>	<u>480,685</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(763,985)</u>	<u>976,811</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>\$ (763,985)</u>	<u>976,811</u>	<u>\$ 212,826</u>	<u>\$ 212,826</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>(763,985)</u>		
End of year, June 30			<u>\$ 212,826</u>		

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2020

Exhibit C-1

	Special Revenue							
	WDDC Tax Fund	Hurricane Matthew Recovery	Firehouse Subs Grant	FEMA AGF Grant	HMGP Property Acquisition	Hurricane Dorian Recovery	CARES Act	
<b>Assets</b>								
Cash and cash equivalents	\$ 36,817	\$ 62,641	\$ -	\$ 16,500	\$ -	\$ 12,752	\$ 99,480	\$ 14,216
Taxes Receivable	887	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	5,901	357	99
Due from other funds	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	4,500
Total assets	<u>\$ 37,704</u>	<u>\$ 62,641</u>	<u>\$ -</u>	<u>\$ 16,500</u>	<u>\$ -</u>	<u>\$ 18,653</u>	<u>\$ 99,837</u>	<u>\$ 18,815</u>
<b>Liabilities and fund balances</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,168	\$ 6,164
Due to other funds	-	-	-	-	1,000	-	-	-
Security Deposits	-	-	-	-	-	-	-	4,500
Unspent CARES Act Funding	-	-	-	-	-	-	69,669	-
Total liabilities	<u>837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>99,837</u>	<u>10,664</u>
Deferred inflows of resources	<u>887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Restricted								
Economic Development	-	-	-	-	-	-	-	-
Assigned								
WDDC Tax Fund	35,980	-	-	-	-	-	-	-
Hurricane Recovery	-	62,641	-	-	-	18,653	-	-
Public Safety	-	-	-	16,500	-	-	-	-
Economic Development	-	-	-	-	-	-	-	8,151
Capital Outlay	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,000)	-	-	-
Total fund balances	<u>35,980</u>	<u>62,641</u>	<u>-</u>	<u>16,500</u>	<u>(1,000)</u>	<u>18,653</u>	<u>-</u>	<u>8,151</u>
Total liabilities and fund balances	<u>\$ 37,704</u>	<u>\$ 62,641</u>	<u>\$ -</u>	<u>\$ 16,500</u>	<u>\$ -</u>	<u>\$ 18,653</u>	<u>\$ 99,837</u>	<u>\$ 18,815</u>

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2020

Exhibit C-1

	Capital Projects							Total Nonmajor Governmental Funds
	City Hall Construction	Golden Leaf Vehicle/Equip	Parks Construction Fund	ABC Store Building Construction	HMGP Generator	Downtown WIFI Project	Duke Energy Grant	
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 95,000	\$ 16,046	\$ -	\$ 50,000	\$ 36,876	\$ 440,328
Taxes Receivable	-	-	-	-	-	-	-	887
Due from other governments	6,765	-	-	-	-	-	347	13,469
Due from other funds	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	950,144	-	-	-	954,644
Total assets	<u>\$ 6,765</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 966,190</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 37,223</u>	<u>\$ 1,409,328</u>
<b>Liabilities and fund balances</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 165,701	\$ -	\$ 3,167	\$ 206,037
Due to other funds	6,595	-	-	-	-	-	-	7,595
Security Deposits	-	-	-	-	-	-	-	4,500
Unspent CARES Act Funding	-	-	-	-	-	-	-	69,669
Total liabilities	<u>6,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,701</u>	<u>-</u>	<u>3,167</u>	<u>287,801</u>
Deferred inflows of resources	-	-	-	-	-	-	-	887
Fund balances:								
Restricted								
Economic Development	-	-	-	-	-	-	34,056	34,056
Assigned								
WDDC Tax Fund	-	-	-	-	-	-	-	35,980
Hurricane Recovery	-	-	-	-	-	-	-	81,294
Public Safety	-	-	-	-	-	-	-	16,500
Economic Development	-	-	-	-	-	-	-	8,151
Capital Outlay	170	-	95,000	966,190	-	50,000	-	1,111,360
Unassigned	-	-	-	-	(165,701)	-	-	(166,701)
Total fund balances	<u>170</u>	<u>-</u>	<u>95,000</u>	<u>966,190</u>	<u>(165,701)</u>	<u>50,000</u>	<u>34,056</u>	<u>1,120,640</u>
Total liabilities and fund balances	<u>\$ 6,765</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 966,190</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 37,223</u>	<u>\$ 1,409,328</u>

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2020

Exhibit C-2

	Special Revenue							
	WDDC Tax Fund	Hurricane Matthew Recovery	Firehouse Subs Grant	FEMA AGF Grant	HMGP Property Acquisition	Hurricane Dorian Recovery	CARES Act	Vineland Station
<b>Revenues:</b>								
Ad Valorem taxes	\$ 26,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	48,038	-	-	7,000	74,629	36,399	-
Other Revenue	4,054	-	-	-	-	-	-	27,555
<b>Total Revenues</b>	<b>30,441</b>	<b>48,038</b>	<b>-</b>	<b>-</b>	<b>7,000</b>	<b>74,629</b>	<b>36,399</b>	<b>27,555</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	24,927	-	-
Public safety	-	-	-	-	-	25,602	36,399	-
Economic and physical development	70,265	-	-	-	8,000	-	-	19,404
Transportation	-	-	-	-	-	5,447	-	-
Capital Outlay	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>70,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>55,976</b>	<b>36,399</b>	<b>19,404</b>
<b>Revenues over expenditures</b>	<b>(39,824)</b>	<b>48,038</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>	<b>18,653</b>	<b>-</b>	<b>8,151</b>
<b>Other Financing Sources (Uses)</b>								
Transfer (to) from General Fund	61,200	-	(877)	16,500	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>61,200</b>	<b>-</b>	<b>(877)</b>	<b>16,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>21,376</b>	<b>48,038</b>	<b>(877)</b>	<b>16,500</b>	<b>(1,000)</b>	<b>18,653</b>	<b>-</b>	<b>8,151</b>
Fund balance, beginning	14,604	14,603	877	-	-	-	-	-
<b>Fund balance, ending</b>	<b>\$ 35,980</b>	<b>\$ 62,641</b>	<b>\$ -</b>	<b>\$ 16,500</b>	<b>\$ (1,000)</b>	<b>\$ 18,653</b>	<b>\$ -</b>	<b>\$ 8,151</b>

City of Whiteville, North Carolina  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2020

Exhibit C-2

	Capital Projects							Total Nonmajor Governmental Funds
	City Hall Construction	Golden Leaf Vehicle/Equip	Parks Construction Fund	ABC Store Building Construction	HMGP Generator	Downtown WIFI Project	Duke Energy Grant	
<b>Revenues:</b>								
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,387
Restricted intergovernmental	-	-	-	-	-	-	49,630	215,696
Other Revenue	4	-	-	146	-	-	-	31,759
<b>Total Revenues</b>	<u>4</u>	<u>-</u>	<u>-</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>49,630</u>	<u>273,842</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	24,927
Public safety	-	-	-	-	-	-	-	62,001
Economic and physical development	-	-	-	-	-	-	-	97,669
Transportation	-	-	-	-	-	-	-	5,447
Capital Outlay	277,351	-	-	31,958	165,701	-	15,574	490,584
<b>Total Expenditures</b>	<u>277,351</u>	<u>-</u>	<u>-</u>	<u>31,958</u>	<u>165,701</u>	<u>-</u>	<u>15,574</u>	<u>593,700</u>
<b>Revenues over expenditures</b>	(277,347)	-	-	(31,812)	(165,701)	-	34,056	(406,786)
<b>Other Financing Sources (Uses)</b>								
Transfer (to) from General Fund	-	(194)	-	-	-	50,000	-	126,629
Loan Proceeds	-	-	-	950,000	-	-	-	950,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(194)</u>	<u>-</u>	<u>950,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>1,076,629</u>
<b>Net Change in Fund Balance</b>	(277,347)	(194)	-	918,188	(165,701)	50,000	34,056	669,843
Fund balance, beginning	277,517	194	95,000	48,002	-	-	-	450,797
<b>Fund balance, ending</b>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 966,190</u>	<u>\$ (165,701)</u>	<u>\$ 50,000</u>	<u>\$ 34,056</u>	<u>\$ 1,120,640</u>

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 Fiscal Year Ended June 30, 2020

Exhibit C-3

<b>WDDC Tax District Fund</b>	2020		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Ad Valorem Taxes - Current Year	\$ 26,000	\$ 25,556	\$ (444)
Ad Valorem Taxes - Prior Year	500	831	331
Other Revenue	3,600	4,054	454
Total revenues	30,100	30,441	341
Expenditures:			
Economic and Physical Development			
Salaries and Benefits	60,225	58,037	2,188
Other Operating Expenses	31,075	12,228	18,847
Total expenditures	91,300	70,265	21,035
Revenues Over (Under) Expenditures	(61,200)	(39,824)	21,376
Other Financing Sources (Uses)			
Transfer from General Fund	61,200	61,200	\$ -
Total Other Sources (Uses)	61,200	61,200	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	21,376	\$ 21,376
Fund balances:			
Beginning of year, July 1		14,604	
End of year, June 30		\$ 35,980	

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, 2020

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Proceeds	\$ 356,250	\$ 290,343	\$ -	\$ 290,343	\$ (65,907)
State of NC Proceeds	118,750	-	48,038	48,038	(70,712)
Insurance Proceeds	70,000	165,722	-	165,722	95,722
Total revenues	<u>545,000</u>	<u>456,065</u>	<u>48,038</u>	<u>504,103</u>	<u>(40,897)</u>
<b>Expenditures:</b>					
Administration	15,000	15,320	-	15,320	(320)
Police Hurricane Expenditures	50,000	35,855	-	35,855	14,145
Fire Hurricane Expenditures	40,000	50,328	-	50,328	(10,328)
Public Works Hurricane Expenditures	150,000	130,888	-	130,888	19,112
Parks and Recreation Hurricane Expenditures	165,000	177,393	-	177,393	(12,393)
WWTP Hurricane Expenditures	35,000	31,678	-	31,678	3,322
Contribution to Fund Balance	90,000	-	-	-	90,000
Total expenditures	<u>545,000</u>	<u>441,462</u>	<u>-</u>	<u>441,462</u>	<u>103,538</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>14,603</u>	<u>48,038</u>	<u>62,641</u>	<u>62,641</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>\$ 14,603</u>	<u>48,038</u>	<u>\$ 62,641</u>	<u>\$ 62,641</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>14,603</u>		
End of year, June 30			<u>\$ 62,641</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, 2020

	Budget Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Years	Total to Date	
<b>Revenues:</b>					
Firehouse Subs Grant	\$ 13,846	\$ 13,846	\$ -	\$ 13,846	\$ -
Total revenues	<u>13,846</u>	<u>13,846</u>	<u>-</u>	<u>13,846</u>	<u>-</u>
<b>Expenditures:</b>					
Equipment	13,846	12,969	-	12,969	877
Total expenditures	<u>13,846</u>	<u>12,969</u>	<u>-</u>	<u>12,969</u>	<u>877</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>877</u>	<u>-</u>	<u>877</u>	<u>877</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	-	-	(877)	(877)	(877)
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>(877)</u>	<u>(877)</u>	<u>(877)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 877</u>	<u>(877)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>877</u>		
End of year, June 30			<u>\$ -</u>		

City of Whiteville, North Carolina  
Special Revenue Fund - FEMA AGF 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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
FEMA AGF Grant	\$ 120,000	\$ -	\$ -	\$ -	\$ (120,000)
Total revenues	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>
Expenditures:					
Equipment - Air Packs	136,500	-	-	-	136,500
Total expenditures	<u>136,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,500</u>
Revenues Over (Under) Expenditures	<u>(16,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,500</u>
Other Financing Sources (Uses)					
Transfer from General Fund	16,500	-	16,500	16,500	-
Total Other Sources (Uses)	<u>16,500</u>	<u>-</u>	<u>16,500</u>	<u>16,500</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	16,500	<u>\$ 16,500</u>	<u>\$ 16,500</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 16,500</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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
FEMA Hurricane Matthew Proceeds	\$ 196,892	\$ -	\$ 7,000	\$ 7,000	\$ (189,892)
Total revenues	<u>196,892</u>	<u>-</u>	<u>7,000</u>	<u>7,000</u>	<u>(189,892)</u>
Expenditures:					
Acquisition	144,636	-	-	-	144,636
Demo & Hazard Mitigation	25,380	-	-	-	25,380
Professional Fees	17,500	-	-	-	17,500
Project Management Cost	9,376	-	8,000	8,000	1,376
Total expenditures	<u>196,892</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>188,892</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>
Other Financing Sources (Uses)					
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>(1,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (1,000)</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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Proceeds	\$ 79,500	\$ -	\$ 74,629	\$ 74,629	\$ (4,871)
State of NC Proceeds	26,500	-	-	-	(26,500)
Total revenues	<u>106,000</u>	<u>-</u>	<u>74,629</u>	<u>74,629</u>	<u>(31,371)</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>-</u>	<u>55,976</u>	<u>55,976</u>	<u>50,024</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>18,653</u>	<u>18,653</u>	<u>18,653</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>18,653</u>	<u>\$ 18,653</u>	<u>\$ 18,653</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 18,653</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, 2020

	Budget Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Years	Total to Date	
Revenues:					
CARES Act Proceeds	\$ 106,068	\$ -	\$ 36,399	\$ 36,399	\$ (69,669)
Total revenues	<u>106,068</u>	<u>-</u>	<u>36,399</u>	<u>36,399</u>	<u>(69,669)</u>
Expenditures:					
Emergency Response - Supplies	20,000	-	-	-	20,000
Emergency Response-Equipment	86,068	-	36,399	36,399	49,669
Total expenditures	<u>106,068</u>	<u>-</u>	<u>36,399</u>	<u>36,399</u>	<u>69,669</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
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>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</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 Fiscal Year Ended June 30, 2020

<b>WDDC Tax District Fund</b>	2020		Variance Positive (Negative)
	Final Budget	Actual	
Revenues:			
Rental Income	\$ 25,000	\$ 27,555	\$ 2,555
Other Revenue	-	-	-
Total revenues	25,000	27,555	2,555
Expenditures:			
Economic and Physical Development			
Contract Labor	10,000	7,797	2,203
Telephone & Postage	2,000	1,965	35
Utilities	6,000	1,529	4,471
R&M - Buildings & Grounds	7,000	7,522	(522)
Departmental Supplies	-	105	(105)
Insurance & Bonds	-	486	(486)
Total expenditures	25,000	19,404	5,596
Revenues Over (Under) Expenditures	-	8,151	8,151
Other Financing Sources (Uses)			
Transfer from General Fund	-	-	-
Total Other Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	8,151	\$ 8,151
Fund balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ 8,151	

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, 2020

	Project Authorization	Actual			Closed Out Project	Variance Positive (Negative)
		Prior Years	Current Years	Total to Date		
<b>Revenues:</b>						
Miscellaneous Revenue	\$ -	\$ 157	\$ 4	\$ 161	\$ (161)	\$ 161
Total revenues	-	157	4	161	(161)	161
<b>Expenditures:</b>						
Professional Fees	207,626	207,626	-	207,626	(207,626)	-
Design Fees	51,580	51,580	-	51,580	(51,580)	-
Building & Site Work	2,539,466	2,396,056	143,400	2,539,456	(2,539,456)	10
Miscellaneous Expense	44,685	44,685	-	44,685	(44,685)	-
Generator	-	-	-	-	-	-
Equipment and Furnishings	215,013	128,669	86,344	215,013	(215,013)	-
Construction Contingency	47,606	-	47,607	47,607	(47,607)	(1)
Demolition	237,276	237,276	-	237,276	(237,276)	-
Total expenditures	3,343,252	3,065,892	277,351	3,343,243	(3,343,243)	9
Revenues Over (Under) Expenditures	(3,343,252)	(3,065,735)	(277,347)	(3,343,082)	3,343,082	170
<b>Other Financing Sources (Uses)</b>						
Transfer from General Fund	936,852	936,852	-	936,852	(936,852)	-
Transfer from Utility Fund	406,400	406,400	-	406,400	(406,400)	-
Loan Proceeds	2,000,000	2,000,000	-	2,000,000	(2,000,000)	-
Total Other Sources (Uses)	3,343,252	3,343,252	-	3,343,252	(3,343,252)	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 277,517	(277,347)	\$ 170	\$ (170)	\$ 170
<b>Fund balances:</b>						
Beginning of year, July 1			277,517			
End of year, June 30			\$ 170			

City of Whiteville, North Carolina  
 Special Revenue Fund - Golden Leaf Vehicle / Equipment Grant  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Closed Project	Variance Positive (Negative)
Revenues:						
Golden Leaf Grant	\$ 236,500	\$ 236,475	\$ -	\$ 236,475	\$ (236,475)	\$ (25)
Total revenues	<u>236,500</u>	<u>236,475</u>	<u>-</u>	<u>236,475</u>	<u>(236,475)</u>	<u>(25)</u>
Expenditures:						
Equipment	236,500	236,281	-	236,281	(236,281)	219
Total expenditures	<u>236,500</u>	<u>236,281</u>	<u>-</u>	<u>236,281</u>	<u>(236,281)</u>	<u>219</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>194</u>	<u>-</u>	<u>194</u>	<u>(194)</u>	<u>194</u>
Other Financing Sources (Uses)						
Transfer from General Fund	-	-	(194)	(194)	194	(194)
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>(194)</u>	<u>(194)</u>	<u>194</u>	<u>(194)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 194</u>	<u>(194)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:						
Beginning of year, July 1			<u>194</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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
Golden Leaf Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Equipment	95,000	-	-	-	95,000
Total expenditures	<u>95,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,000</u>
Revenues Over (Under) Expenditures	<u>(95,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,000</u>
Other Financing Sources (Uses)					
Transfer from General Fund	95,000	95,000	-	95,000	-
Total Other Sources (Uses)	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 95,000</u>	<u>-</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>
Fund balances:					
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 - 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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
ABC Board Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Land Acquisition	218,000	218,002	-	218,002	(2)
Design and Construction Management	98,500	65,996	18,508	84,504	13,996
Building Cost	940,000	-	2,463	2,463	937,537
Soil Testing & Surveying	20,500	-	10,987	10,987	9,513
Equipment & Furnishings	-	-	-	-	-
Contingency	5,000	-	-	-	5,000
Total expenditures	<u>1,282,000</u>	<u>283,998</u>	<u>31,958</u>	<u>315,956</u>	<u>966,044</u>
Revenues Over (Under) Expenditures	<u>(1,282,000)</u>	<u>(283,998)</u>	<u>(31,958)</u>	<u>(315,956)</u>	<u>966,044</u>
<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)	<u>1,282,000</u>	<u>332,000</u>	<u>950,000</u>	<u>1,282,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 48,002</u>	918,042	<u>\$ 966,044</u>	<u>\$ 966,044</u>
<b>Fund balances:</b>					
Beginning of year, July 1			<u>48,002</u>		
End of year, June 30			<u>\$ 966,044</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, 2020

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
NC Emergency Management	\$ 184,495	\$ -	\$ -	\$ -	\$ (184,495)
Total revenues	<u>184,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(184,495)</u>
Expenditures:					
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>-</u>	<u>165,701</u>	<u>165,701</u>	<u>18,794</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(165,701)</u>	<u>(165,701)</u>	<u>(165,701)</u>
Other Financing Sources (Uses)					
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>(165,701)</u>	<u>\$ (165,701)</u>	<u>\$ (165,701)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (165,701)</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, 2020

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

City of Whiteville, North Carolina  
Special Revenue 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, 2020

	Budget Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Years	Total to Date	
Revenues:					
Duke Energy Grant	\$ 49,600	\$ -	\$ 49,630	\$ 49,630	\$ 30
Total revenues	<u>49,600</u>	<u>-</u>	<u>49,630</u>	<u>49,630</u>	<u>30</u>
Expenditures:					
Safety Equipment	49,600	-	15,574	15,574	34,026
Total expenditures	<u>49,600</u>	<u>-</u>	<u>15,574</u>	<u>15,574</u>	<u>34,026</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>34,056</u>	<u>34,056</u>	<u>34,056</u>
Other Financing Sources (Uses)					
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>34,056</u>	<u>\$ 34,056</u>	<u>\$ 34,056</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 34,056</u>		

City of Whiteville, North Carolina  
Water Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

Exhibit D-1

	2020		Variance Favorable (Unfavorable)
	Final Budget	Actual	
<b>Revenues:</b>			
Operating Revenues:			
Water Sales	\$ 876,295	\$ 837,504	\$ (38,791)
Water Connections	5,500	2,108	(3,392)
Reconnection Fees	26,000	30,524	4,524
Total Operating Revenues	<u>907,795</u>	<u>870,136</u>	<u>(37,659)</u>
Nonoperating Revenues:			
Interest on Investments	-	-	-
Water Tank Lease	51,000	49,408	(1,592)
Miscellaneous	51,072	51,302	230
Total Nonoperating Revenues	<u>102,072</u>	<u>100,710</u>	<u>(1,362)</u>
<b>Total Revenues</b>	<u>1,009,867</u>	<u>970,846</u>	<u>(39,021)</u>
<b>Expenditures:</b>			
Water & Sewer Administration:			
Professional Fees	6,251	2,547	3,704
Governing Body			
Salaries and Employee Benefits	-	13,904	(13,904)
Total Administration	<u>6,251</u>	<u>16,451</u>	<u>(10,200)</u>
Water Operations:			
Salaries and Employee Benefits	402,098	345,676	56,422
Utilities	73,900	64,554	9,346
Supplies	168,573	182,837	(14,264)
Other Departmental Expenses	151,361	145,280	6,081
Capital Outlay	165,061	147,468	17,593
Total Water Operations	<u>960,993</u>	<u>885,815</u>	<u>75,178</u>
Debt service:			
Principal Retirement	15,506	15,506	(0)
Interest and other charges	249	2,674	(2,425)
Total Debt Service	<u>15,755</u>	<u>18,180</u>	<u>(2,425)</u>
Total Expenditures	<u>982,999</u>	<u>920,446</u>	<u>62,553</u>
Other Financing Sources (Uses):			
Transfer from (to) General Fund	(7,500)	(7,500)	-
Appropriated (Contributed) Fund Balance	(25,100)	-	25,100
<b>Total Other Sources (Uses)</b>	<u>(32,600)</u>	<u>(7,500)</u>	<u>25,100</u>
<b>Revenues and Other Sources over Expenditures and Other Financing Uses</b>	<u>\$ (5,732)</u>	<u>42,899</u>	<u>\$ 48,631</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Principal retirement		15,506	
Capital outlay		100,000	
Depreciation		(70,077)	
Increase (decrease) in deferred outflows of resources - pensions		(34,315)	
Increase (decrease) in deferred outflows of resources - OPEB		(1,633)	
(Increase) decrease in net pension liability		18,143	
(Increase) decrease in OPEB liability		118,792	
(Increase) decrease in deferred inflows of resources - pensions		4,925	
(Increase) decrease in deferred inflows of resources - OPEB		(100,020)	
Miscellaneous Revenue (D-1A)		20	
Transfer to (from) project funds (D-1B)		7,500	
Total Reconciling items		<u>58,841</u>	
<b>Change in net position</b>		<u>\$ 101,741</u>	

City of Whiteville, North Carolina  
 Flexnet Project - Capital Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2020

	Budget Authorization	Prior Years	Actual		Closed Out	Variance Positive (Negative)
			Current Years	Total to Date		
Revenues:						
Miscellaneous revenue	\$ -	\$ -	\$ 20	\$ 20	\$ (20)	\$ 20
Total revenues	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>(20)</u>	<u>20</u>
Expenditures:						
Installation-3/4" Meters	600,000	-	600,000	600,000	(600,000)	-
Total expenditures	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
Revenues Over (Under) Expenditu	<u>(600,000)</u>	<u>-</u>	<u>(599,980)</u>	<u>(599,980)</u>	<u>600,000</u>	<u>20</u>
Other Financing Sources (Uses)						
Loan Proceeds	600,000	-	600,000	600,000	(600,000)	-
Total Other Sources (Uses)	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>(600,000)</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 20</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  
 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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
NCDEQ Grant Proceeds	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
Total revenues	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Expenditures:					
Professional Services	157,500	-	-	-	157,500
Total expenditures	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,500</u>
Revenues Over (Under) Expenditures	<u>(7,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Other Financing Sources (Uses)					
Transfer from Other Fund	7,500	-	7,500	7,500	-
Total Other Sources (Uses)	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 7,500</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 Fiscal Year Ended June 30, 2020

Exhibit D-2

	2020		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Operating Revenues:			
Sewer Charges	\$ 2,033,565	\$ 1,781,967	\$ (251,598)
Reconnection Fees	61,000	41,211	(19,789)
Total Operating Revenues	<u>2,094,565</u>	<u>1,823,178</u>	<u>(271,387)</u>
Nonoperating Revenues:			
Sewer Line Expansion Revenue	95,000	89,161	(5,839)
Miscellaneous	15,079	15,324	245
Total Nonoperating Revenues	<u>110,079</u>	<u>104,485</u>	<u>(5,594)</u>
Total Revenues	<u>2,204,644</u>	<u>1,927,663</u>	<u>(276,981)</u>
Expenditures:			
Sewer Administration:			
Salaries and Employee Benefits	122,791	125,256	(2,465)
Supplies	3,200	7,085	(3,885)
Other Departmental Expenses	21,369	11,637	9,732
Professional Fees	4,451	3,361	1,090
Governing Body			
Salaries and Employee Benefits	4,924	4,870	54
Other Expenses	6,731	4,164	2,567
Total Administration	<u>163,466</u>	<u>156,373</u>	<u>7,093</u>
Sewer Operations:			
Salaries and Employee Benefits	191,426	205,293	(13,867)
Utilities	32,700	29,610	3,090
Supplies	84,134	96,902	(12,768)
Other Departmental Expenses	70,329	85,623	(15,294)
Capital Outlay	690,806	638,437	52,369
Total Sewer Operations	<u>1,069,395</u>	<u>1,055,865</u>	<u>13,530</u>

City of Whiteville, North Carolina  
Sewer Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

Exhibit D-2

	2020		Variance Favorable (Unfavorable)
	Final Budget	Actual	
<b>Wastewater Treatment:</b>			
Salaries and Employee Benefits	239,247	242,635	(3,388)
Utilities	140,000	143,091	(3,091)
Supplies	97,900	94,658	3,242
Other Departmental Expenses	158,441	165,858	(7,417)
Capital Outlay	141,400	138,778	2,622
Total Wastewater Treatment	776,988	785,020	(8,032)
<b>Debt service:</b>			
Principal Retirement	343,601	343,601	-
Interest and other charges	21,727	26,178	(4,451)
Total Debt Service	365,328	369,779	(4,451)
Total Expenditures	2,375,177	2,367,037	8,140
<b>Other Financing Sources (Uses):</b>			
Transfer to Other Funds	(128,482)	(128,482)	-
Contributed Capital	-	395,154	395,154
Appropriated (Contributed) Fund Balance	299,015	-	(299,015)
Total Other Sources (Uses)	170,533	266,672	96,139
Revenues and Other Sources over Expenditures and Other Financing Uses	\$ -	(172,702)	\$ (172,702)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Reconciling Items:</b>			
Principal retirement		343,601	
Capital outlay		338,820	
Depreciation		(420,217)	
Increase (decrease) in deferred outflows of resources - pensions		(27,328)	
Increase (decrease) in deferred outflows of resources - OPEB		(915)	
(Increase) decrease in net pension liability		(6,307)	
(Increase) decrease in OPEB liability		145,981	
(Increase) decrease in deferred inflows of resources - pensions		5,310	
(Increase) decrease in deferred inflows of resources - OPEB		(123,099)	
Capital Contribution (Ex D-3a)		54,570	
Expenditures (Ex D-3a)		(49,000)	
Total Reconciling items		261,416	
Change in net position		\$ 88,714	

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, 2020

	Budget Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Years		
Revenues:					
NCDENR Grant Proceeds	\$ 150,000	\$ 73,123	\$ 54,570	\$ 127,693	\$ (22,307)
Total revenues	<u>150,000</u>	<u>73,123</u>	<u>54,570</u>	<u>127,693</u>	<u>(22,307)</u>
Expenditures:					
Professional Fees	135,000	83,998	49,000	132,998	2,002
Computer Hardware	5,000	-	-	-	5,000
Computer Software	10,000	11,000	-	11,000	(1,000)
Total expenditures	<u>150,000</u>	<u>94,998</u>	<u>49,000</u>	<u>143,998</u>	<u>6,002</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (21,875)</u>	<u>\$ 5,570</u>	<u>\$ (16,305)</u>	<u>\$ (16,305)</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, 2020

	Budget Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Years		
Revenues:					
NCDEQ Loan	\$ 1,114,159	\$ -	\$ -	\$ -	\$ (1,114,159)
Total revenues	<u>1,114,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,114,159)</u>
Expenditures:					
Administrative Cost	126,240	-	18,177	18,177	108,063
Engineering Cost	86,610	42,200	54,910	97,110	(10,500)
Construction Cost	828,463	-	-	-	828,463
Construction Contingency	72,846	-	-	-	72,846
Total expenditures	<u>1,114,159</u>	<u>42,200</u>	<u>73,087</u>	<u>115,287</u>	<u>998,872</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (42,200)</u>	<u>\$ (73,087)</u>	<u>\$ (115,287)</u>	<u>\$ (115,287)</u>

City of Whiteville, North Carolina  
Stormwater Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

Exhibit D-3

	2020		Variance Favorable (Unfavorable)
	Final Budget	Actual	
<b>Revenues:</b>			
Operating Revenues:			
Stormwater Assessments	\$ 272,304	\$ 234,360	\$ (37,944)
Total Operating Revenues	<u>272,304</u>	<u>234,360</u>	<u>(37,944)</u>
Nonoperating Revenues:			
Interest on Investments	-	-	-
Miscellaneous	-	-	-
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>272,304</u>	<u>234,360</u>	<u>(37,944)</u>
<b>Expenditures:</b>			
Stormwater Operations:			
Salaries and Employee Benefits	166,316	126,699	39,617
Professional Fees	50,000	36,304	13,696
Supplies	20,000	19,966	34
Other Departmental Expenses	14,988	9,039	5,949
Capital Outlay	54,000	15,673	38,327
Total Stormwater Operations	<u>305,304</u>	<u>207,681</u>	<u>97,623</u>
Debt Service:			
Principal Retirement	18,000	-	18,000
Interest and Fees	3,000	-	3,000
Total Debt Service	<u>21,000</u>	<u>-</u>	<u>21,000</u>
Total Expenditures	<u>326,304</u>	<u>207,681</u>	<u>97,623</u>
Other Financing Sources (Uses):			
Capital Contribution	-	44,966	44,966
Loan proceeds	54,000	-	(54,000)
Total Other Sources (Uses)	<u>54,000</u>	<u>44,966</u>	<u>44,966</u>
<b>Revenues and Other Sources over Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>71,645</u>	<u>\$ 104,645</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
<b>Reconciling Items:</b>			
Capital outlay		15,418	
Depreciation		(10,760)	
Increase (decrease) in deferred outflows of resources - pensions		20,466	
Increase (decrease) in deferred outflows of resources - OPEB		516	
(Increase) decrease in net pension liability		(34,657)	
(Increase) decrease in OPEB liability		(49,737)	
(Increase) decrease in deferred inflows of resources - pensions		(1,343)	
(Increase) decrease in deferred inflows of resources - OPEB		(35,212)	
Capital Contributions (Ex D-3a)		<u>290,177</u>	
Total Reconciling items		<u>194,868</u>	
<b>Change in net position</b>		<u>\$ 266,513</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, 2020

	Budget Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Years		
Revenues:					
Golden Leaf Grant	\$ 400,000	\$ 109,823	\$ 290,177	\$ 400,000	\$ -
Total revenues	<u>400,000</u>	<u>109,823</u>	<u>290,177</u>	<u>400,000</u>	<u>-</u>
Expenditures:					
Professional Fees	96,345	60,957	29,158	90,115	6,230
Stormwater Construction	303,655	97,616	212,269	309,885	(6,230)
Total expenditures	<u>400,000</u>	<u>158,573</u>	<u>241,427</u>	<u>400,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (48,750)</u>	<u>\$ 48,750</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, 2020

	Budget Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Stormwater Construction	200,000	-	-	-	200,000
Total expenditures	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Revenues Over (Under) Expenditures	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Other Financing Sources (Uses)					
Transfer from Stormwater Fund	200,000	200,000	-	200,000	-
Total Other Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

City of Whiteville, North Carolina  
Sanitation Fund  
Schedule of Revenues and Expenditures  
Budget & Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

Exhibit D-4

	2020		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Revenues:			
Operating Revenues:			
Refuse Collection Fees	\$ 1,313,547	\$ 1,276,583	\$ (36,964)
Total Operating Revenues	<u>1,313,547</u>	<u>1,276,583</u>	<u>(36,964)</u>
Nonoperating Revenues:			
Interest on Investments	-	-	-
Miscellaneous	-	-	-
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,313,547</u>	<u>1,276,583</u>	<u>(36,964)</u>
Expenditures:			
Sanitation Services:			
Salaries and Employee Benefits	163,218	177,805	(14,587)
Professional Fees	-	(15)	15
Other Operating Expenses	77,995	80,841	(2,846)
Contract Services	934,304	807,142	127,162
Capital Outlay	33,000	30,835	2,165
Total Administration	<u>1,208,517</u>	<u>1,096,608</u>	<u>111,909</u>
Total Expenditures	<u>1,208,517</u>	<u>1,096,608</u>	<u>111,909</u>
Other Financing Sources (Uses):			
Transfer from (to) General Fund	-	-	-
Appropriated From (Transfer to) Fund Balance	(105,030)	-	105,030
Total Other Sources (Uses)	<u>(105,030)</u>	<u>-</u>	<u>105,030</u>
Revenues and Other Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>179,975</u>	<u>\$ 179,975</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Capital outlay		30,835	
Depreciation		(14,505)	
Increase (decrease) in deferred outflows of resources - pensions		(65)	
Increase (decrease) in deferred outflows of resources - OPEB		599	
(Increase) decrease in net pension liability		(12,441)	
(Increase) decrease in OPEB liability		33,206	
(Increase) decrease in deferred inflows of resources - pensions		844	
(Increase) decrease in deferred inflows of resources - OPEB		(36,164)	
Total Reconciling items		<u>2,309</u>	
Change in net position		<u>\$ 182,284</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, 2020

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 2,422,795	\$ 2,390,691	\$ 32,104
2018-2019	25,013		19,531	5,482
2017-2018	4,497	-	1,116	3,381
2016-2017	3,308	-	172	3,136
2015-2016	2,233	-	562	1,671
2014-2015	1,661	-	55	1,606
2013-2014	6,011	-	51	5,960
2012-2013	13,170	-	189	12,981
2011-2012	8,392	-	46	8,346
2010-2011	9,518	-	77	9,441
2009-2010	2,493	-	2,493	-
<b>Totals</b>	<b>\$ 76,296</b>	<b>\$ 2,422,795</b>	<b>\$ 2,414,983</b>	<b>84,108</b>

Less: Allowance for Uncollectible Accounts:  
 General Fund 40,000

Ad valorem taxes receivable - net \$ 44,108

Reconciliation with revenues:

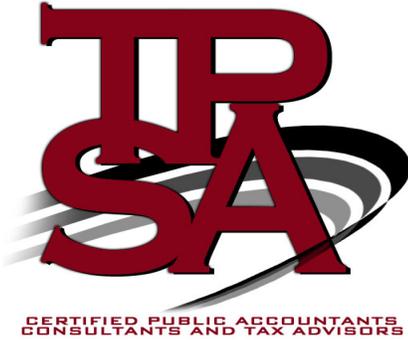
Ad valorem taxes - General Fund	\$ 2,436,022
Reconciling items:	
Interest & Penalties Collected	(13,624)
Tax releases, written off & adjustments	<u>(7,415)</u>
Subtotal	<u>(21,039)</u>
 Total collections and credits	 <u>\$ 2,414,983</u>

City of Whiteville, North Carolina  
 Analysis of Current Tax Levy  
 City - Wide Levy  
 For the Fiscal Year Ended June 30, 2020

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>\$ 457,131,132</u>	0.5300	\$ 2,422,795	\$ 2,203,084	\$ 219,711
Total Property Valuation			<u>2,422,795</u>	<u>2,203,084</u>	<u>219,711</u>
Net levy			2,422,795	2,203,084	219,711
Uncollected taxes at June 30, 2020			<u>32,104</u>	<u>32,104</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,390,691</u>	<u>\$ 2,170,980</u>	<u>\$ 219,711</u>
Current levy collection percentage			<u>98.67%</u>	<u>98.54%</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 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, 2020, and the related notes to the financial statements, which collectively comprises the City of Whiteville's basic financial statements, and have issued our report thereon dated January 20, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs [2020-001] that we consider to be material weaknesses.

### 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.

### City of Whiteville's Response to Findings

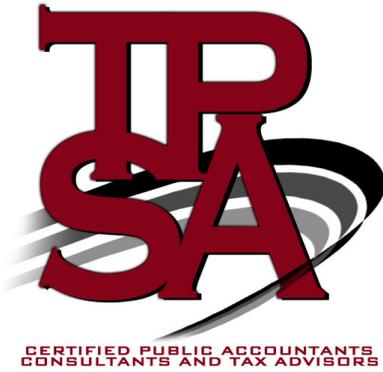
The City of Whiteville's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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, Rice, Scott, Adams & Co., P.A.*

Whiteville, NC  
January 20, 2021



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

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

**Report On Compliance With Requirements Applicable To Each Major Federal 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  
Whiteville, North Carolina

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

We have audited the City of Whiteville, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of City of Whiteville's major federal programs for the year ended June 30, 2020. The City of Whiteville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of City of Whiteville's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 federal program. However, our audit does not provide a legal determination of City of Whiteville's compliance.

**Opinion on Each Major Federal 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 federal programs for the year ended June 30, 2020.

## 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 major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 federal 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 federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with type of compliance requirement of a federal program that is less severe than 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. However, material weakness may exist that have not been identified.

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 20, 2021



---

**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

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  
Whiteville, North Carolina

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

We have audited the 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, 2020. The City of Whiteville's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act 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.

## 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, 2020.

## Report on Internal Control Over Compliance

Management of the 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 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 OMB 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. However, material weakness may exist that have not been identified.

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

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

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Whiteville, NC  
January 20, 2021

CITY OF WHITEVILLE, NORTH CAROLINA  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2020

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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?  Yes  No  
 Significant Deficiency(s)  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs:

Material Weakness (es) identified?  Yes  No  
 Significant Deficiency(s)  Yes  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs:

<u>CFDA No.</u>	<u>Names of Federal Program or Cluter</u>
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

State Awards

Internal control over major State programs:

Material weaknesses identified?  Yes  No  
 Significant Deficiency(s) identified  Yes  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?  Yes  No

Identification of major State programs:

<u>Program Name</u>
Powell Bill

CITY OF WHITEVILLE, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

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**Section II. Financial Statement Findings**

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MATERIAL WEAKNESSES

**FINDING: 2020-001 Deficit Fund Balance**

- Criteria: The City should maintain a positive fund balance in each of its funds.
- Condition: The City had one Capital Project Fund - HMGP Generator Fund with a negative fund balance.
- Effect: When the City has a fund with a negative fund balance, the General Fund advances the money to the fund to pay expenditures.
- Cause: The City did not properly review the general ledger to ensure that methods considered necessary to ensure that the funds do not report deficit fund balances.
- Recommendation: The City should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes.

Views of responsible officials and planned corrective actions: The City agrees with this finding.

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

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None reported.

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

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None reported.



*Darren Currie*  
*City Manager*  
*24 Hill Plaza*  
*PO Box 607*  
*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, 2020

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## **Section II. Financial Statement Findings**

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### MATERIAL WEAKNESS

2020-002 Name of contact person: Colburn Brown, Finance Director

Corrective Action: The City will ensure that training is made available to the finance staff to make sure that they are prepared for the upcoming changes in the Yellow Book standards.

Proposed Completion Date: The Board will implement procedures as soon as possible.

CITY OF WHITEVILLE, NORTH CAROLINA  
Summary of Prior Year Audit Findings  
For the Fiscal Year Ended June 30, 2020

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Section II. Financial Statement Findings

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Finding Status: 2019-1  
Corrected

Finding Status: 2019-2  
Corrected

**City of Whiteville, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2020**

<b><u>Grantor/Pass-through Grantor/Program Title</u></b>	<b><u>Federal CFDA Number</u></b>	<b><u>State/ Pass-through Grantor's Number</u></b>	<b><u>Fed (Direct &amp; Pass-through Expenditures</u></b>	<b><u>State Expenditures</u></b>	<b><u>Local Expenditures</u></b>
Federal Awards:					
<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		\$ 36,399	\$ -	\$ -
<b><u>U.S. Department of Homeland Security</u></b>					
Pass-through N.C. Dept. of Public Safety:					
Division of Emergency Management					
Disaster Grants - Public Assistance (Florence)	97.036		941,097	313,699	-
Disaster Grants - Public Assistance (Dorian)	97.036		55,972	18,657	-
Hazard Mitigation Grant - Acquisition	97.039		6,000	2,000	-
Hazard Mitigation Grant - Generator	97.039		124,276	41,425	-
Total Assistance - Federal Programs			<u>\$ 1,163,744</u>	<u>\$ 375,781</u>	<u>\$ -</u>
State Awards:					
<b><u>The Golden Leaf Foundation:</u></b>					
Passed-through N.C. Department of Commerce					
Downtown MSD Stormwater Improvements			\$ -	\$ 241,427	\$ -
<b><u>NC Department of Environmental Quality</u></b>					
Wastewater - Asset Inventory and Assesment Grant		E-AIA-W-16-0048	-	49,000	-
<b><u>N.C. Dept. of Transportation</u></b>					
Powell Bill			-	362,737	-
Total Assistance - State Programs			<u>\$ -</u>	<u>\$ 653,164</u>	<u>\$ -</u>
Total Assistance			<u>\$ 1,163,744</u>	<u>\$ 1,028,945</u>	<u>\$ -</u>

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, 2019. 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.

**City of Whiteville, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2020**

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<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
-------------------------------------------------------	------------------------------------	---------------------------------------------------------	------------------------------------------------------------	-------------------------------	-------------------------------

**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.

**Note 4: Coronavirus Relief Funds**

City of Whiteville received \$106,068 of funding from the Coronavirus Relief Fund (21.019) from Columbus County. City of Whiteville has a plan to spend these funds approved by OSBM. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under the state statute, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.