

***CITY OF WASHINGTON, GEORGIA***

***Annual Financial Report***

***For the year ended December 31, 2019***

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**CITY OF WASHINGTON, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the year ended December 31, 2019*

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 14 and 66 through 71, respectively to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Washington, Georgia's basic financial statements for the year ended December 31, 2018, which are not presented with the accompanying financial statements. In our report dated June 4, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2018 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The individual fund financial statements and schedules related to the 2018 financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2020, on our consideration of the City of Washington, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Washington, Georgia's internal control over financial reporting and compliance.

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia

May 27, 2020

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# City of Washington

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Washington, Georgia 30673

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Bill deGolian, Mayor  
Jerry deBin, City Administrator  
Kim Evans, Clerk  
Barry A. Fleming, Attorney

**Council Members**  
Robert S. Armour  
Nathaniel Cullars, Sr.  
Matthew Denard  
Larry Hill  
Maceo Mahoney  
Charles Wagner

## MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Washington management is proud to present this narrative discussion and analysis of the City of Washington's financial performance, making available an overview of the activities for the year ended December 31, 2019. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Washington. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

### Financial Highlights

- The City of Washington's assets exceeded its liabilities at December 31, 2019 by \$18,258,059 (*net position*). Of this amount, \$1,516,224 is reported as unrestricted net position. This is a decrease of \$521,927 from the previous year for unrestricted. Total net position increased by \$339,022 from the previous year due mostly to increases in net investment in capital assets.
- As of December 31, 2019, the City of Washington's governmental funds reported combined ending fund balances of \$388,170. Approximately \$355,433 is reported as restricted. Approximately \$75,851 is reported as assigned. Information about the City of Washington's Policy on Fund Balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 29.

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

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The City’s basic governmental fund financial statements are presented on pages 18-23 of this report.

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

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Washington uses enterprise funds to account for its Water and Sewer, Electric, Solid Waste, and Internet Telecommunications functions. The City’s proprietary fund financial statements are presented on pages 24-28.

#### **Notes to the financial statements.**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-65 of this report.

#### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City’s defined benefit pension plan. The required supplementary information can be found on pages 66-71 of this report.

**Other Supplementary Information.**

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

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

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

## Overview of the City's Financial Position and Operations

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

### City of Washington Net Position Fiscal Years 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 882,356	\$ 1,304,836	\$ 4,807,730	\$ 4,757,815	\$ 5,690,086	\$ 6,062,651
Capital assets	8,323,084	7,779,603	16,220,243	16,407,276	24,543,327	24,186,879
Other noncurrent assets	24,000	32,800	445,262	464,994	469,262	497,794
<b>Total assets</b>	<u>9,229,440</u>	<u>9,117,239</u>	<u>21,473,235</u>	<u>21,630,085</u>	<u>30,702,675</u>	<u>30,747,324</u>
<b>Total deferred outflows of resources</b>	<u>289,044</u>	<u>366,962</u>	<u>141,610</u>	<u>183,746</u>	<u>430,654</u>	<u>550,708</u>
Current liabilities	747,122	863,348	2,200,075	1,915,469	2,947,197	2,778,817
Noncurrent liabilities	2,183,873	2,158,449	7,744,200	8,172,406	9,928,073	10,330,855
<b>Total liabilities</b>	<u>2,930,995</u>	<u>3,021,797</u>	<u>9,944,275</u>	<u>10,087,875</u>	<u>12,875,270</u>	<u>13,109,672</u>
<b>Total deferred inflows of resources</b>	<u>0</u>	<u>184,291</u>	<u>0</u>	<u>85,032</u>	<u>0</u>	<u>269,323</u>
<b>Net position:</b>						
Net investment in capital assets	7,005,024	6,608,823	8,295,401	7,944,733	15,300,425	14,553,556
Restricted	355,433	291,393	1,085,977	1,035,937	1,441,410	1,327,330
Unrestricted	<u>(772,968)</u>	<u>(622,103)</u>	<u>2,289,192</u>	<u>2,660,254</u>	<u>1,516,224</u>	<u>2,038,151</u>
<b>Total net position</b>	<u>\$ 6,587,489</u>	<u>\$ 6,278,113</u>	<u>\$ 11,670,570</u>	<u>\$ 11,640,924</u>	<u>\$ 18,258,059</u>	<u>\$ 17,919,037</u>

Net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Washington exceeded liabilities by \$18,258,059 at the close of 2019. Approximately 84% of the City of Washington's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is up 3% from 81% at December 31, 2018. The City uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 8% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 8%.

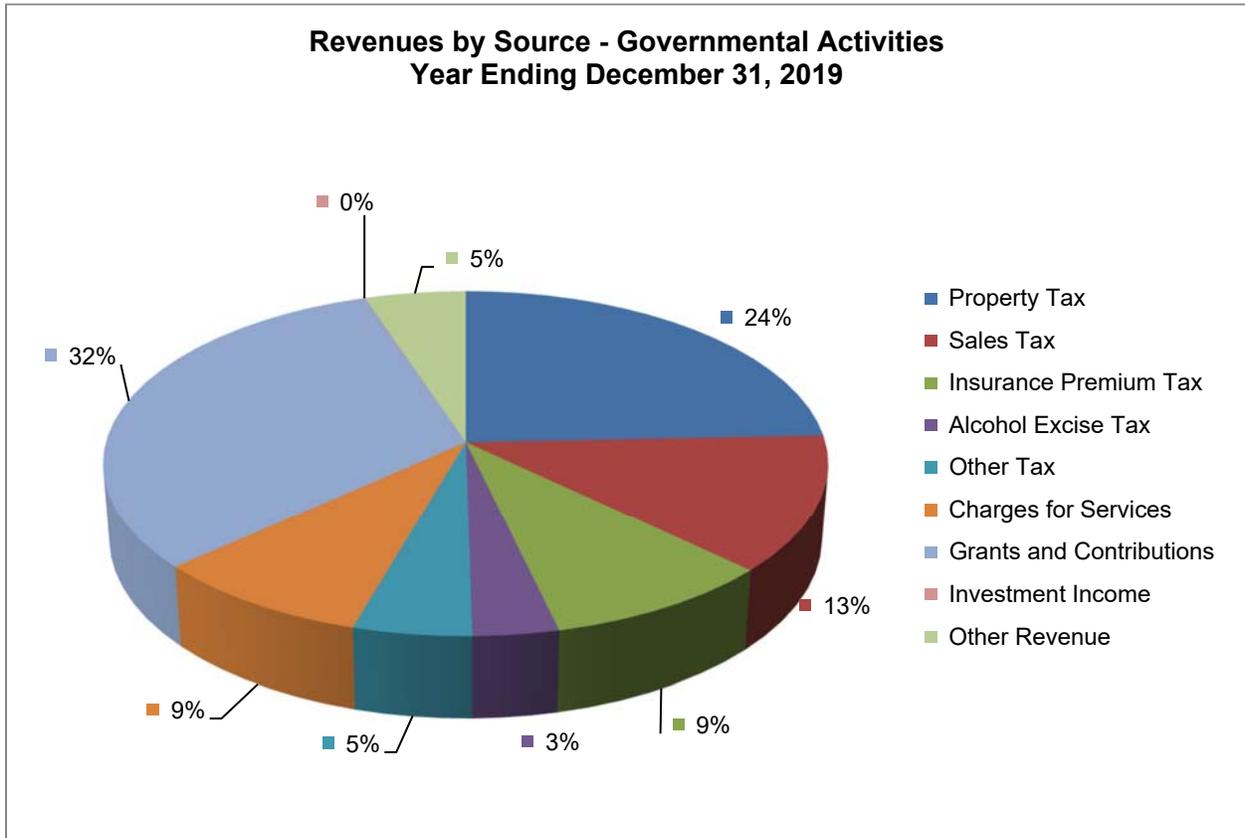
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Washington's net position changed during the year.

**City of Washington  
Changes in Net Position  
Fiscal Years 2019 and 2018**

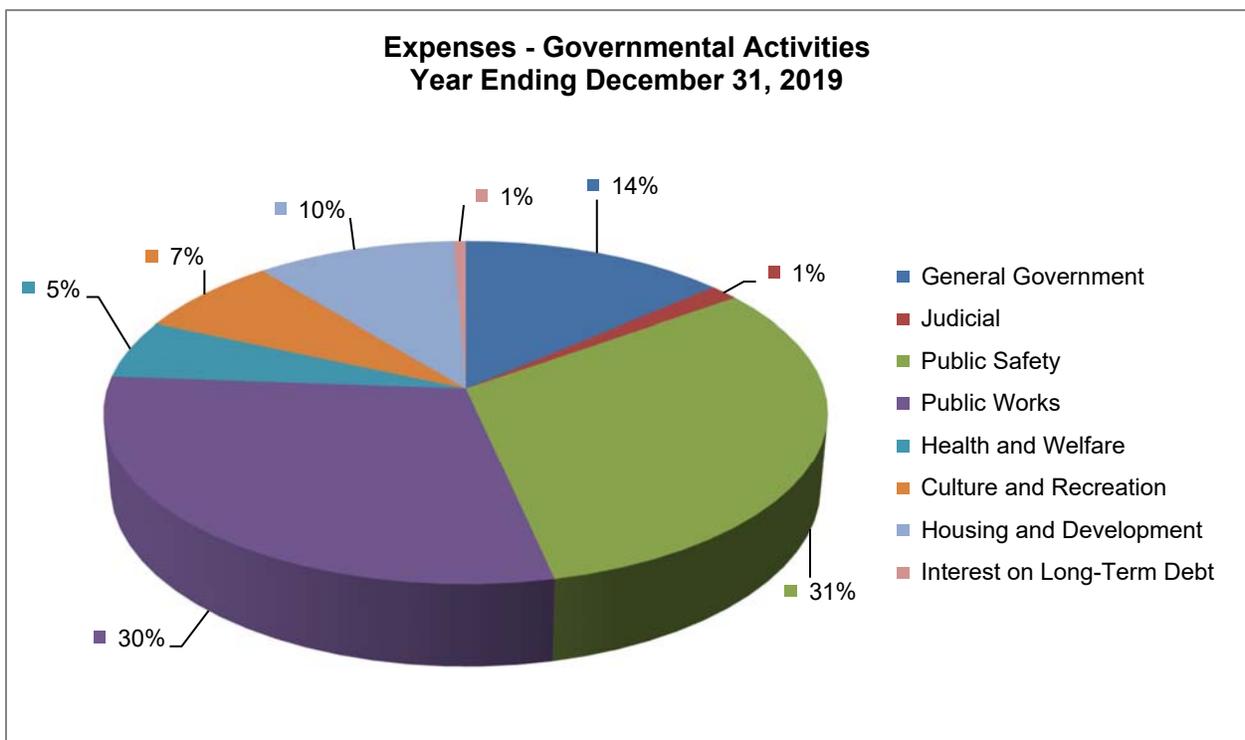
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 300,286	\$ 190,112	\$ 13,467,995	\$ 13,242,985	\$ 13,768,281	\$ 13,433,097
Operating grants and contributions	124,086	117,023	380,107	684,152	504,193	801,175
Capital grants and contributions	960,143	1,042,133	0	0	960,143	1,042,133
General revenues:						
Property tax	834,221	791,691	0	0	834,221	791,691
Sales tax	438,824	434,468	0	0	438,824	434,468
Insurance premium tax	314,741	296,304	0	0	314,741	296,304
Alcohol excise tax	116,725	117,362	0	0	116,725	117,362
Other taxes	160,892	170,390	0	0	160,892	170,390
Interest & investment earnings	1,907	970	86,207	50,880	88,114	51,850
Other revenue	174,103	214,608	30,921	8,360	205,024	222,968
<b>Total revenues</b>	<b>3,425,928</b>	<b>3,375,061</b>	<b>13,965,230</b>	<b>13,986,377</b>	<b>17,391,158</b>	<b>17,361,438</b>
<b>Expenses</b>						
General government	857,050	803,567	0	0	857,050	803,567
Judicial	86,749	88,249	0	0	86,749	88,249
Public Safety	1,967,798	1,857,274	0	0	1,967,798	1,857,274
Public Works	1,633,317	1,745,923	0	0	1,633,317	1,745,923
Health and Welfare	332,743	324,543	0	0	332,743	324,543
Culture and Recreation	453,258	440,353	0	0	453,258	440,353
Housing and Development	598,029	605,325	0	0	598,029	605,325
Interest on long-term debt	53,361	36,095	0	0	53,361	36,095
Water and Sewer	0	0	2,315,665	2,387,110	2,315,665	2,387,110
Electric	0	0	8,235,933	8,545,471	8,235,933	8,545,471
Solid Waste	0	0	481,506	449,125	481,506	449,125
Internet Telecommunications	0	0	36,727	26,078	36,727	26,078
<b>Total expenses</b>	<b>5,982,305</b>	<b>5,901,329</b>	<b>11,069,831</b>	<b>11,407,784</b>	<b>17,052,136</b>	<b>17,309,113</b>
Indirect costs	605,124	588,215	(605,124)	(588,215)	0	0
<b>Increase (decrease) in net position before transfers</b>	<b>(1,951,253)</b>	<b>(1,938,053)</b>	<b>2,290,275</b>	<b>1,990,378</b>	<b>339,022</b>	<b>52,325</b>
Transfers	2,260,629	1,964,594	(2,260,629)	(1,964,594)	0	0
<b>Increase (decrease) in net position</b>	<b>309,376</b>	<b>26,541</b>	<b>29,646</b>	<b>25,784</b>	<b>339,022</b>	<b>52,325</b>
<b>Net position - beginning</b>	<b>6,278,113</b>	<b>6,251,572</b>	<b>11,640,924</b>	<b>11,615,140</b>	<b>17,919,037</b>	<b>17,866,712</b>
<b>Net position - ending</b>	<b>\$ 6,587,489</b>	<b>\$ 6,278,113</b>	<b>\$ 11,670,570</b>	<b>\$ 11,640,924</b>	<b>\$ 18,258,059</b>	<b>\$ 17,919,037</b>

## Governmental Activities –

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



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



## Business-Type Activities –

Business-type activities increased the City of Washington's net position by \$29,646, or 1%. This increase is due to a large increase in net position in the Water / Sewer Fund that was offset partially by a decrease in net position in the Electric Fund.

## Financial Analysis of the City's Funds

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

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

- 1) As the City completed this fiscal year, its governmental funds reported a combined ending fund balance of \$388,170. Of this amount, \$(74,418) is reported as unassigned.

The General Fund is the chief operating fund of the City. At the end of the current year, fund balance of the General Fund was \$179,685. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at December 31, 2019 is \$(74,418), or (41%) of total fund balance. Total fund balance represents approximately 3.1% of total General Fund Expenditures. The City ended the year realizing a decrease in the overall fund balance in the General Fund by \$277,097, or approximately 61%. The City increased unassigned fund balance in the General Fund by \$77,060.

## General Fund Budget Highlights

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

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

▪ Water and Sewer	\$ 436,997
▪ Electric	\$ 1,466,695
▪ Solid Waste	\$ (83,118)
▪ Internet Telecommunications	\$ 468,618

The Water and Sewer Fund increased net position by \$399,341. The Increase is due to a reduction in liabilities, specifically long-term notes payable. The Electric Fund decreased net position by \$305,453. The decrease is due to a decrease in cash and cash equivalents, a decrease in deferred outflows of resources, and an increase in accounts payable. The Solid Waste Fund decreased net position by \$44,489. The decrease is due to capital asset additions through debt. The Internet Telecommunications Fund decreased net position by \$19,753. The decrease is due to a decrease in investments.

## Capital Assets and Debt Administration

**Capital Assets.** The City of Washington has invested \$24,543,327 in capital assets (net of accumulated depreciation) compared to \$24,186,879 in the previous year. This represents an increase of about 15%. Approximately 66% of this investment is related to business-type activities and includes infrastructure, land, buildings, and equipment and vehicles. Capital assets held by the City at year-end are summarized as follows:

### City of Washington Capital Assets (net of accumulated depreciation) Fiscal Years 2019 and 2018

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 714,771	\$ 714,771	\$ 207,190	\$ 207,190	\$ 921,961	\$ 921,961
Historical treasures	81,718	81,718	0	0	81,718	81,718
Construction in progress	365,200	1,171,369	37,687	451,847	402,887	1,623,216
Buildings and improvements	5,323,045	3,906,042	736,686	736,686	6,059,731	4,642,728
Equipment and vehicles	3,693,076	3,624,843	3,003,145	2,714,437	6,696,221	6,339,280
Software	75,335	75,335	0	0	75,335	75,335
Infrastructure	3,977,854	3,957,076	25,500,209	24,968,421	29,478,063	28,925,497
<b>Total</b>	<b>14,230,999</b>	<b>13,531,154</b>	<b>29,484,917</b>	<b>29,078,581</b>	<b>43,715,916</b>	<b>42,609,735</b>
Accumulated Depreciation	(5,907,915)	(5,751,551)	(13,264,674)	(12,671,305)	(19,172,589)	(18,422,856)
<b>Net Capital Assets</b>	<b>\$ 8,323,084</b>	<b>\$ 7,779,603</b>	<b>\$ 16,220,243</b>	<b>\$ 16,407,276</b>	<b>\$ 24,543,327</b>	<b>\$ 24,186,879</b>

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

- Completion of Fire Station Project – Fire department
- Completion of Mechanic Shop Building – Maintenance Shop department
- New Generator – Fire department
- New Pick-up Truck – Planning and Zoning department

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

- Two New Pick-up Trucks - Water / Sewer department
- Sewer Line Rehabilitation – Water / Sewer department
- New Jet Vac Sewer Cleaning Equipment– Water / Sewer department
- New Utility Tractor – Solid Waste department

Additional information on the City of Washington’s capital assets can be found in Note 8 on pages 47-48 of this report.

**Debt/Capital Leases.** On December 31, 2019, the City of Washington had a total debt balance outstanding for governmental activities in the amount of \$1,242,659, as compared to \$1,415,025 the previous year. The City of Washington’s outstanding debt for governmental activities has decreased by \$172,366 during the course of the year. On December 31, 2019, the City of Washington had a total debt balance outstanding for business-type activities in the amount of \$7,905,287, as compared to \$8,407,228 the previous year. The City of Washington’s outstanding debt for business-type activities has decreased by \$501,941 during the course of the year.

Additional information on the City’s long-term debt can be found in Notes 10 and 11 on pages 49-54 of this report.

## **Economic Condition and Outlook**

The City of Washington was once a thriving manufacturing community. Many manufacturers closed over the years, including one of our largest industrial water and electric utility customers that closed in 2019. Three manufacturing companies continue to operate, two of which are the City's top utility customers. The City sits in the heart of Georgia's timber basket, and still benefits from secondary forest industry markets such as wood procurement, timber harvest equipment sales and service. The City remains in talks with a prospective manufacturer that would employ 130 people and be a significant electric consumer. The City is also working with a prospect in the agribusiness sector that would be water, sewer customer and electric consumer as well. The City has much to offer prospects including Opportunity Zone incentives, fiber optic high speed internet, low cost of living, abundant natural resources, proximity to a larger labor pool within commute distance, and completion of a 4-lane expressway to I-20. For these reasons, the City continues to actively pursue other companies to invest in our community, to bring more diversity to our market and thus more stability to our economic future.

The City of Washington is actively engaged with the Payroll Development Authority in partnership with the County. The PDA is working with various businesses to fill our industrial park. The City also works with the Urban Redevelopment Authority and the Downtown Development Authority. Both of these subunits of the City are actively engaged in new business development and retaining of our current businesses.

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

The City employs a full-time director to manage the Main Street program and serves as director of its Downtown Development Authority. This person works with businesses to plan and promote events that attract commerce to the downtown area. The City recently started hosting downtown movie nights. Main Street also supports summer concerts and various children activities to get people downtown. Main Street actively recruits small businesses to occupy vacant commercial spaces in the area.

Over the past couple of years, the City of Washington improved its net position while investing in Capital assets. Prior to the Covid-19 outbreak, the City had seen an upsurge in economic growth. The local housing market showed improvement with vacant houses finding new tenants and an increase in houses being built in the area. This is due in part to the low tax rate. The City has not increased property taxes in several years.

The City continues to absorb the rising costs of electric prices due to State and Federal regulations being mandated on sources of power, specifically coal units. However, the City does anticipate a reduction in fixed cost through MEAG in the next year due to a restructuring of financial arrangements. The City recently requested to get out of their SEPA contract, which accounts for a portion of their excess power costs. A mandatory 23-month notice is required to SEPA, however, SEPA found another city that needed the power and was able to let the City out of the SEPA contract effective December 31, 2018. The City continues to look for ways to decrease costs through efficient operations and to increase the City's tax base with improvements to residential communities and actively pursuing businesses to locate here in Washington. The City recently received a CHIP grant from DCA to build four new homes on City owned property to help low to moderate income families. This grant was in partnership with Hands on Washington. Hands On Washington will spend their portion of the funds in renovating older homes in Washington for low income individuals.

All of these items were considered in the 2020 budget process:

- The need for efficient operations and innovative ways to cut costs
- Updating the Service Delivery Strategy agreement between the City & County for joint services
- Combining functions of employees to save money and eliminate duplication of duties
- Enforcing code to deal with dilapidated properties and thereby increase property values
- Making decisions with citizens' quality of life and affordability at the forefront of our decision-making process
- Retaining our low ISO rating for fire and loss of life & property by making improvements to the Washington Fire Department

- Continuing Infrastructure Improvements
- Rising cost of healthcare and other insurance benefits
- Recruiting and Retaining a qualified workforce by increasing the base salaries across the board and offering more training to employees

### **Subsequent Event**

In January 2020, a “Public Health Emergency of International Concern” was declared by the World Health Organization pertaining to the outbreak of a novel coronavirus (COVID-19). The City is continuing to provide services to the customers and residents of the City of Washington while addressing the impact of the outbreak. The City continuously is evaluating the budget and operations. Additional information concerning this matter can be found in Note 22 in the notes to the financial statements.

### **Contacting the City**

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

#### **Administration**

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

#### **Website**

<http://www.cityofwashingtonga.gov>

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***BASIC FINANCIAL STATEMENTS***

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 324,087	\$ 420,019	\$ 744,106	\$ 5,120
Investments	71,411	184,262	255,673	2,382
Restricted assets				
Cash and cash equivalents	242,779	320,285	563,064	0
Investments	0	1,085,977	1,085,977	0
Receivables (net)				
Accounts	28,271	1,744,273	1,772,544	0
Intergovernmental	179,372	350,395	529,767	0
Taxes	205,650	0	205,650	0
Internal balances	(180,538)	180,538	0	0
Inventories	0	497,123	497,123	0
Prepaid items	11,324	24,858	36,182	0
<b>Total current assets</b>	<b>882,356</b>	<b>4,807,730</b>	<b>5,690,086</b>	<b>7,502</b>
<b>Noncurrent assets</b>				
Investment in joint venture	0	445,262	445,262	0
Notes receivable	24,000	0	24,000	0
Capital assets				
Non-depreciable	1,161,689	244,877	1,406,566	0
Depreciable (net)	7,161,395	15,975,366	23,136,761	0
<b>Total noncurrent assets</b>	<b>8,347,084</b>	<b>16,665,505</b>	<b>25,012,589</b>	<b>0</b>
<b>Total assets</b>	<b>9,229,440</b>	<b>21,473,235</b>	<b>30,702,675</b>	<b>7,502</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions subsequent to the measurement date	124,196	62,732	186,928	0
Pension investment return differences	5,928	3,205	9,133	0
Pension experience differences	122,352	58,929	181,281	0
Pension assumption changes	36,568	16,744	53,312	0
<b>Total deferred outflows of resources</b>	<b>289,044</b>	<b>141,610</b>	<b>430,654</b>	<b>0</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	245,311	1,002,875	1,248,186	0
Retainages payable	28,854	0	28,854	0
Accrued salaries and payroll liabilities	103,585	59,827	163,412	0
Compensated absences	78,660	47,720	126,380	0
Accrued interest payable	7,942	13,885	21,827	0
Unearned revenue	65,298	0	65,298	0
Capital leases payable	37,885	152,730	190,615	0
Installment sale agreement payable	54,345	0	54,345	0
Notes payable	125,242	602,753	727,995	0
Liabilities payable from restricted assets				
Customer deposits payable	0	320,285	320,285	0
<b>Total current liabilities</b>	<b>747,122</b>	<b>2,200,075</b>	<b>2,947,197</b>	<b>0</b>
<b>Noncurrent liabilities</b>				
Net pension liability	1,158,686	594,396	1,753,082	0
Capital leases payable	17,001	236,142	253,143	0
Installment sale agreement payable	878,229	0	878,229	0
Notes payable	129,957	6,913,662	7,043,619	0
<b>Total noncurrent liabilities</b>	<b>2,183,873</b>	<b>7,744,200</b>	<b>9,928,073</b>	<b>0</b>
<b>Total liabilities</b>	<b>2,930,995</b>	<b>9,944,275</b>	<b>12,875,270</b>	<b>0</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>NET POSITION</b>				
Net investment in capital assets	\$ 7,005,024	\$ 8,295,401	\$ 15,300,425	\$ 0
Restricted for:				
MEAG Generation Trust	0	1,085,977	1,085,977	0
Public Works	90,561	0	90,561	0
Culture and Recreation	49,438	0	49,438	0
Housing and Development	170,198	0	170,198	0
Capital projects	45,236	0	45,236	0
Unrestricted	(772,968)	2,289,192	1,516,224	7,502
<b>Total net position</b>	<b>\$ 6,587,489</b>	<b>\$ 11,670,570</b>	<b>\$ 18,258,059</b>	<b>\$ 7,502</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities						
General Government	\$ 857,050	\$ (605,124)	\$ 39,054	\$ 0	\$ 0	\$ (212,872)
Judicial	86,749	0	0	0	0	(86,749)
Public Safety	1,967,798	0	55,992	98,065	61,598	(1,752,143)
Public Works	1,633,317	0	110,571	3,503	389,450	(1,129,793)
Health and Welfare	332,743	0	0	0	0	(332,743)
Culture and Recreation	453,258	0	60,090	8,728	0	(384,440)
Housing and Development	598,029	0	34,579	13,790	509,095	(40,565)
Interest on long-term debt	53,361	0	0	0	0	(53,361)
Total governmental activities	<u>5,982,305</u>	<u>(605,124)</u>	<u>300,286</u>	<u>124,086</u>	<u>960,143</u>	<u>(3,992,666)</u>
<b>Business-type activities</b>						
Water and Sewer	2,315,665	201,708	2,506,350	0	0	(11,023)
Electric	8,235,933	403,416	10,421,891	380,107	0	2,162,649
Solid Waste	481,506	0	533,828	0	0	52,322
Internet Telecommunications	36,727	0	5,926	0	0	(30,801)
Total business-type activities	<u>11,069,831</u>	<u>605,124</u>	<u>13,467,995</u>	<u>380,107</u>	<u>0</u>	<u>2,173,147</u>
Total primary government	<u>17,052,136</u>	<u>0</u>	<u>13,768,281</u>	<u>504,193</u>	<u>960,143</u>	<u>(1,819,519)</u>
<b>Component Unit</b>						
Downtown Development Authority						
Housing and Development	<u>1,079</u>	<u>0</u>	<u>0</u>	<u>1,960</u>	<u>0</u>	<u>881</u>
<b>Primary Government</b>						
			<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Change in net position</b>						
Net (expense) revenue			<u>\$ (3,992,666)</u>	<u>\$ 2,173,147</u>	<u>\$ (1,819,519)</u>	<u>\$ 881</u>
General revenues						
Taxes						
Property		834,221	0	834,221	0	0
Sales		438,824	0	438,824	0	0
Insurance premium		314,741	0	314,741	0	0
Alcohol Excise		116,725	0	116,725	0	0
Franchise		84,326	0	84,326	0	0
Occupational		52,145	0	52,145	0	0
Other		24,421	0	24,421	0	0
Interest and investment earnings		1,907	86,207	88,114	26	26
Other		122,978	29,020	151,998	0	0
Gain on sale of assets		51,125	1,901	53,026	0	0
Transfers		2,260,629	(2,260,629)	0	0	0
Total general revenues and transfers		<u>4,302,042</u>	<u>(2,143,501)</u>	<u>2,158,541</u>	<u>26</u>	<u>26</u>
Change in net position		309,376	29,646	339,022	907	907
Net position - beginning		<u>6,278,113</u>	<u>11,640,924</u>	<u>17,919,037</u>	<u>6,595</u>	<u>6,595</u>
Net position - ending		<u>\$ 6,587,489</u>	<u>\$ 11,670,570</u>	<u>\$ 18,258,059</u>	<u>\$ 7,502</u>	<u>\$ 7,502</u>

**CITY OF WASHINGTON, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2019**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 233,957	\$ 90,130	\$ 324,087
Investments	3,253	68,158	71,411
Restricted cash and cash equivalents	242,779	0	242,779
Receivables (net)			
Accounts	28,271	0	28,271
Intergovernmental	23,101	156,271	179,372
Taxes	194,922	10,728	205,650
Notes	0	24,000	24,000
Due from other funds	0	14,462	14,462
Prepaid items	11,324	0	11,324
<b>Total assets</b>	<b>\$ 737,607</b>	<b>\$ 363,749</b>	<b>\$ 1,101,356</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 142,901	\$ 102,410	\$ 245,311
Retainages payable	0	28,854	28,854
Accrued salaries and payroll liabilities	103,585	0	103,585
Due to other funds	195,000	0	195,000
Unearned revenue	41,298	24,000	65,298
<b>Total liabilities</b>	<b>482,784</b>	<b>155,264</b>	<b>638,048</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	75,138	0	75,138
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	11,324	0	11,324
Contractually required to be maintained intact	0	19,980	19,980
Restricted for:			
Public Works	70,305	20,256	90,561
Culture and Recreation	2,276	47,162	49,438
Housing and Development	170,198	0	170,198
Capital projects	0	45,236	45,236
Assigned for:			
Public Works	0	37,127	37,127
Culture and Recreation	0	23,274	23,274
Housing and Development	0	15,450	15,450
Unassigned	(74,418)	0	(74,418)
<b>Total fund balances</b>	<b>179,685</b>	<b>208,485</b>	<b>388,170</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 737,607</b>	<b>\$ 363,749</b>	<b>\$ 1,101,356</b>

**CITY OF WASHINGTON, GEORGIA  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
December 31, 2019**

**Total fund balances - total governmental funds** \$ 388,170

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

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

These are:

Capital assets, net of accumulated depreciation	8,323,084
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.

These are:

Property taxes	75,138
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$ 124,196	
Pension investment return differences	5,928	
Pension experience differences	122,352	
Pension assumption changes	36,568	289,044

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Compensated absences	\$ (78,660)	
Interest payable	(7,942)	
Net pension liability	(1,158,686)	
Capital leases payable	(54,886)	
Installment sale agreement payable	(932,574)	
Notes payable	(255,199)	(2,487,947)

Net position of governmental activities	\$ 6,587,489
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**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2019**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>REVENUES</b>			
Taxes	\$ 1,740,601	\$ 120,280	\$ 1,860,881
Licenses and permits	45,498	0	45,498
Fines, fees and forfeitures	45,448	0	45,448
Charges for services	809,166	0	809,166
Intergovernmental	318,488	758,808	1,077,296
Interest	986	923	1,909
Contributions	11,731	500	12,231
Other	122,978	0	122,978
<b>Total revenues</b>	<u>3,094,896</u>	<u>880,511</u>	<u>3,975,407</u>
<b>EXPENDITURES</b>			
Current			
General Government	814,806	0	814,806
Judicial	82,395	0	82,395
Public Safety	2,143,793	134,223	2,278,016
Public Works	1,393,617	128,500	1,522,117
Health and Welfare	256,085	0	256,085
Culture and Recreation	459,079	0	459,079
Housing and Development	462,938	487,458	950,396
Debt service	264,311	0	264,311
<b>Total expenditures</b>	<u>5,877,024</u>	<u>750,181</u>	<u>6,627,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,782,128)</u>	<u>130,330</u>	<u>(2,651,798)</u>
Other financing sources (uses)			
Transfers in	2,579,421	168,245	2,747,666
Transfers out	(153,783)	(333,254)	(487,037)
Sale of assets	51,125	0	51,125
Issuance of capital lease payable	28,268	0	28,268
<b>Total other financing sources (uses)</b>	<u>2,505,031</u>	<u>(165,009)</u>	<u>2,340,022</u>
Net change in fund balance	(277,097)	(34,679)	(311,776)
Fund balances, January 1	<u>456,782</u>	<u>243,164</u>	<u>699,946</u>
<b>Fund balances, December 31</b>	<u><u>\$ 179,685</u></u>	<u><u>\$ 208,485</u></u>	<u><u>\$ 388,170</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2019**

**Net change in fund balances - total governmental funds** \$ (311,776)

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

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

Capital outlays	\$	866,705	
Depreciation		<u>(313,285)</u>	553,420

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	\$	(166,860)	
Related accumulated depreciation		<u>156,921</u>	(9,939)

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

Net change in interest payable	\$	10,316	
Proceeds from the issuance of debt		(28,268)	
Debt principal payments		<u>200,634</u>	182,682

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

Pension contributions	\$	161,764	
Cost of benefits earned net of employee contributions		<u>(276,159)</u>	(114,395)

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

Unavailable revenues		4,521
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences		<u>4,863</u>
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Change in net position of governmental activities	\$	<u>309,376</u>	
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**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the year ended December 31, 2019**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,770,505	\$ 1,772,005	\$ 1,740,601	\$ (31,404)
Licenses and permits	35,120	39,620	45,498	5,878
Fines, fees and forfeitures	44,005	44,005	45,448	1,443
Charges for services	790,820	790,820	809,166	18,346
Intergovernmental	171,190	171,190	318,488	147,298
Interest	270	270	986	716
Contributions	1,530	1,530	11,731	10,201
Other	131,020	131,020	122,978	(8,042)
<b>Total revenues</b>	<b>2,944,460</b>	<b>2,950,460</b>	<b>3,094,896</b>	<b>144,436</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Executive Administration	754,610	829,610	814,806	14,804
Judicial				
Municipal Court	83,305	83,305	82,395	910
Public Safety				
Police	516,000	626,000	625,279	721
Fire	1,790,175	1,569,270	1,393,441	175,829
Animal Control	125,650	125,650	125,073	577
Public Works				
Highways and Streets	1,001,345	1,001,345	974,608	26,737
Street Lighting	135,350	156,750	156,681	69
Maintenance Shop	263,830	263,830	262,328	1,502
Health and Welfare				
Community Services	116,000	121,800	121,758	42
Community Center	125,010	134,510	134,327	183
Culture and Recreation				
Libraries	65,420	65,420	65,420	0
Historic Properties	279,805	279,805	232,898	46,907
Park Areas	110,425	115,225	115,200	25
Booker Park Pool	45,430	45,835	45,561	274
Housing and Development				
Planning and Zoning	185,325	189,825	176,701	13,124
Community Development and Housing	180,080	230,080	188,391	41,689
Economic Development	0	28,400	28,320	80
Mainstreet Division	99,630	71,230	69,526	1,704
Debt Service				
Principal	200,500	200,500	200,633	(133)
Interest	63,620	63,620	63,678	(58)
<b>Total expenditures</b>	<b>6,141,510</b>	<b>6,202,010</b>	<b>5,877,024</b>	<b>324,986</b>
Excess (deficiency) of revenues over expenditures	(3,197,050)	(3,251,550)	(2,782,128)	469,422

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the year ended December 31, 2019**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses)				
Transfers in	\$ 2,282,050	\$ 2,579,421	\$ 2,579,421	\$ 0
Transfers out	0	(162,800)	(153,783)	9,017
Sale of capital assets	0	0	51,125	51,125
Issuance of capital lease payable	825,000	625,429	28,268	(597,161)
Total other financing sources (uses)	<u>3,107,050</u>	<u>3,042,050</u>	<u>2,505,031</u>	<u>(537,019)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(90,000)	(209,500)	(277,097)	(67,597)
Fund balances, January 1	<u>90,000</u>	<u>209,500</u>	<u>456,782</u>	<u>247,282</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 179,685</u></u>	<u><u>\$ 179,685</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2019**

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 0	\$ 420,019	\$ 0	\$ 420,019
Investments	0	184,262	0	184,262
<b>Restricted assets</b>				
Cash and cash equivalents	97,298	222,987	0	320,285
Investments	0	1,085,977	0	1,085,977
<b>Receivables (net)</b>				
Accounts	455,023	1,186,010	103,240	1,744,273
Intergovernmental	0	350,395	0	350,395
Due from other funds	0	195,000	0	195,000
Inventories	202,538	294,585	0	497,123
Prepaid items	11,302	12,184	1,372	24,858
<b>Total current assets</b>	<b>766,161</b>	<b>3,951,419</b>	<b>104,612</b>	<b>4,822,192</b>
<b>Noncurrent assets</b>				
Investment in joint venture	0	0	445,262	445,262
<b>Capital assets</b>				
Non-depreciable	232,397	8,480	4,000	244,877
Depreciable (net)	14,285,268	1,329,198	360,900	15,975,366
<b>Total noncurrent assets</b>	<b>14,517,665</b>	<b>1,337,678</b>	<b>810,162</b>	<b>16,665,505</b>
<b>Total assets</b>	<b>15,283,826</b>	<b>5,289,097</b>	<b>914,774</b>	<b>21,487,697</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions subsequent to the measurement date	14,436	29,349	18,947	62,732
Pension investment return differences	740	1,830	635	3,205
Pension experience differences	18,547	24,763	15,619	58,929
Pension assumption changes	6,677	6,931	3,136	16,744
<b>Total deferred outflows of resources</b>	<b>40,400</b>	<b>62,873</b>	<b>38,337</b>	<b>141,610</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	79,730	906,235	16,910	1,002,875
Accrued salaries and payroll liabilities	33,323	17,966	8,538	59,827
Compensated absences	25,106	14,277	8,337	47,720
Accrued interest payable	11,445	0	2,440	13,885
Due to other funds	0	14,462	0	14,462
Capital lease payable	47,770	58,304	46,656	152,730
Notes payable	602,753	0	0	602,753
<b>Liabilities payable from restricted liabilities</b>				
Customer deposits payable	97,298	222,987	0	320,285
<b>Total current liabilities</b>	<b>897,425</b>	<b>1,234,231</b>	<b>82,881</b>	<b>2,214,537</b>
<b>Noncurrent liabilities</b>				
Net pension liability	142,217	285,693	166,486	594,396
Capital lease payable	119,158	48,670	68,314	236,142
Notes payable	6,913,662	0	0	6,913,662
<b>Total noncurrent liabilities</b>	<b>7,175,037</b>	<b>334,363</b>	<b>234,800</b>	<b>7,744,200</b>
<b>Total liabilities</b>	<b>8,072,462</b>	<b>1,568,594</b>	<b>317,681</b>	<b>9,958,737</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*December 31, 2019*

	<b>Business-Type Activities</b>			<b>Totals</b>
	<b>Water and Sewer</b>	<b>Electric</b>	<b>Nonmajor Enterprise Funds</b>	
<b>NET POSITION</b>				
Net investment in capital assets	\$ 6,814,767	\$ 1,230,704	\$ 249,930	\$ 8,295,401
Restricted for MEAG Generation Trust	0	1,085,977	0	1,085,977
Unrestricted	436,997	1,466,695	385,500	2,289,192
<b>Total net position</b>	<b>\$ 7,251,764</b>	<b>\$ 3,783,376</b>	<b>\$ 635,430</b>	<b>\$ 11,670,570</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the year ended December 31, 2019**

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 2,506,350	\$ 10,421,891	\$ 539,754	\$ 13,467,995
Other	16,340	12,680	0	29,020
<b>Total operating revenues</b>	<u>2,522,690</u>	<u>10,434,571</u>	<u>539,754</u>	<u>13,497,015</u>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	1,142,754	7,904,729	177,367	9,224,850
Personal services	859,965	624,885	251,855	1,736,705
Depreciation	464,595	103,416	56,259	624,270
<b>Total operating expenses</b>	<u>2,467,314</u>	<u>8,633,030</u>	<u>485,481</u>	<u>11,585,825</u>
Operating income (loss)	<u>55,376</u>	<u>1,801,541</u>	<u>54,273</u>	<u>1,911,190</u>
Non-operating revenues (expenses)				
Intergovernmental revenue	0	380,107	0	380,107
Interest and investment earnings	600	62,447	23,160	86,207
Interest expense	(50,059)	(6,319)	(5,077)	(61,455)
Gain (loss) on sale of assets	1,901	0	(7,943)	(6,042)
Net increase (decrease) in the fair value of investments	<u>0</u>	<u>0</u>	<u>(19,732)</u>	<u>(19,732)</u>
<b>Total non-operating revenues (expenses)</b>	<u>(47,558)</u>	<u>436,235</u>	<u>(9,592)</u>	<u>379,085</u>
Net income (loss) before transfers	<u>7,818</u>	<u>2,237,776</u>	<u>44,681</u>	<u>2,290,275</u>
Transfers in (out)				
Transfers in	391,523	108,923	0	500,446
Transfers out	<u>0</u>	<u>(2,652,152)</u>	<u>(108,923)</u>	<u>(2,761,075)</u>
<b>Total transfers in (out)</b>	<u>391,523</u>	<u>(2,543,229)</u>	<u>(108,923)</u>	<u>(2,260,629)</u>
Change in net position	399,341	(305,453)	(64,242)	29,646
Net position, January 1	<u>6,852,423</u>	<u>4,088,829</u>	<u>699,672</u>	<u>11,640,924</u>
<b>Net position, December 31</b>	<u>\$ 7,251,764</u>	<u>\$ 3,783,376</u>	<u>\$ 635,430</u>	<u>\$ 11,670,570</u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2019

	<b>Business-Type Activities</b>			<b>Totals</b>
	<b>Water and Sewer</b>	<b>Electric</b>	<b>Nonmajor Enterprise Funds</b>	
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 2,528,654	\$ 10,483,350	\$ 541,857	\$ 13,553,861
Payments to suppliers	(1,215,178)	(7,641,269)	(179,335)	(9,035,782)
Payments to employees	(853,591)	(580,238)	(230,779)	(1,664,608)
Other receipts	16,340	12,680	0	29,020
Net cash provided (used) by operating activities	<u>476,225</u>	<u>2,274,523</u>	<u>131,743</u>	<u>2,882,491</u>
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other funds	0	108,923	0	108,923
Payments to other funds	0	(2,711,471)	(108,923)	(2,820,394)
Receipts from other governments	0	268,045	0	268,045
Net cash provided (used) by non-capital financing activities	<u>0</u>	<u>(2,334,503)</u>	<u>(108,923)</u>	<u>(2,443,426)</u>
<b>Cash flows from capital and related financing activities:</b>				
Receipts from other funds	391,524	0	0	391,524
Payments for acquisitions of capital assets	(369,781)	0	(59,265)	(429,046)
Proceeds from sale of capital assets	1,901	0	3,421	5,322
Payments of capital related accounts payable	(54,315)	0	0	(54,315)
Payments of retainage payable	(1,000)	0	0	(1,000)
Proceeds from issuance of capital leases	201,380	0	49,932	251,312
Principal payments - promissory notes	(608,806)	0	0	(608,806)
Principal payments - capital lease	(52,123)	(56,033)	(36,291)	(144,447)
Interest paid	(44,820)	(6,318)	(3,777)	(54,915)
Net cash provided (used) by capital and related financing activities	<u>(536,040)</u>	<u>(62,351)</u>	<u>(45,980)</u>	<u>(644,371)</u>
<b>Cash flows from investing activities</b>				
Interest and investment earnings received	600	62,447	23,160	86,207
Proceeds from maturity of investments	156,513	289,424	0	445,937
Purchase of investments	0	(296,588)	0	(296,588)
Net cash provided (used) by investing activities	<u>157,113</u>	<u>55,283</u>	<u>23,160</u>	<u>235,556</u>
Net increase (decrease) in cash and cash equivalents	97,298	(67,048)	0	30,250
Cash and cash equivalents, January 1	<u>0</u>	<u>710,054</u>	<u>0</u>	<u>710,054</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 97,298</u></u>	<u><u>\$ 643,006</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 740,304</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2019

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 55,376	\$ 1,801,541	\$ 54,273	\$ 1,911,190
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	464,595	103,416	56,259	624,270
(Increase) decrease in accounts receivable	22,305	20,249	2,103	44,657
(Increase) decrease in inventories	(5,751)	(30,684)	0	(36,435)
(Increase) decrease in prepaid items	(4,746)	(897)	(213)	(5,856)
(Increase) decrease in pension contributions made after measurement date	(3,971)	(9,816)	(3,407)	(17,194)
(Increase) decrease in pension experience differences	10,122	25,019	8,683	43,824
(Increase) decrease in pension investment return differences	(740)	(1,830)	(635)	(3,205)
(Increase) decrease in pension assumption changes	4,322	10,682	3,707	18,711
Increase (decrease) in accounts payable	(61,928)	295,041	(1,755)	231,358
Increase (decrease) in accrued payroll liabilities	422	(6,205)	1,395	(4,388)
Increase (decrease) in customer deposits	0	41,210	0	41,210
Increase (decrease) in net pension liability	27,574	68,155	23,652	119,381
Increase (decrease) in pension investment return differences	(31,355)	(41,358)	(12,319)	(85,032)
Total adjustments	420,849	472,982	77,470	971,301
Net cash provided (used) by operating activities	\$ 476,225	\$ 2,274,523	\$ 131,743	\$ 2,882,491
<b>Cash and cash equivalents reconciliation</b>				
Cash and cash equivalents	\$ 0	\$ 420,019	\$ 0	\$ 420,019
Restricted assets				
Cash and cash equivalents	97,298	222,987	0	320,285
	\$ 97,298	\$ 643,006	\$ 0	\$ 740,304

**Noncash investing, capital, and financing activities:**

Acquisition of capital assets through accounts payable totaled \$19,555  
The net increase (decrease) in the fair value of investments totaled (\$19,732).

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**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**1. Description of Government Unit**

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

**2. Summary of Significant Accounting Policies**

**A. Description of Government-wide Financial Statements**

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

**B. Reporting Entity**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**B. Reporting Entity, continued**

**Downtown Development Authority of Washington, Georgia**

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

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

**C. Basis of Presentation – Government-wide Financial Statements**

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**D. Basis of Presentation – Fund Financial Statements**

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following fund types:

**Governmental Fund Types**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**D. Basis of Presentation – Fund Financial Statements, continued**

**Governmental Fund Types, continued**

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

**Proprietary Fund Types**

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

**Component Units**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**D. Basis of Presentation – Fund Financial Statements, continued**

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

**E. Measurement Focus and Basis of Accounting**

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**E. Measurement Focus and Basis of Accounting, continued**

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

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

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

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

**F. Revenues and Expenditures/Expenses**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**F. Revenues and Expenditures/Expenses, continued**

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

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

**G. Budgets and Budgetary Accounting**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**H. Cash and Investments**

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

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

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

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

**I. Property Taxes**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**J. Intergovernmental Receivables**

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

**K. Inventories**

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

**L. Prepaid Items**

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

**M. Capital Assets**

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**M. Capital Assets, continued**

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

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

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

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

**N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to its defined benefit pension plans.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**N. Deferred Outflows/Inflows of Resources, continued**

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

**O. Net Position Flow Assumption**

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

**P. Fund Balance Flow Assumption**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**Q. Restricted Assets and Restricted Net Position**

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

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

**R. Fund Balances**

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**2. Summary of Significant Accounting Policies (continued)**

**R. Fund Balances – Governmental Funds, continued**

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

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

**S. Pensions**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

**T. Long-Term Obligations**

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

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

**U. Compensation for Future Absences**

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

**V. Capital Contributions**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**3. Deposit and Investment Risk**

**Custodial Credit Risk – Deposits**

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

**Interest Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Foreign Currency Risk**

The City has no investments denominated in a foreign currency.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**3. Deposit and Investment Risk (continued)**

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

The Municipal Competitive Trust accounts are held in the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios; these portfolios are not rated. At the end of the current year, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 3.75, 35.13, and 1.22 months, respectively. At the end of the current year, the City's balance in the Voluntary Flexible Operating Account and the Generation Trust Account was \$184,262 and \$1,085,977, respectively.

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

<b>Investment by fair value level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Major Funds</b>				
General Fund				
Certificates of deposit	\$ 3,253	\$ 0	\$ 0	\$ 3,253
Electric Fund				
MEAG Competitive Trust	0	1,270,239	0	1,270,239
<b>Nonmajor Funds</b>				
Governmental				
Certificates of deposit	68,158	0	0	68,158
Total	\$ 71,411	\$ 1,270,239	\$ 0	\$ 1,341,650

Certificates of deposit are valued at cost.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**4. Accounts Receivable**

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

<b>Major Funds</b>		
General Fund	\$ 80,476	
Less: Allowance for Uncollectibles	<u>(52,205)</u>	\$ 28,271
Enterprise Funds		
Water and Sewer Fund	632,300	
Less: Allowance for Uncollectibles	<u>(177,277)</u>	455,023
Electric Fund	1,953,297	
Less: Allowance for Uncollectibles	<u>(767,287)</u>	1,186,010
<b>Nonmajor Funds</b>		
Enterprise Funds		
Solid Waste Fund	117,417	
Less: Allowance for Uncollectibles	<u>(37,533)</u>	79,884
Internet Telecommunications Fund	23,772	
Less: Allowance for Uncollectibles	<u>(416)</u>	<u>23,356</u>
Total primary government		<u><u>\$ 1,772,544</u></u>

**5. Intergovernmental Receivables**

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

<b>Major Funds</b>	
General Fund	\$ 23,101
Electric Fund	350,395
<b>Nonmajor Funds</b>	
2017 SPLOST Fund	44,180
CDBG/CHIP Grant Fund	<u>112,091</u>
Total primary government	<u><u>\$ 529,767</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**6. Property Taxes**

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2019 tax digest year, based upon the assessments as of January 1, 2019, were levied on September 20, 2019, billed on October 16, 2019, and due on December 30, 2019. Taxes receivable at the end of the current year is made up of property tax in the amount of \$148,066, net of an allowance placed on accounts deemed uncollectible.

**7. Interfund Receivables, Payables, and Transfers**

At the end of the current year, interfund receivables and payables consisted of \$195,000 due from the General Fund to the Electric Enterprise Fund, \$11,172 due from the Electric Enterprise Fund to the E-911 Special Revenue Fund, and \$3,290 due from the Electric Enterprise Fund to the CDBG/CHIP Grant Capital Projects Fund as a result of the timing of reimbursements.

A summary of interfund transfers is as follows:

<u>Transfer out fund</u>	<u>Transfer in fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 153,783
Electric	General	2,579,421
	Nonmajor Governmental	14,462
	Water and Sewer	58,269
Nonmajor Governmental	Water and Sewer	333,254
Nonmajor Enterprise	Electric	<u>108,923</u>
Total		<u>\$ 3,248,112</u>

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**8. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 714,771	\$ 0	\$ 0	\$ 714,771
Construction in progress	1,171,369	756,135	(1,562,304)	365,200
Historical treasures	81,718	0	0	81,718
Total non-depreciable assets	<u>1,967,858</u>	<u>756,135</u>	<u>(1,562,304)</u>	<u>1,161,689</u>
Depreciable assets				
Buildings and improvements	3,906,042	1,562,303	(145,300)	5,323,045
Equipment and vehicles	3,624,843	89,793	(21,560)	3,693,076
Software	75,335	0	0	75,335
Infrastructure	3,957,076	20,778	0	3,977,854
Total depreciable assets	<u>11,563,296</u>	<u>1,672,874</u>	<u>(166,860)</u>	<u>13,069,310</u>
Accumulated depreciation				
Buildings and improvements	(2,462,047)	(58,487)	145,300	(2,375,234)
Equipment and vehicles	(2,022,514)	(152,640)	11,621	(2,163,533)
Software	(30,134)	(15,067)	0	(45,201)
Infrastructure	(1,236,856)	(87,091)	0	(1,323,947)
Total accumulated depreciation	<u>(5,751,551)</u>	<u>(313,285)</u>	<u>156,921</u>	<u>(5,907,915)</u>
Total depreciable assets, net	<u>5,811,745</u>	<u>1,359,589</u>	<u>(9,939)</u>	<u>7,161,395</u>
Governmental activities capital assets, net	<u>\$ 7,779,603</u>	<u>\$ 2,115,724</u>	<u>\$ (1,572,243)</u>	<u>\$ 8,323,084</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 207,190	\$ 0	\$ 0	\$ 207,190
Construction in progress	451,847	118,632	(532,792)	37,687
Total Non-depreciable assets	<u>659,037</u>	<u>118,632</u>	<u>(532,792)</u>	<u>244,877</u>
Depreciable assets				
Buildings	736,686	0	0	736,686
Machinery and equipment	1,318,730	222,964	0	1,541,694
Vehicles	1,395,707	108,009	(42,265)	1,461,451
Infrastructure	24,968,421	531,788	0	25,500,209
Total depreciable assets	<u>28,419,544</u>	<u>862,761</u>	<u>(42,265)</u>	<u>29,240,040</u>
Accumulated depreciation				
Buildings	(546,896)	(6,636)	0	(553,532)
Machinery and equipment	(960,317)	(80,978)	0	(1,041,295)
Vehicles	(790,115)	(123,034)	30,901	(882,248)
Infrastructure	(10,373,977)	(413,622)	0	(10,787,599)
Total accumulated depreciation	<u>(12,671,305)</u>	<u>(624,270)</u>	<u>30,901</u>	<u>(13,264,674)</u>
Total depreciable assets, net	<u>15,748,239</u>	<u>238,491</u>	<u>(11,364)</u>	<u>15,975,366</u>
Business-type activities capital assets, net	<u>\$ 16,407,276</u>	<u>\$ 357,123</u>	<u>\$ (544,156)</u>	<u>\$ 16,220,243</u>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**8. Capital Assets (continued)**

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$	17,817
Public Safety		77,533
Public Works		109,513
Health and Welfare		77,994
Culture and Recreation		8,426
Housing and Development		22,002
Total depreciation expense for governmental activities	\$	313,285

**Business-type activities**

Water and Sewer Enterprise Fund	\$	464,595
Electric Enterprise Fund		103,416
Nonmajor Enterprise Funds		
Solid Waste Enterprise Fund		56,259
Total depreciation expense for business-type activities	\$	624,270

**9. Notes Receivable**

The City of Washington entered into owner-financed lending agreements with the Georgia Department of Community Affairs for the purchase of real property in the total amount of \$44,000, with annual principal payments of \$8,800 and interest at 0%. The term of the notes are 5 years. The total remaining balance of the notes receivable at the end of the current year is \$24,000.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**10. Capital Lease Agreements**

The City has entered into lease-purchase agreements to finance the purchases of equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of the leases at the end of the current year are \$54,886 and \$388,872 for governmental activities and business-type activities, respectively. The total of assets leased under capital leases is made up of vehicles in the amount of \$187,439 and \$889,799 for governmental activities and business-type activities, respectively. The vehicles have a five to fifteen year estimated useful life. Included in depreciation expense for the current year was \$18,745 and \$90,056 for the governmental activities and business-type activities, respectively.

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Vehicles				
Ford pole truck	\$ 0	\$ 0	\$ 166,745	\$ 83,373
2016 F-150 (2)	0	0	42,156	31,617
2016 Mack Truck	0	0	241,825	92,700
2017 Bucket Truck	0	0	138,968	31,268
Bobcat Toolcat 5600 (2)	0	0	93,806	6,783
Jet Vac Pressure Washing System	0	0	61,000	6,100
Jet Vac High Pressure Sewer Cleaner	0	0	87,223	4,361
2019 F-150 (2)	0	0	58,076	8,711
2016 Kenworth Truck	129,574	51,830	0	0
2016 F-250	29,597	11,839	0	0
2019 F-150	28,268	2,827	0	0
Total assets under capital leases	\$ 187,439	\$ 66,496	\$ 889,799	\$ 264,913

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Capital Lease Agreements (continued)**

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

<b>Year Ending December 31,</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2020	\$ 39,895	\$ 169,105
2021	6,205	91,504
2022	6,205	91,504
2023	6,205	63,611
2024	0	11,345
Total minimum lease payments	58,510	427,069
Less amounts representing interest	(3,624)	(38,197)
Present value of minimum lease payments	<u>\$ 54,886</u>	<u>\$ 388,872</u>

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

**11. Long-Term Liabilities**

***Governmental Activities***

***Installment Sale Agreement***

During 2018, the City entered into an Installment Sale Agreement with BB&T in the amount of \$975,000 for the purpose of constructing a new fire station. The installment sale agreement bears interest at 4.05%. The balance of the installment sale agreement was \$932,574 at the end of the current year. The installment sale agreement calls for 57 quarterly payments of \$22,824 beginning January 30, 2019 and matures January 30, 2033. This note is collateralized by a security interest in the purchased property. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable, and the property may be repossessed by the lender.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Long-Term Liabilities (continued)**

***Governmental Activities (continued)***

***Installment Sale Agreement (continued)***

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 54,345	\$ 36,951	\$ 91,296
2021	56,580	34,716	91,296
2022	58,906	32,390	91,296
2023	61,328	29,968	91,296
2024	63,850	27,446	91,296
2025-2029	360,860	95,620	456,480
2030-2033	276,705	20,006	296,711
Totals	<u>\$ 932,574</u>	<u>\$ 277,097</u>	<u>\$ 1,209,671</u>

***Notes from Direct Borrowings***

During 2006, the City entered into a direct borrowing agreement with Farmers State Bank in the original amount of \$1,500,000, bearing interest at 3.94%. The balance of the note was \$255,199 at the end of the current year. The note calls for 180 monthly payments of \$11,093 beginning January 20, 2007 and matures December 20, 2021. The purpose of the note was to finance renovation of the Pope Center.

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 125,242	\$ 7,952	\$ 133,194
2021	129,957	3,132	133,089
Totals	<u>\$ 255,199</u>	<u>\$ 11,084</u>	<u>\$ 266,283</u>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**11. Long-Term Liabilities (continued)**

***Business-Type Activities***

***Notes from Direct Borrowings***

During 2003, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$789,731, bearing interest at 3.94%. The balance of the note was \$258,629 at the end of the current year. The note calls for quarterly payments of principal and interest of \$14,313 and matures October 2024. The purpose of the note was for construction of sewer rehabilitation. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2004, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$1,599,998, bearing interest at 4.06%. The balance of the note was \$647,873 at the end of the current year. The note calls for monthly payments of principal and interest of \$9,746 and matures February 1, 2027. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2010, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$7,446,275, bearing zero interest. The balance of the note was \$6,419,125 at the end of the current year. The note calls for monthly payments of \$37,539 beginning January 31, 2014 and matures December 31, 2034. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**11. Long-Term Liabilities (continued)**

***Business-Type Activities (continued)***

***Notes from Direct Borrowings (continued)***

During 2014, the City entered into a direct borrowing agreement with Farmers & Merchants Bank in the original amount of \$55,000, bearing interest at 3.09%. The note calls for 60 monthly payments of \$992 beginning January 15, 2015 and matures December 15, 2019. The purpose of the note was to purchase equipment. This note is collateralized by a security interest in the purchased property. Upon an event of default, the lender may repossess the property within a reasonable time period. The note was paid in full during the current year.

During 2017, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$204,703, bearing interest at 1.90%. The balance of the note was \$190,788 at the end of the current year. The note calls for monthly payments of \$1,308 beginning November 1, 2018 and matures October 1, 2033. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 602,753	\$ 37,614	\$ 640,367
2021	608,730	31,637	640,367
2022	614,927	25,440	640,367
2023	621,377	18,990	640,367
2024	628,032	12,282	640,314
2025-2029	2,468,142	13,021	2,481,163
2030-2034	1,972,454	2,183	1,974,637
<b>Totals</b>	<b>\$ 7,516,415</b>	<b>\$ 141,167</b>	<b>\$ 7,657,582</b>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**11. Long-Term Liabilities (continued)**

***Changes in Long-Term Liabilities***

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Capital leases payable	\$ 64,483	\$ 28,268	\$ (37,865)	\$ 54,886	\$ 37,885
Installment sale agreement	975,000	0	(42,426)	932,574	54,345
Notes from direct borrowings	375,542	0	(120,343)	255,199	125,242
Compensated absences	83,523	126,433	(131,296)	78,660	78,660
Total Governmental Activities	<u>\$ 1,498,548</u>	<u>\$ 154,701</u>	<u>\$ (331,930)</u>	<u>\$ 1,321,319</u>	<u>\$ 296,132</u>
<b>Business-type Activities</b>					
Capital leases payable	\$ 282,007	\$ 251,312	\$ (144,447)	\$ 388,872	\$ 152,730
Notes from direct borrowings	8,125,221	0	(608,806)	7,516,415	602,753
Compensated absences	53,216	46,503	(51,999)	47,720	47,720
Total Business-type Activities	<u>\$ 8,460,444</u>	<u>\$ 297,815</u>	<u>\$ (805,252)</u>	<u>\$ 7,953,007</u>	<u>\$ 803,203</u>

Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The total interest incurred and charged to expense for the current year was \$53,361 for governmental activities and \$61,455 for business-type activities.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**12. Restricted and Assigned Fund Balances**

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

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<b>Restricted for:</b>			
Public Works			
Transportation improvements	\$ 70,302	\$ 20,256	\$ 90,558
Cemetery improvements	3	0	3
Culture and Recreation			
Historical properties	2,276	7,726	10,002
Callaway Plantation	0	39,436	39,436
Housing and Development			
Economic development	170,198	0	170,198
Capital projects	0	45,236	45,236
	<u>\$ 242,779</u>	<u>\$ 112,654</u>	<u>\$ 355,433</u>
<b>Assigned for:</b>			
Public Works			
Cemetery care	\$ 0	\$ 37,127	\$ 37,127
Culture and Recreation			
Callaway Plantation operations	0	2,322	2,322
Callaway Plantation furnishings	0	20,952	20,952
Housing and Development			
Economic development	0	15,450	15,450
	<u>\$ 0</u>	<u>\$ 75,851</u>	<u>\$ 75,851</u>

**13. Risk Management**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**14. Net Investment in Capital Assets**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Cost of capital assets	\$ 14,230,999	\$ 29,484,917
Accumulated depreciation	(5,907,915)	(13,264,674)
Book value	8,323,084	16,220,243
Capital-related accounts payable	(46,547)	(19,555)
Retainage payable	(28,854)	0
Capital leases payable	(54,886)	(388,872)
Installment sale agreement payable	(932,574)	0
Notes payable	(255,199)	(7,516,415)
Net investment in capital assets	<u>\$ 7,005,024</u>	<u>\$ 8,295,401</u>

**15. Pension Plans**

**Defined Benefit Pension Plan**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

At July 1, 2019, the date of the most recent actuarial valuation, there were 144 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	63
Terminated vested participants entitled to but not receiving benefits	29
Active participants	52
Total number of participants	144

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

*Contributions.* Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current year was \$249,238, or 13.62% of covered payroll. The Governmental Activities net pension liability is liquidated by the General Fund.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current year, the City reported a net pension liability of \$1,753,082. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. During the current year, the City recognized pension expense of \$455,444.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 181,281	\$ 0
Changes of assumptions	53,312	0
Net difference between projected and actual earnings on pension plan investments	9,133	0
City contributions subsequent to the measurement date	186,928	0
Totals	\$ 430,654	\$ 0

The \$186,928 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense (benefit) as follows:

<b>Year Ending December 31,</b>			
2020	\$	234,488	
2021		(39,923)	
2022		(7,350)	
2023		56,511	
Totals	\$	243,726	

*Actuarial Assumptions.* The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%	
Projected salary increases	2.75% plus service based merit increases	
Cost of living adjustments	2.50%	
Net investment rate of return	7.50%	

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global Fixed Income	5%	3.03%
Domestic Fixed Income	20%	1.75%
Total	<u>100%</u>	

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability (Asset)*

	<b>Total Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at March 31, 2018</b>	\$ 8,785,186	\$ 7,372,253	\$ 1,412,933
<b>Changes for the year:</b>			
Service cost	68,844	0	68,844
Interest	648,011	0	648,011
Differences between expected and actual experience	80,838	0	80,838
Contributions—employer	0	215,573	(215,573)
Net investment income	0	261,668	(261,668)
Benefit payments, including refunds of employee contributions	(427,760)	(427,760)	0
Administrative expense	0	(19,697)	19,697
<b>Net changes</b>	<b>369,933</b>	<b>29,784</b>	<b>340,149</b>
<b>Balances at March 31, 2019</b>	<b>\$ 9,155,119</b>	<b>\$ 7,402,037</b>	<b>\$ 1,753,082</b>

*Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate.* The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease	6.50%	\$ 2,850,216
Current discount rate	7.50%	1,753,082
1% increase	8.50%	829,210

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

**Other Plans**

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

**16. Defined Contribution Plan**

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

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

For the current year, the City's contributions to the 401(a) Plan were \$39,238 and the employees contributed \$21,368 to the 457 Plan.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**17. Joint Ventures**

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

The Washington-Wilkes Payroll Development Authority is a governmental organization chartered by the State of Georgia. It is formed for the purpose of promoting business development in Wilkes County, Georgia and the City of Washington, Georgia. The Authority is reported as a discretely presented component unit of Wilkes County, Georgia. The Authority has a five member board consisting of the Wilkes County Chairman, the City of Washington Mayor, the President of the Chamber of Commerce, one appointee by the County Chairman and one appointee by the City Mayor. The member governments are contingently liable for the debts of the Authority. At the end of the current year, the outstanding debt of the Authority was approximately \$73,789. The Authority was current on all debts as of the end of the current year. The City has a contingency liability of \$73,789 as of the end of the current year. A copy of the Authority financial statements can be obtained from the Washington-Wilkes Payroll Development Authority, 23 Court Street, Washington, Georgia 30673.

**18. Joint Ventures With Equity Interest**

The City and other members of MEAG's telecommunication project created Georgia Public Web (a Georgia not for profit corporation) to provide internet and telecommunication services to customers in Georgia. On August 1, 2000, the City signed a 50 year commitment to contribute, on a monthly basis, a proportionate share of the difference between GPW's budgeted costs and revenues. The City's proportionate share is 1.77%. For the current year, the City's cost was \$16,995 in services obtained from GPW and the City's share of profits was \$23,160. A copy of the Georgia Public Web financial statements can be obtained from Georgia Public Web, 1470 Riveredge Parkway, Atlanta, Georgia 30328.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**19. Related Organizations**

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

- i. the projects are owned or
- ii. a contract exists between the Housing Authority and the PHA, or
- iii. bonds issued in connection with the project are outstanding

During such period, the Housing Authority shall make "Payments in Lieu of Taxes" in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such project. The Payment in Lieu of Taxes shall be an amount equal to either:

- i. ten percent (10%) of the aggregate during such fiscal year, or
- ii. the amount permitted to be paid by applicable state law.

For the current year, payment in lieu of taxes paid to the City was \$5,299.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2019*

**20. Commitments and Contingencies**

**Commitments**

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$7,023,706 from MEAG during the current year. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply. At the end of the current year, the outstanding debt of MEAG was approximately \$7.45 billion. The City of Washington's guarantee varies by individual MEAG project and totals \$62,487,154.

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust created four types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of the end of the current year, the balance in this account was \$184,262. This amount is included in unrestricted investments in the Electric Fund. The generation trust account is used to offset the City's share of future MEAG generation projects. As of the end of the current year, the balance in this account was \$1,085,977. This amount is included in restricted investments in the Electric Fund.

The two additional accounts created were the credit support operating and the reserve funded debt account. The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can only be applied to charges related to MEAG's bond obligations. The balances of these accounts at the end of the current year were \$0 and \$0, respectively. Due to the restricted nature of these funds, neither is shown in the Electric Fund

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**20. Commitments and Contingencies (continued).**

**Contingencies**

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

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

Approximately 17% of electric and water/sewer revenues are generated from one customer.

**21. New Accounting Standards**

The City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for the City's current year. The requirements of this statement are effective for periods beginning after June 15, 2018.

**22. Subsequent Event**

Management has evaluated subsequent events through May 27, 2020 the date the financial statements were available to be issued.

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

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***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF WASHINGTON, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**LAST TEN YEARS**  
**December 31, 2019**  
**(Unaudited)**

	Year End	
	2019	2018
<b>Total pension liability</b>		
Service cost	\$ 68,844	\$ 72,014
Interest	648,011	602,150
Differences between expected and actual experience	80,838	382,167
Changes of assumptions	0	0
Benefit payments, including refunds of employee contributions	(427,760)	(401,522)
Other	0	159,936
Net change in total pension liability	369,933	814,745
Total pension liability - beginning	8,785,186	7,970,441
<b>Total pension liability - ending (a)</b>	<b>\$ 9,155,119</b>	<b>\$ 8,785,186</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 215,573	\$ 180,303
Net investment income	261,668	835,253
Benefit payments, including refunds of employee contributions	(427,760)	(401,522)
Administrative expense	(19,697)	(19,606)
Net change in plan fiduciary net position	29,784	594,428
Plan fiduciary net position - beginning	7,372,253	6,777,825
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 7,402,037</b>	<b>\$ 7,372,253</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 1,753,082</b>	<b>\$ 1,412,933</b>
Plan's fiduciary net position as a percentage of the total pension liability	80.85%	83.92%
Covered payroll	\$ 1,983,627	\$ 2,060,718
Net pension liability as a percentage of covered payroll	88.38%	68.57%

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

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

**CITY OF WASHINGTON, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN YEARS**  
**December 31, 2019**  
**(Unaudited)**

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2019**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of July 1, 2019, with an interest adjustment to the year.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Entry age normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 13 years

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

Net investment rate of return = 7.50%

Projected salary increases = 2.75% plus service based merit increases

Cost of living adjustments = 2.50%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2019**

**3. Changes in Benefits**

There were no changes in benefit provisions during the current fiscal year.

**4. Changes of Assumptions**

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on the results of an actuarial study conducted in September 2017:

The investment return assumption was reduced from 7.75% to 7.50%.

The inflation assumption was reduced from 3.25% to 2.75%.

The Social Security wage base increase assumption was reduced from 3.25% to 2.75%.

The salary increase rates were reduced by 0.50% for all years of service, consistent with the reduction in the inflation assumption.

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**COMBINING STATEMENTS**

***Nonmajor Governmental Funds***

**CITY OF WASHINGTON, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2019**

	Special Revenue				
	E-911	Urban Redevelopment	Callaway Plantation Operating	Callaway Plantation Furnishings	TSPLOST Discretionary
<b>ASSETS</b>					
Cash and cash equivalents	\$ 0	\$ 20,161	\$ 0	\$ 20,952	\$ 9,528
Investments	0	0	2,322	0	0
Receivables					
Intergovernmental	0	0	0	0	0
Taxes	0	0	0	0	10,728
Notes	0	0	0	0	0
Due from other funds	11,172	0	0	0	0
<b>Total assets</b>	<b>\$ 11,172</b>	<b>\$ 20,161</b>	<b>\$ 2,322</b>	<b>\$ 20,952</b>	<b>\$ 20,256</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 11,172	\$ 4,711	\$ 0	\$ 0	\$ 0
Retainage payable	0	0	0	0	0
Unearned revenue	0	0	0	0	0
<b>Total liabilities</b>	<b>11,172</b>	<b>4,711</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCES</b>					
Nonspendable					
Contractually required to be maintained intact	0	0	0	0	0
Restricted	0	0	0	0	20,256
Assigned	0	15,450	2,322	20,952	0
<b>Total fund balances</b>	<b>0</b>	<b>15,450</b>	<b>2,322</b>	<b>20,952</b>	<b>20,256</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,172</b>	<b>\$ 20,161</b>	<b>\$ 2,322</b>	<b>\$ 20,952</b>	<b>\$ 20,256</b>

Capital Projects			Permanent			Total Nonmajor Governmental Funds
SPLOST	2017 SPLOST	CDBG/CHIP Grant	Cemetery Perpetual Care	Historical Properties Commission Trust	Callaway Charitable Trust Endowment Principal	
\$ 1,000	\$ 56	\$ 0	\$ 0	\$ 0	\$ 38,433	\$ 90,130
0	0	0	37,127	17,716	10,993	68,158
0	44,180	112,091	0	0	0	156,271
0	0	0	0	0	0	10,728
0	0	24,000	0	0	0	24,000
0	0	3,290	0	0	0	14,462
<u>\$ 1,000</u>	<u>\$ 44,236</u>	<u>\$ 139,381</u>	<u>\$ 37,127</u>	<u>\$ 17,716</u>	<u>\$ 49,426</u>	<u>\$ 363,749</u>
\$ 0	\$ 0	\$ 86,527	\$ 0	\$ 0	\$ 0	\$ 102,410
0	0	28,854	0	0	0	28,854
0	0	24,000	0	0	0	24,000
0	0	139,381	0	0	0	155,264
0	0	0	0	9,990	9,990	19,980
1,000	44,236	0	0	7,726	39,436	112,654
0	0	0	37,127	0	0	75,851
1,000	44,236	0	37,127	17,716	49,426	208,485
<u>\$ 1,000</u>	<u>\$ 44,236</u>	<u>\$ 139,381</u>	<u>\$ 37,127</u>	<u>\$ 17,716</u>	<u>\$ 49,426</u>	<u>\$ 363,749</u>

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2019**

	<u>Special Revenue</u>				
	<u>E-911</u>	<u>Urban Redevelopment</u>	<u>Callaway Plantation Operating</u>	<u>Callaway Plantation Furnishings</u>	<u>TSPLOST Discretionary</u>
<b>REVENUES</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,280
Intergovernmental	0	0	0	0	0
Interest	0	0	19	0	75
Contributions	0	500	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>500</u>	<u>19</u>	<u>0</u>	<u>120,355</u>
<b>EXPENDITURES</b>					
Current					
Public Safety	134,223	0	0	0	0
Public Works	0	0	0	0	128,500
Housing and Development	0	28,858	0	0	0
<b>Total expenditures</b>	<u>134,223</u>	<u>28,858</u>	<u>0</u>	<u>0</u>	<u>128,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(134,223)</u>	<u>(28,358)</u>	<u>19</u>	<u>0</u>	<u>(8,145)</u>
Other financing sources (uses)					
Transfers in	134,223	0	0	0	0
Transfers out	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>134,223</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(28,358)</u>	<u>19</u>	<u>0</u>	<u>(8,145)</u>
Fund balances, January 1	<u>0</u>	<u>43,808</u>	<u>2,303</u>	<u>20,952</u>	<u>28,401</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 15,450</u></u>	<u><u>\$ 2,322</u></u>	<u><u>\$ 20,952</u></u>	<u><u>\$ 20,256</u></u>

Capital Projects			Permanent			
SPLOST	2017 SPLOST	CDBG/CHIP Grant	Cemetery Perpetual Care	Historical Properties Commission Trust	Callaway Charitable Trust Endowment Principal	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,280
0	249,713	509,095	0	0	0	758,808
0	2	0	296	141	390	923
0	0	0	0	0	0	500
0	249,715	509,095	296	141	390	880,511
0	0	0	0	0	0	134,223
0	0	0	0	0	0	128,500
0	0	458,600	0	0	0	487,458
0	0	458,600	0	0	0	750,181
0	249,715	50,495	296	141	390	130,330
0	0	34,022	0	0	0	168,245
(8)	(248,729)	(84,517)	0	0	0	(333,254)
(8)	(248,729)	(50,495)	0	0	0	(165,009)
(8)	986	0	296	141	390	(34,679)
1,008	43,250	0	36,831	17,575	49,036	243,164
\$ 1,000	\$ 44,236	\$ 0	\$ 37,127	\$ 17,716	\$ 49,426	\$ 208,485

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**COMBINING STATEMENTS**

***Nonmajor Enterprise Funds***

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**December 31, 2019**

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
<b>ASSETS</b>			
<b>Current assets</b>			
Accounts receivable (net)	\$ 79,884	\$ 23,356	\$ 103,240
Prepaid items	1,372	0	1,372
Total current assets	<u>81,256</u>	<u>23,356</u>	<u>104,612</u>
<b>Noncurrent assets</b>			
Investment in joint venture	0	445,262	445,262
Capital assets			
Non-depreciable	4,000	0	4,000
Depreciable (net)	360,900	0	360,900
Total noncurrent assets	<u>364,900</u>	<u>445,262</u>	<u>810,162</u>
<b>Total assets</b>	<u>446,156</u>	<u>468,618</u>	<u>914,774</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to the measurement date	18,947	0	18,947
Pension investment return differences	635	0	635
Pension experience differences	15,619	0	15,619
Pension assumption changes	3,136	0	3,136
Total deferred outflows of resources	<u>38,337</u>	<u>0</u>	<u>38,337</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	16,910	0	16,910
Interest payable	2,440	0	2,440
Accrued salaries and payroll liabilities	8,538	0	8,538
Compensated absences	8,337	0	8,337
Capital lease payable	46,656	0	46,656
Total current liabilities	<u>82,881</u>	<u>0</u>	<u>82,881</u>
<b>Noncurrent liabilities</b>			
Net pension liability	166,486	0	166,486
Capital lease payable	68,314	0	68,314
Total noncurrent liabilities	<u>234,800</u>	<u>0</u>	<u>234,800</u>
<b>Total liabilities</b>	<u>317,681</u>	<u>0</u>	<u>317,681</u>
<b>NET POSITION</b>			
Net investment in capital assets	249,930	0	249,930
Unrestricted	(83,118)	468,618	385,500
Total net position	<u>\$ 166,812</u>	<u>\$ 468,618</u>	<u>\$ 635,430</u>

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the year ended December 31, 2019**

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 533,828	\$ 5,926	\$ 539,754
<b>Total operating revenues</b>	<u>533,828</u>	<u>5,926</u>	<u>539,754</u>
<b>OPERATING EXPENSES</b>			
Costs of sales and services	160,372	16,995	177,367
Personal services	251,855	0	251,855
Depreciation	56,259	0	56,259
<b>Total operating expenses</b>	<u>468,486</u>	<u>16,995</u>	<u>485,481</u>
Operating income (loss)	<u>65,342</u>	<u>(11,069)</u>	<u>54,273</u>
Non-operating revenues (expenses)			
Interest and investment earnings	0	23,160	23,160
Interest expense	(5,077)	0	(5,077)
Gain (loss) on sale of capital assets	(7,943)	0	(7,943)
Net increase (decrease) in the fair value of investments	0	(19,732)	(19,732)
<b>Total non-operating revenues (expenses)</b>	<u>(13,020)</u>	<u>3,428</u>	<u>(9,592)</u>
Net income (loss) before transfers	<u>52,322</u>	<u>(7,641)</u>	<u>44,681</u>
Transfers in (out)			
Transfers out	(96,811)	(12,112)	(108,923)
<b>Total transfers in (out)</b>	<u>(96,811)</u>	<u>(12,112)</u>	<u>(108,923)</u>
Change in net position	(44,489)	(19,753)	(64,242)
Net position, January 1	<u>211,301</u>	<u>488,371</u>	<u>699,672</u>
<b>Net position, December 31</b>	<u>\$ 166,812</u>	<u>\$ 468,618</u>	<u>\$ 635,430</u>

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the year ended December 31, 2019**

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 535,910	\$ 5,947	\$ 541,857
Payments to suppliers	(162,340)	(16,995)	(179,335)
Payments to employees	(230,779)	0	(230,779)
Net cash provided (used) by operating activities	<u>142,791</u>	<u>(11,048)</u>	<u>131,743</u>
<b>Cash flows from non-capital financing activities:</b>			
Payments to other funds	<u>(96,811)</u>	<u>(12,112)</u>	<u>(108,923)</u>
<b>Cash flows from capital and related financing activities:</b>			
Payments for acquisitions of capital assets	(59,265)	0	(59,265)
Proceeds from sale of capital assets	3,421	0	3,421
Proceeds from issuance of capital lease	49,932	0	49,932
Principal payments - capital lease	(36,291)	0	(36,291)
Interest paid	(3,777)	0	(3,777)
Net cash provided (used) by capital and related financing activities	<u>(45,980)</u>	<u>0</u>	<u>(45,980)</u>
<b>Cash flows from investing activities</b>			
Interest and investment earnings received	<u>0</u>	<u>23,160</u>	<u>23,160</u>
Net increase (decrease) in cash and cash equivalents	0	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, December 31</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 65,342	\$ (11,069)	\$ 54,273
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	56,259	0	56,259
(Increase) decrease in accounts receivable	2,082	21	2,103
(Increase) decrease in prepaid items	(213)	0	(213)
(Increase) decrease in pension contributions made after measurement date	(3,407)	0	(3,407)
(Increase) decrease in pension experience differences	8,683	0	8,683
(Increase) decrease in pension investment return differences	(635)	0	(635)
(Increase) decrease in pension assumption changes	3,707	0	3,707
Increase (decrease) in accounts payable	(1,755)	0	(1,755)
Increase (decrease) in accrued payroll liabilities	1,395	0	1,395
Increase (decrease) in net pension liability	23,652	0	23,652
Increase (decrease) in pension investment return differences	(12,319)	0	(12,319)
Total adjustments	<u>77,449</u>	<u>21</u>	<u>77,470</u>
Net cash provided (used) by operating activities	<u>\$ 142,791</u>	<u>\$ (11,048)</u>	<u>\$ 131,743</u>

**Noncash investing, capital, and financing activities:**

The net increase (decrease) in the fair value of investments totaled (\$19,732).

***GENERAL FUND***

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

**CITY OF WASHINGTON, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 233,957	\$ 131,491
Investments	3,253	3,214
Restricted cash and cash equivalents	242,779	579,438
Receivables (net)		
Accounts	28,271	33,942
Intergovernmental	23,101	104,489
Taxes	194,922	317,871
Prepaid items	<u>11,324</u>	<u>10,224</u>
<b>Total assets</b>	<u><u>\$ 737,607</u></u>	<u><u>\$ 1,180,669</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 142,901	\$ 258,792
Retainage payable	0	71,402
Accrued salaries and payroll liabilities	103,585	93,011
Due to other funds	195,000	195,000
Unearned revenue	<u>41,298</u>	<u>35,065</u>
<b>Total liabilities</b>	<u>482,784</u>	<u>653,270</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	<u>75,138</u>	<u>70,617</u>
<b>FUND BALANCES</b>		
Nonspendable		
Prepaid items	11,324	10,224
Restricted	242,779	508,036
Assigned	0	90,000
Unassigned	<u>(74,418)</u>	<u>(151,478)</u>
<b>Total fund balances</b>	<u>179,685</u>	<u>456,782</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 737,607</u></u>	<u><u>\$ 1,180,669</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Taxes	\$ 1,740,601	\$ 1,691,242
Licenses and permits	45,498	37,851
Fines, fees and forfeitures	45,448	48,727
Charges for services	809,166	686,424
Intergovernmental	318,488	262,522
Interest	986	553
Contributions	11,731	7,025
Other	122,978	214,608
<b>Total revenues</b>	<u>3,094,896</u>	<u>2,948,952</u>
<b>EXPENDITURES</b>		
Current		
General Government	814,806	758,088
Judicial	82,395	84,458
Public Safety	2,143,793	2,460,147
Public Works	1,393,617	1,679,584
Health and Welfare	256,085	243,364
Culture and Recreation	459,079	427,383
Housing and Development	462,938	361,033
Debt Service	264,311	192,173
<b>Total expenditures</b>	<u>5,877,024</u>	<u>6,206,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,782,128)</u>	<u>(3,257,278)</u>
Other financing sources (uses)		
Transfers in (out)		
E-911 Special Revenue Fund	(123,051)	(71,810)
TSPLOST Discretionary Special Revenue Fund	0	52,232
CDBG/CHIP Grant Capital Projects Fund	(30,732)	(82,676)
Callaway Charitable Trust Permanent Fund	0	(5)
Electric Enterprise Fund	2,579,421	2,727,447
Sale of assets	51,125	0
Issuance of capital lease payable	28,268	0
Issuance of notes payable	0	975,000
<b>Total other financing sources (uses)</b>	<u>2,505,031</u>	<u>3,600,188</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(277,097)</u>	<u>342,910</u>
Fund balances, January 1	<u>456,782</u>	<u>113,872</u>
<b>Fund balances, December 31</b>	<u><u>\$ 179,685</u></u>	<u><u>\$ 456,782</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	<b>2019</b>			<b>2018</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Real and personal tax	\$ 760,700	\$ 719,726	\$ (40,974)	\$ 680,969
Motor vehicle tax	105,000	97,880	(7,120)	103,934
Mobile home tax	4,500	4,657	157	4,195
Cost, penalties and interest	14,000	7,436	(6,564)	9,194
Total general property taxes	<u>884,200</u>	<u>829,699</u>	<u>(54,501)</u>	<u>798,292</u>
Local option sales tax	300,000	318,544	18,544	308,894
Insurance premium tax	295,000	314,741	19,741	296,304
Intangibles tax	4,000	4,867	867	4,405
Real estate transfer tax	1,000	2,251	1,251	1,659
Franchise tax	99,600	84,326	(15,274)	91,996
Beer and wine tax	115,000	116,725	1,725	117,362
Occupational tax	50,290	52,145	1,855	50,403
Energy excise tax	22,915	17,303	(5,612)	21,927
Total taxes	<u>1,772,005</u>	<u>1,740,601</u>	<u>(31,404)</u>	<u>1,691,242</u>
<b>Licenses and permits</b>				
Alcohol licenses	32,100	35,500	3,400	29,500
Building permits	7,270	7,848	578	7,176
Other	250	2,150	1,900	1,175
Total licenses and permits	<u>39,620</u>	<u>45,498</u>	<u>5,878</u>	<u>37,851</u>
<b>Fines, fees and forfeitures</b>				
	<u>44,005</u>	<u>45,448</u>	<u>1,443</u>	<u>48,727</u>
<b>Charges for Services</b>				
Indirect cost allocation charges	599,585	605,124	5,539	588,215
Recreation fees	67,575	60,090	(7,485)	46,913
Cemetery charges	0	5,725	5,725	1,800
Other charges for services	123,660	138,227	14,567	49,496
Total charges for services	<u>790,820</u>	<u>809,166</u>	<u>18,346</u>	<u>686,424</u>
<b>Intergovernmental</b>				
	<u>171,190</u>	<u>318,488</u>	<u>147,298</u>	<u>262,522</u>
<b>Interest</b>				
	<u>270</u>	<u>986</u>	<u>716</u>	<u>553</u>
<b>Contributions</b>				
	<u>1,530</u>	<u>11,731</u>	<u>10,201</u>	<u>7,025</u>
<b>Other</b>				
Rental Income	130,685	118,575	(12,110)	120,291
Miscellaneous	335	4,403	4,068	94,317
Total other	<u>131,020</u>	<u>122,978</u>	<u>(8,042)</u>	<u>214,608</u>
<b>Total revenues</b>	<u><u>\$ 2,950,460</u></u>	<u><u>\$ 3,094,896</u></u>	<u><u>\$ 144,436</u></u>	<u><u>\$ 2,948,952</u></u>

**CITY OF WASHINGTON, GEORGIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the year ended December 31, 2019  
(With comparative actual amounts for the year ended December 31, 2018)**

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Executive Administration				
Personal services	\$ 489,560	\$ 489,551	\$ 9	\$ 455,190
Contract services	305,750	299,069	6,681	276,776
Materials and supplies	34,300	26,186	8,114	26,122
Total Executive Administration	<u>829,610</u>	<u>814,806</u>	<u>14,804</u>	<u>758,088</u>
<b>Judicial</b>				
Municipal Court				
Personal services	62,165	61,951	214	60,558
Contract services	20,115	19,974	141	23,028
Materials and supplies	525	470	55	872
Payments to others	500	0	500	0
Total Municipal Court	<u>83,305</u>	<u>82,395</u>	<u>910</u>	<u>84,458</u>
<b>Public Safety</b>				
Police				
Contract services	626,000	625,279	721	516,000
Fire				
Personal services	838,000	837,879	121	790,748
Contract services	77,625	69,729	7,896	73,136
Materials and supplies	58,000	57,918	82	48,342
Capital outlay	595,645	427,915	167,730	901,044
Total Fire	<u>1,569,270</u>	<u>1,393,441</u>	<u>175,829</u>	<u>1,813,270</u>
Animal Control				
Contract services	34,000	33,423	577	33,377
Payments to others	91,650	91,650	0	97,500
Total Animal Control	<u>125,650</u>	<u>125,073</u>	<u>577</u>	<u>130,877</u>
Total Public Safety	<u>2,320,920</u>	<u>2,143,793</u>	<u>177,127</u>	<u>2,460,147</u>
<b>Public Works</b>				
Highways and Streets				
Personal services	646,695	646,162	533	666,946
Contract services	206,500	206,260	240	283,503
Materials and supplies	122,250	122,186	64	132,816
Capital outlay	25,900	0	25,900	44,887
Total Highways and Streets	<u>1,001,345</u>	<u>974,608</u>	<u>26,737</u>	<u>1,128,152</u>
Street Lighting				
Payments to others	156,750	156,681	69	136,234

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>Public Works (continued)</b>				
Maintenance Shop				
Personal services	\$ 128,715	\$ 128,680	\$ 35	\$ 77,482
Contract services	104,615	104,566	49	109,197
Materials and supplies	14,600	13,488	1,112	4,781
Capital outlay	15,900	15,594	306	223,738
Total Maintenance Shop	263,830	262,328	1,502	415,198
Total Public Works	1,421,925	1,393,617	28,308	1,679,584
<b>Health and Welfare</b>				
Community Services				
Contract services	700	692	8	0
Payments to others	121,100	121,066	34	125,389
Total Community Services	121,800	121,758	42	125,389
Community Center				
Personal services	55,235	55,151	84	70,358
Contract services	43,625	43,612	13	19,474
Materials and supplies	26,650	26,614	36	28,143
Capital Outlay	9,000	8,950	50	0
Total Community Center	134,510	134,327	183	117,975
Total Health and Welfare	256,310	256,085	225	243,364
<b>Culture and Recreation</b>				
Libraries				
Payments to others	65,420	65,420	0	65,420
Callaway Plantation				
Personal services	0	0	0	41,318
Contract services	0	0	0	21,882
Materials and supplies	0	0	0	15,566
Total Callaway Plantation	0	0	0	78,766
Museum				
Personal services	0	0	0	73,072
Contract services	0	0	0	9,756
Materials and supplies	0	0	0	6,413
Total Museum	0	0	0	89,241
Historic Properties				
Personal services	176,540	136,759	39,781	0
Contract services	42,830	36,839	5,991	0
Materials and supplies	39,435	38,522	913	0
Capital outlay	21,000	20,778	222	0
Total Historic Properties	279,805	232,898	46,907	0
Park Areas				
Payments to others	115,225	115,200	25	145,943

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>Culture and Recreation (continued)</b>				
Booker Park Pool				
Personal services	\$ 30,005	\$ 29,826	\$ 179	\$ 33,725
Contract services	5,180	5,179	1	2,447
Materials and supplies	10,650	10,556	94	11,841
Total Booker Park Pool	<u>45,835</u>	<u>45,561</u>	<u>274</u>	<u>48,013</u>
Total Culture & Recreation	<u>506,285</u>	<u>459,079</u>	<u>47,206</u>	<u>427,383</u>
<b>Housing and Development</b>				
Planning and Zoning				
Personal services	129,400	129,374	26	122,778
Contract services	22,325	13,842	8,483	22,452
Materials and supplies	3,800	3,788	12	3,309
Capital outlay	28,300	28,268	32	0
Payments to others	6,000	1,429	4,571	202
Total Planning and Zoning	<u>189,825</u>	<u>176,701</u>	<u>13,124</u>	<u>148,741</u>
Community Development and Housing				
Personal services	83,940	83,871	69	82,620
Contract services	2,990	2,982	8	9,415
Materials and supplies	850	838	12	1,384
Payments to others	142,300	100,700	41,600	2,004
Total Community Development and Housing	<u>230,080</u>	<u>188,391</u>	<u>41,689</u>	<u>95,423</u>
Economic Development				
Personal services	28,100	28,074	26	0
Contract services	300	246	54	0
Total Economic Development	<u>28,400</u>	<u>28,320</u>	<u>80</u>	<u>0</u>
Mainstreet Division				
Personal services	31,885	30,923	962	59,945
Contract services	28,245	28,202	43	34,450
Materials and supplies	10,900	10,401	499	16,625
Capital outlay	200	0	200	5,849
Total Mainstreet Division	<u>71,230</u>	<u>69,526</u>	<u>1,704</u>	<u>116,869</u>
Total Housing and Development	<u>519,535</u>	<u>462,938</u>	<u>56,597</u>	<u>361,033</u>
Total Current	<u>5,937,890</u>	<u>5,612,713</u>	<u>325,177</u>	<u>6,014,057</u>
<b>Debt Service</b>				
Principal	200,500	200,633	(133)	172,062
Interest	63,620	63,678	(58)	20,111
Total Debt Service	<u>264,120</u>	<u>264,311</u>	<u>(191)</u>	<u>192,173</u>
Total Expenditures	<u>\$ 6,202,010</u>	<u>\$ 5,877,024</u>	<u>\$ 324,986</u>	<u>\$ 6,206,230</u>

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## ***SPECIAL REVENUE FUNDS***

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

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

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

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

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

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

**CITY OF WASHINGTON, GEORGIA  
E-911 SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Due from other funds	\$ 11,172	\$ 71,170
<b>Total assets</b>	<b>\$ 11,172</b>	<b>\$ 71,170</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 11,172	\$ 71,170
<b>Total liabilities and fund balances</b>	<b>\$ 11,172</b>	<b>\$ 71,170</b>

**CITY OF WASHINGTON, GEORGIA**  
**E-911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**

*(With comparative actual amounts for the year ended December 31, 2018)*

	2019		2018	
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Total revenues</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>EXPENDITURES</b>				
Current				
Public Safety				
Contract services	134,300	134,223	77	142,980
<b>Total expenditures</b>	134,300	134,223	77	142,980
Excess (deficiency) of revenues over (under) expenditures	(134,300)	(134,223)	(77)	(142,980)
Other financing sources (uses)				
Transfers in (out)				
Electric Fund	2,300	11,172	8,872	142,980
General Fund	132,000	123,051	(8,949)	0
<b>Total other financing sources (uses)</b>	134,300	134,223	77	142,980
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balance, January 1	0	0	0	0
<b>Fund balances, December 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF WASHINGTON, GEORGIA**  
**URBAN REDEVELOPMENT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,161	\$ 43,808
<b>Total assets</b>	\$ 20,161	\$ 43,808
 <b>LIABILITIES</b>		
Accounts payable	\$ 4,711	\$ 0
 <b>FUND BALANCES</b>		
Assigned	15,450	43,808
<b>Total liabilities and fund balances</b>	\$ 20,161	\$ 43,808

**CITY OF WASHINGTON, GEORGIA**  
**URBAN REDEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	2019			2018
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Contributions	\$ 40,000	\$ 500	\$ (39,500)	\$ 0
<b>Total revenues</b>	<u>40,000</u>	<u>500</u>	<u>(39,500)</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Contract services	4,425	150	4,275	807
Supplies	100	0	100	99
Capital outlay	35,475	28,708	6,767	0
<b>Total expenditures</b>	<u>40,000</u>	<u>28,858</u>	<u>11,142</u>	<u>906</u>
Excess (deficiency) of revenues over (under) expenditures	0	(28,358)	(28,358)	(906)
Fund balance, January 1	<u>0</u>	<u>43,808</u>	<u>43,808</u>	<u>44,714</u>
<b>Fund balances, December 31</b>	<u>\$ 0</u>	<u>\$ 15,450</u>	<u>\$ 15,450</u>	<u>\$ 43,808</u>

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Investments	\$ 2,322	\$ 2,303
<b>Total assets</b>	\$ 2,322	\$ 2,303
 <b>FUND BALANCES</b>		
Assigned	\$ 2,322	\$ 2,303
<b>Total liabilities and fund balances</b>	\$ 2,322	\$ 2,303

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	<u>2019</u>			<u>2018</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Interest	\$ 7	\$ 19	\$ 12	\$ 8
<b>Total revenues</b>	<u>7</u>	<u>19</u>	<u>12</u>	<u>8</u>
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	7	19	12	8
Other financing sources (uses) Contingency	<u>(7)</u>	<u>0</u>	<u>7</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	19	19	8
Fund balance, January 1	<u>          </u>	<u>2,303</u>	<u>2,303</u>	<u>2,295</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 2,322</u></u>	<u><u>\$ 2,322</u></u>	<u><u>\$ 2,303</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,952	\$ 20,952
<b>Total assets</b>	\$ 20,952	\$ 20,952
 <b>FUND BALANCES</b>		
Assigned	\$ 20,952	\$ 20,952
<b>Total liabilities and fund balances</b>	\$ 20,952	\$ 20,952

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	<u>2019</u>			<u>2018</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
<b>Total revenues</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Materials and supplies	0	0	0	153
<b>Total expenditures</b>	0	0	0	153
Excess (deficiency) of revenues over (under) expenditures	0	0	0	(153)
Fund balances, January 1	0	20,952	20,952	21,105
<b>Fund balances, December 31</b>	<u>\$ 0</u>	<u>\$ 20,952</u>	<u>\$ 20,952</u>	<u>\$ 20,952</u>

**CITY OF WASHINGTON, GEORGIA**  
**TSPLOST DISCRETIONARY SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**December 31, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,528	\$ 17,505
Taxes receivable	10,728	10,896
<b>Total assets</b>	\$ 20,256	\$ 28,401
<b>FUND BALANCES</b>		
Restricted	\$ 20,256	\$ 28,401
<b>Total liabilities and fund balances</b>	\$ 20,256	\$ 28,401

**CITY OF WASHINGTON, GEORGIA**  
**TSPLOST DISCRETIONARY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2019**  
*(With comparative actual amounts for the year ended December 31, 2018)*

	<b>2019</b>			<b>2018</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes	\$ 133,600	\$ 120,280	\$ (13,320)	\$ 125,573
Interest	100	75	(25)	55
<b>Total revenue</b>	<u>133,700</u>	<u>120,355</u>	<u>(13,345)</u>	<u>125,628</u>
<b>EXPENDITURES</b>				
Current				
Public Works	<u>133,700</u>	<u>128,500</u>	<u>5,200</u>	<u>192,074</u>
<b>Total expenditures</b>	<u>133,700</u>	<u>128,500</u>	<u>5,200</u>	<u>192,074</u>
Excess (deficiency) of revenues over (under) expenditures	0	(8,145)	(8,145)	(66,446)
Other financing sources (uses)				
Transfers in (out)				
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>(52,232)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(8,145)	(8,145)	(118,678)
Fund balances, January 1	<u>0</u>	<u>28,401</u>	<u>28,401</u>	<u>147,079</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 20,256</u></u>	<u><u>\$ 20,256</u></u>	<u><u>\$ 28,401</u></u>

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## ***CAPITAL PROJECTS FUNDS***

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

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

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

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

**CITY OF WASHINGTON, GEORGIA  
 SPLOST CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEETS  
 December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,000	\$ 1,008
<b>Total assets</b>	<b>\$ 1,000</b>	<b>\$ 1,008</b>
 <b>FUND BALANCES</b>		
Restricted	\$ 1,000	\$ 1,008
<b>Total liabilities and fund balances</b>	<b>\$ 1,000</b>	<b>\$ 1,008</b>

**CITY OF WASHINGTON, GEORGIA**  
**SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2019 and 2018*

	2019	2018
<b>REVENUES</b>		
Total revenues	\$ 0	\$ 0
<b>EXPENDITURES</b>		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	(8)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8)	0
Fund balances, January 1	1,008	1,008
<b>Fund balances, December 31</b>	<b>\$ 1,000</b>	<b>\$ 1,008</b>

**CITY OF WASHINGTON, GEORGIA**  
**2017 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 56	\$ 54
Intergovernmental receivable	44,180	43,196
<b>Total assets</b>	<b>\$ 44,236</b>	<b>\$ 43,250</b>
 <b>FUND BALANCES</b>		
Restricted	\$ 44,236	\$ 43,250
<b>Total liabilities and fund balances</b>	<b>\$ 44,236</b>	<b>\$ 43,250</b>

**CITY OF WASHINGTON, GEORGIA**  
**2017 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Intergovernmental	\$ 249,713	\$ 241,717
Interest	<u>2</u>	<u>3</u>
<b>Total revenues</b>	<u>249,715</u>	<u>241,720</u>
 <b>EXPENDITURES</b>		
<b>Total expenditures</b>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	249,715	241,720
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	<u>(248,729)</u>	<u>(242,853)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	986	(1,133)
Fund balances, January 1	<u>43,250</u>	<u>44,383</u>
<b>Fund balances, December 31</b>	<u><u>\$ 44,236</u></u>	<u><u>\$ 43,250</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**CDBG/CHIP GRANT CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Intergovernmental receivable	\$ 112,091	\$ 2,223
Notes receivable	24,000	32,800
Due from other funds	3,290	2,610
<b>Total assets</b>	<b>\$ 139,381</b>	<b>\$ 37,633</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 86,527	\$ 4,833
Retainages payable	28,854	0
Unearned revenue	24,000	32,800
<b>Total liabilities and fund balances</b>	<b>\$ 139,381</b>	<b>\$ 37,633</b>

**CITY OF WASHINGTON, GEORGIA**  
**CDBG/CHIP GRANT CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Intergovernmental	\$ 509,095	\$ 653,211
<b>Total revenues</b>	<u>509,095</u>	<u>653,211</u>
<b>EXPENDITURES</b>		
Capital outlay		
Housing and Development		
Community Development and Housing	458,600	217,504
<b>Total expenditures</b>	<u>458,600</u>	<u>217,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,495</u>	<u>435,707</u>
Other financing sources (uses)		
Transfers in (out)		
General Fund	30,732	82,676
Water Sewer Enterprise Fund	(84,517)	(593,780)
Electric Enterprise Fund	3,290	2,610
<b>Total other financing sources (uses)</b>	<u>(50,495)</u>	<u>(508,494)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(72,787)
Fund balances, January 1	<u>0</u>	<u>72,787</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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## ***PERMANENT FUNDS***

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

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

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

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

**CITY OF WASHINGTON, GEORGIA  
CEMETERY PERPETUAL CARE PERMANENT FUND  
COMPARATIVE BALANCE SHEETS  
December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Investments	\$ 37,127	\$ 36,831
<b>Total assets</b>	<b>\$ 37,127</b>	<b>\$ 36,831</b>
 <b>FUND BALANCES</b>		
Assigned	\$ 37,127	\$ 36,831
<b>Total liabilities and fund balances</b>	<b>\$ 37,127</b>	<b>\$ 36,831</b>

**CITY OF WASHINGTON, GEORGIA  
CEMETERY PERPETUAL CARE PERMANENT FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For the years ended December 31, 2019 and 2018**

	2019	2018
<b>REVENUES</b>		
Interest	\$ 296	\$ 128
<b>Total revenues</b>	296	128
<b>EXPENDITURES</b>		
<b>Total expenditures</b>	0	0
Excess (deficiency) of revenues over (under) expenditures	296	128
Fund balances, January 1	36,831	36,703
<b>Fund balances, December 31</b>	<b>\$ 37,127</b>	<b>\$ 36,831</b>

**CITY OF WASHINGTON, GEORGIA**  
**HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Investments	\$ 17,716	\$ 17,575
<b>Total assets</b>	\$ 17,716	\$ 17,575
 <b>FUND BALANCES</b>		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	7,726	7,585
<b>Total liabilities and fund balances</b>	\$ 17,716	\$ 17,575

**CITY OF WASHINGTON, GEORGIA**  
**HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2019 and 2018*

	2019	2018
<b>REVENUES</b>		
Interest	\$ 141	\$ 62
<b>Total revenues</b>	141	62
<b>EXPENDITURES</b>		
<b>Total expenditures</b>	0	0
Excess (deficiency) of revenues over (under) expenditures	141	62
Fund balances, January 1	17,575	17,513
<b>Fund balances, December 31</b>	<b>\$ 17,716</b>	<b>\$ 17,575</b>

**CITY OF WASHINGTON, GEORGIA  
 CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL  
 PERMANENT FUND  
 COMPARATIVE BALANCE SHEETS  
 December 31, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,433	\$ 38,130
Investments	10,993	10,906
<b>Total assets</b>	<b>\$ 49,426</b>	<b>\$ 49,036</b>
 <b>FUND BALANCES</b>		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	39,436	39,046
<b>Total liabilities and fund balances</b>	<b>\$ 49,426</b>	<b>\$ 49,036</b>

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL**  
**PERMANENT FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the years ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>		
Interest	\$ 390	\$ 164
<b>Total revenues</b>	390	164
<b>EXPENDITURES</b>		
<b>Total expenditures</b>	0	0
Excess (deficiency) of revenues over (under) expenditures	390	164
Other financing sources (uses)		
Transfers in		
General Fund	0	5
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	390	169
Fund balances, January 1	49,036	48,867
<b>Fund balances, December 31</b>	<b>\$ 49,426</b>	<b>\$ 49,036</b>

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## ***ENTERPRISE FUNDS***

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

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**For the years ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	\$ 0	\$ 59,215
Restricted assets		
Cash and cash equivalents	97,298	0
Investments	0	97,298
Accounts receivable (net)	455,023	477,328
Inventories	202,538	196,787
Prepaid items	11,302	6,556
	<b>766,161</b>	<b>837,184</b>
<b>Capital assets</b>		
Land	194,710	194,710
Construction in progress	37,687	451,847
Buildings	57,481	57,481
Infrastructure	22,993,676	22,461,884
Machinery and equipment	692,163	478,534
Vehicles	305,626	272,439
Accumulated depreciation	(9,763,678)	(9,323,972)
	<b>14,517,665</b>	<b>14,592,923</b>
<b>Total assets</b>	<b>15,283,826</b>	<b>15,430,107</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to the measurement date	14,436	10,465
Pension experience differences	18,547	28,669
Pension investment return differences	740	0
Pension assumption changes	6,677	10,999
	<b>40,400</b>	<b>50,133</b>

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
*For the years ended December 31, 2019 and 2018*

	<b>2019</b>	<b>2018</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 79,730	\$ 176,417
Accrued salaries and payroll liabilities	33,323	30,298
Compensated absences	25,106	27,709
Accrued interest payable	11,445	6,205
Retainages payable	0	1,000
Capital lease payable	47,770	8,706
Notes payable	602,753	608,806
Current liabilities payable from restricted assets		
Customer deposits payable	97,298	97,298
	<b>897,425</b>	<b>956,439</b>
<b>Noncurrent liabilities</b>		
Net pension liability	142,217	114,643
Capital lease payable	119,158	8,965
Notes payable	6,913,662	7,516,415
	<b>7,175,037</b>	<b>7,640,023</b>
	<b>8,072,462</b>	<b>8,596,462</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension investment return differences	0	31,355
	<b>0</b>	<b>31,355</b>
<b>NET POSITION</b>		
Net investment in capital assets	6,814,767	6,394,716
Unrestricted	436,997	457,707
	<b>7,251,764</b>	<b>6,852,423</b>
<b>Total net position</b>	<b>\$ 7,251,764</b>	<b>\$ 6,852,423</b>

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
*For the years ended December 31, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 1,394,325	\$ 1,492,881
Sewer sales	1,112,025	1,222,669
Other	16,340	3,976
<b>Total operating revenues</b>	<u>2,522,690</u>	<u>2,719,526</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	1,142,754	1,241,030
Personal services	859,965	861,020
Depreciation	464,595	432,877
<b>Total operating expenses</b>	<u>2,467,314</u>	<u>2,534,927</u>
Operating income (loss)	<u>55,376</u>	<u>184,599</u>
Non-operating revenues (expenses)		
Interest and investment earnings	600	547
Interest expense	(50,059)	(48,255)
Gain (loss) on sale of assets	1,901	0
<b>Total non-operating revenues (expenses)</b>	<u>(47,558)</u>	<u>(47,708)</u>
Net income (loss) before transfers	<u>7,818</u>	<u>136,891</u>
Transfers in (out)		
CDBG/CHIP Grant Capital Projects Fund	84,517	593,780
SPLOST Capital Projects Fund	8	0
2017 SPLOST Capital Projects Fund	248,729	242,853
Solid Waste Enterprise Fund	0	43,873
Electric Enterprise Fund	58,269	(384,374)
<b>Total transfers in (out)</b>	<u>391,523</u>	<u>496,132</u>
Change in net position	399,341	633,023
Net position, January 1	<u>6,852,423</u>	<u>6,219,400</u>
<b>Net position, December 31</b>	<u><u>\$ 7,251,764</u></u>	<u><u>\$ 6,852,423</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 2,528,654	\$ 2,741,604
Payments to suppliers	(1,215,178)	(1,168,727)
Payments to employees	(853,591)	(829,004)
Other receipts	16,340	3,976
	<u>476,225</u>	<u>747,849</u>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	<u>0</u>	<u>(384,374)</u>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	391,524	880,506
Receipts from other governments	0	8,484
Payments for acquisitions of capital assets	(369,781)	(742,975)
Proceeds from sale of assets	1,901	0
Payments of capital related accounts payable	(54,315)	(38,179)
Payments of retainage payable	(1,000)	0
Proceeds - promissory notes	0	179,079
Principal payments - promissory notes	(608,806)	(593,062)
Proceeds - capital leases	201,380	0
Principal payments - capital leases	(52,123)	(8,543)
Interest paid	(44,820)	(48,785)
	<u>(536,040)</u>	<u>(363,475)</u>
Net cash provided (used) by capital and related financing activities		
<b>Cash flows from investing activities:</b>		
Interest and investment earnings received	600	547
Proceeds from maturity of investments	156,513	155,966
Purchase of investments	0	(156,513)
	<u>157,113</u>	<u>0</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	97,298	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 97,298</u></u>	<u><u>\$ 0</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 55,376	\$ 184,599
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation expense	464,595	432,877
(Increase) decrease in accounts receivable	22,305	26,054
(Increase) decrease in inventories	(5,751)	(11,360)
(Increase) decrease in prepaid items	(4,746)	1,918
(Increase) decrease in pension contributions made after measurement date	(3,971)	1,183
(Increase) decrease in pension experience differences	10,122	(19,321)
(Increase) decrease in pension investment return differences	(740)	0
(Increase) decrease in pension assumption changes	4,322	(10,999)
Increase (decrease) in accounts payable	(61,928)	81,745
Increase (decrease) in accrued payroll liabilities	422	11,436
Increase (decrease) in net pension liability	27,574	22,728
Increase (decrease) in pension investment return differences	(31,355)	27,532
Increase (decrease) in pension assumption changes	0	(543)
Total adjustments	<u>420,849</u>	<u>563,250</u>
Net cash provided (used) by operating activities	<u>\$ 476,225</u>	<u>\$ 747,849</u>

**Noncash investing, capital, and financing activities:**

Acquisition of capital assets through accounts payable totaled \$19,555 and \$54,315 for the years ended December 31, 2019 and 2018, respectively.

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 420,019	\$ 528,277
Investments	184,262	227,138
Receivables (net)		
Accounts	1,186,010	1,206,259
Intergovernmental	350,395	238,333
Due from other funds	195,000	195,000
Inventories	294,585	263,901
Prepaid items	12,184	11,287
	2,642,455	2,670,195
<b>Total current assets</b>		
<b>Restricted assets</b>		
MEAG Generation Trust		
Investments	1,085,977	1,035,937
Customer deposits		
Cash and cash equivalents	222,987	181,777
	1,308,964	1,217,714
<b>Total restricted assets</b>		
<b>Capital assets</b>		
Land	8,480	8,480
Buildings	494,044	494,044
Infrastructure	2,506,534	2,506,534
Machinery and equipment	226,067	226,067
Vehicles	589,122	589,122
Accumulated depreciation	(2,486,569)	(2,383,153)
	1,337,678	1,441,094
<b>Total capital assets (net of accumulated depreciation)</b>		
	5,289,097	5,329,003
<b>Total assets</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to the measurement date	29,349	19,533
Pension investment return differences	1,830	0
Pension experience differences	24,763	49,782
Pension assumption changes	6,931	17,613
	62,873	86,928
<b>Total deferred outflows of resources</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	906,235	611,194
Accrued salaries and payroll liabilities	17,966	20,947
Due to other funds	14,462	73,780
Compensated absences	14,277	17,501
Capital lease payable	58,304	56,033
Current liabilities payable from restricted assets		
Customer deposits payable	222,987	181,777
	1,234,231	961,232
<b>Total current liabilities</b>		

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Noncurrent liabilities</b>		
Net pension liability	\$ 285,693	\$ 217,538
Capital lease payable	48,670	106,974
	334,363	324,512
<b>Total noncurrent liabilities</b>		
	1,568,594	1,285,744
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension investment return differences	0	41,358
	0	41,358
<b>NET POSITION</b>		
Net investment in capital assets	1,230,704	1,278,087
Restricted for MEAG Generation Trust	1,085,977	1,035,937
Unrestricted	1,466,695	1,774,805
	3,783,376	4,088,829
<b>Total net position</b>	\$ 3,783,376	\$ 4,088,829

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Electric sales	\$ 10,421,891	\$ 9,992,473
Other	12,680	4,384
	<b>10,434,571</b>	<b>9,996,857</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	7,904,729	8,241,987
Personal services	624,885	584,093
Depreciation	103,416	103,416
	<b>8,633,030</b>	<b>8,929,496</b>
Operating income (loss)	<b>1,801,541</b>	<b>1,067,361</b>
Non-operating revenues (expenses)		
Intergovernmental revenues	380,107	684,152
Interest and investment earnings	62,447	27,173
Interest expense	(6,319)	(8,118)
	<b>436,235</b>	<b>703,207</b>
Net income (loss) before transfers	<b>2,237,776</b>	<b>1,770,568</b>
Transfers in (out)		
General Fund	(2,579,421)	(2,727,447)
E-911 Special Revenue Fund	(11,172)	(71,170)
CDBG/CHIP Grant Capital Projects Fund	(3,290)	(2,610)
Water and Sewer Enterprise Fund	(58,269)	384,374
Solid Waste Enterprise Fund	96,811	54,113
Internet Telecommunications Enterprise Fund	12,112	12,508
	<b>(2,543,229)</b>	<b>(2,350,232)</b>
Change in net position	<b>(305,453)</b>	<b>(579,664)</b>
Net position, January 1	<b>4,088,829</b>	<b>4,668,493</b>
<b>Net position, December 31</b>	<b>\$ 3,783,376</b>	<b>\$ 4,088,829</b>

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 10,483,350	\$ 10,049,587
Payments to suppliers	(7,641,269)	(8,262,148)
Payments to employees	(580,238)	(546,787)
Other receipts	12,680	4,384
	<u>2,274,523</u>	<u>1,245,036</u>
<b>Net cash provided (used) by operating activities</b>		
	<u>2,274,523</u>	<u>1,245,036</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	108,923	450,995
Payments to other funds	(2,711,471)	(2,938,120)
Receipts from other governments	268,045	769,304
	<u>(2,334,503)</u>	<u>(1,717,821)</u>
<b>Net cash provided (used) by non-capital financing activities</b>		
	<u>(2,334,503)</u>	<u>(1,717,821)</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - capital leases	(56,033)	(54,073)
Interest paid	(6,318)	(8,118)
	<u>(62,351)</u>	<u>(62,191)</u>
<b>Net cash provided (used) by capital and related financing activities</b>		
	<u>(62,351)</u>	<u>(62,191)</u>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings received	62,447	27,173
Proceeds from maturity of investments	289,424	800,000
Purchase of investments	(296,588)	(504,556)
	<u>55,283</u>	<u>322,617</u>
<b>Net cash provided (used) by investing activities</b>		
	<u>55,283</u>	<u>322,617</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(67,048)	(212,359)
<b>Cash and cash equivalents, January 1</b>	<u>710,054</u>	<u>922,413</u>
<b>Cash and cash equivalents, December 31</b>	<u>\$ 643,006</u>	<u>\$ 710,054</u>

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 1,801,541	\$ 1,067,361
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation expense	103,416	103,416
(Increase) decrease in accounts receivable	20,249	50,275
(Increase) decrease in inventories	(30,684)	(3,938)
(Increase) decrease in prepaid items	(897)	145
(Increase) decrease in pension contributions made after measurement date	(9,816)	1,894
(Increase) decrease in pension experience differences	25,019	(30,940)
(Increase) decrease in pension investment return differences	(1,830)	2,731
(Increase) decrease in pension assumption changes	10,682	(17,613)
Increase (decrease) in accounts payable	295,041	(16,368)
Increase (decrease) in accrued payroll liabilities	(6,205)	4,897
Increase (decrease) in customer deposits	41,210	6,839
Increase (decrease) in net pension liability	68,155	36,394
Increase (decrease) in pension investment return differences	(41,358)	41,358
Increase (decrease) in pension assumption changes	0	(1,415)
<b>Total adjustments</b>	<u>472,982</u>	<u>177,675</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 2,274,523</u>	<u>\$ 1,245,036</u>
<b>Cash and cash equivalents reconciliation</b>		
Cash and cash equivalents	\$ 420,019	\$ 528,277
Restricted cash and cash equivalents	<u>222,987</u>	<u>181,777</u>
<b>Total cash and cash equivalents</b>	<u>\$ 643,006</u>	<u>\$ 710,054</u>

**CITY OF WASHINGTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable (net)	\$ 79,884	\$ 81,966
Prepaid items	1,372	1,159
Total current assets	<u>81,256</u>	<u>83,125</u>
<b>Capital assets</b>		
Land	4,000	4,000
Buildings	185,161	185,161
Machinery and equipment	103,754	94,419
Vehicles	566,701	534,146
Accumulated depreciation	<u>(494,716)</u>	<u>(444,467)</u>
Total capital assets (net of accumulated depreciation)	<u>364,900</u>	<u>373,259</u>
<b>Total assets</b>	<u>446,156</u>	<u>456,384</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to the measurement date	18,947	15,540
Pension investment return differences	635	0
Pension experience differences	15,619	24,302
Pension assumption changes	<u>3,136</u>	<u>6,843</u>
<b>Total deferred outflows of resources</b>	<u>38,337</u>	<u>46,685</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	16,910	18,665
Interest payable	2,440	1,141
Accrued salaries and payroll liabilities	8,538	7,474
Compensated absences	8,337	8,006
Capital lease payable	<u>46,656</u>	<u>36,292</u>
Total current liabilities	<u>82,881</u>	<u>71,578</u>
<b>Noncurrent liabilities</b>		
Net pension liability	166,486	142,834
Capital lease payable	<u>68,314</u>	<u>65,037</u>
Total noncurrent liabilities	<u>234,800</u>	<u>207,871</u>
<b>Total liabilities</b>	<u>317,681</u>	<u>279,449</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension investment return differences	<u>0</u>	<u>12,319</u>
<b>NET POSITION</b>		
Net investment in capital assets	249,930	271,930
Unrestricted	<u>(83,118)</u>	<u>(60,629)</u>
<b>Total net position</b>	<u>\$ 166,812</u>	<u>\$ 211,301</u>

**CITY OF WASHINGTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Sanitation fees	\$ 533,828	\$ 528,054
<b>OPERATING EXPENSES</b>		
Costs of sales and services	160,372	176,876
Personal services	251,855	218,554
Depreciation	56,259	51,815
<b>Total operating expenses</b>	<u>468,486</u>	<u>447,245</u>
Operating income (loss)	<u>65,342</u>	<u>80,809</u>
Non-operating revenues (expenses)		
Interest expense	(5,077)	(1,880)
Gain (loss) on sale of assets	(7,943)	0
<b>Total non-operating revenues (expenses)</b>	<u>(13,020)</u>	<u>(1,880)</u>
Net income (loss) before transfers	<u>52,322</u>	<u>78,929</u>
Transfers in (out)		
Water and Sewer Fund	0	(43,873)
Electric Fund	(96,811)	(54,113)
<b>Total transfers in (out)</b>	<u>(96,811)</u>	<u>(97,986)</u>
Change in net position	(44,489)	(19,057)
Net position, January 1	<u>211,301</u>	<u>230,358</u>
<b>Net position, December 31</b>	<u><u>\$ 166,812</u></u>	<u><u>\$ 211,301</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the years ended December 31, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 535,910	\$ 532,660
Payments to suppliers	(162,340)	(181,947)
Payments to employees	(230,779)	(205,077)
	<u>142,791</u>	<u>145,636</u>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	(96,811)	(97,986)
	<u>(96,811)</u>	<u>(97,986)</u>
<b>Cash flows from capital and related financing activities:</b>		
Payments for acquisitions of capital assets	(59,265)	(61,504)
Proceeds from sale of capital assets	3,421	0
Proceeds from issuance of capital lease	49,932	43,873
Principal payments - capital lease	(36,291)	(27,780)
Interest paid	(3,777)	(2,239)
	<u>(45,980)</u>	<u>(47,650)</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ 65,342</u>	<u>\$ 80,809</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	56,259	51,815
(Increase) decrease in accounts receivable	2,082	4,606
(Increase) decrease in prepaid items	(213)	295
(Increase) decrease in pension contributions made after measurement date	(3,407)	736
(Increase) decrease in pension experience differences	8,683	(12,020)
(Increase) decrease in pension investment return differences	(635)	4,809
(Increase) decrease in pension assumption changes	3,707	(6,843)
Increase (decrease) in accounts payable	(1,755)	(5,366)
Increase (decrease) in accrued payroll liabilities	1,395	2,906
Increase (decrease) in net pension liability	23,652	14,139
Increase (decrease) in pension investment return differences	(12,319)	12,319
Increase (decrease) in pension assumption changes	0	(2,569)
	<u>77,449</u>	<u>64,827</u>
Total adjustments	<u>77,449</u>	<u>64,827</u>
Net cash provided (used) by operating activities	<u><u>\$ 142,791</u></u>	<u><u>\$ 145,636</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**INTERNET TELECOMMUNICATIONS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable	\$ 23,356	\$ 23,377
<b>Noncurrent assets</b>		
Investment in joint venture	445,262	464,994
<b>Capital assets</b>		
Machinery and equipment	519,711	519,711
Accumulated depreciation	(519,711)	(519,711)
Total capital assets (net of accumulated depreciation)	0	0
<b>Total assets</b>	468,618	488,371
<b>NET POSITION</b>		
Unrestricted	468,618	488,371
<b>Total net position</b>	\$ 468,618	\$ 488,371

**CITY OF WASHINGTON, GEORGIA**  
**INTERNET TELECOMMUNICATIONS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the years ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Telecommunications charges	\$ 5,926	\$ 6,908
<b>Total operating revenues</b>	<b>5,926</b>	<b>6,908</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	16,995	17,669
<b>Total operating expenses</b>	<b>16,995</b>	<b>17,669</b>
Operating income (loss)	(11,069)	(10,761)
Non-operating revenues (expenses)		
Interest and investment earnings	23,160	23,160
Net increase (decrease) in the fair value of investments	(19,732)	(8,409)
<b>Total non-operating revenues (expenses)</b>	<b>3,428</b>	<b>14,751</b>
Net income (loss) before transfers	(7,641)	3,990
Transfers in (out)		
Electric Enterprise Fund	(12,112)	(12,508)
Change in net position	(19,753)	(8,518)
Net position, January 1	488,371	496,889
<b>Net position, December 31</b>	<b>\$ 468,618</b>	<b>\$ 488,371</b>

**CITY OF WASHINGTON, GEORGIA**  
**INTERNET TELECOMMUNICATIONS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 5,947	\$ 7,017
Payments to suppliers	<u>(16,995)</u>	<u>(17,669)</u>
Net cash provided (used) by operating activities	<u>(11,048)</u>	<u>(10,652)</u>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	<u>(12,112)</u>	<u>(12,508)</u>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings received	<u>23,160</u>	<u>23,160</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (11,069)	\$ (10,761)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	<u>21</u>	<u>109</u>
Net cash provided (used) by operating activities	<u><u>\$ (11,048)</u></u>	<u><u>\$ (10,652)</u></u>

**Noncash investing, capital, and financing activities:**

The net increase (decrease) in the fair value of investments totaled (\$19,732) and (\$8,409) for the years ended December 31, 2019 and 2018, respectively.

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***OTHER REPORTING SECTION***

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Washington, Georgia's basic financial statements and have issued our report thereon dated May 27, 2020.

**Internal Control over Financial Reporting**

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

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

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

**2019-001**

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

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

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

## **2019-001, continued**

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

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

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

## **Compliance and Other Matters**

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

### **City of Washington, Georgia's Response to Finding**

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

### **Purpose of this Report**

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

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia

May 27, 2020

***STATE REPORTING SECTION***

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

**CITY OF WASHINGTON, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the year ended December 31, 2019**

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b><u>2011 SPLOST</u></b>					
Water and Sewer Improvements	\$ 2,025,960	\$ 2,025,960	\$ 2,229,661	\$ 8	\$ 2,229,669
<b><u>2017 SPLOST</u></b>					
Water and Sewer; Streets and Sidewalks; Buildings; Fire Facilities and Equipment					
Water and Sewer	\$ 1,336,778	\$ 1,336,778	\$ 320,862	\$ 248,729	\$ 569,591

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