

CITY OF GOLDSBORO GOLDSBORO, NORTH CAROLINA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

ABOUT THE COVER

Featured is the City of Goldsboro Public Safety Complex which houses the Police Department and Fire Station 1 located at 204 South Center Street, Goldsboro. The major renovation project began in 2018 and was completed in March 2020. The \$6.4 million dollar project encompassed a new evidence and investigations wing, and office space, classroom and conference room at the Fire Station 1, as well as renovations at Station 4 (not pictured). The existing building was constructed in 1977 with this being the only major structural revision to the building since it was originally constructed.

Also pictured is Cornerstone Commons and the HUB, a 12,320 square foot paved area located at the corner of South Center Street and East Chestnut Street which was part of the TIGER VIII 2016 Grant Award of \$6.75 million dollars from the Federal Transportation Administration. The HUB is an urban park that adjoins the streetscape improvements on Center Street. The half-acre park includes a stage, memorial wall, and public restrooms. The new park incorporates a beautiful stage that wraps around a circular lawn seating area and includes amenities such as a digital sign and directory, solar phone charger, a fire pit area and accommodations for food trucks and a future water play area. The TIGER VIII project included Center Street Streetscape Phase III which encompassed the last two blocks of Center Street to Elm Street, Cornerstone Commons Development (pictured), wayfinding signage implementation, and the GWTA Transit Center Concourse. Pictured is South Center Street Streetscape Phase II which was part of the TIGER V grant which was a complete renovation of the City's historical main corridor designed to address functional, aesthetic, safety, scale and aging infrastructure issues. Phase I and II Streetscape were completed in October 2015 and addressed six blocks of Center Street with 140 feet rights-of-way as part of the TIGER V award. Upon completion, the TIGER VIII grant will nearly complete the 2007 Downtown Master Plan projects which received funding from the TIGER V 2013 and VIII 2016 awards. The goal of this transportation infrastructure project was to embrace "Placemaking" and "Complete Streets" design concepts and address safety, access, choice, environment, quality-of-life, fiscal responsibility, and economic productivity issues in a downtown business district by coupling land use and transportation planning.

CITY OF GOLDSBORO, NORTH CAROLINA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2020



Prepared by the Finance Department



This page was intentionally left blank.

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	i
City Officials and Staff	vi
Organization Chart	vii

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	4

Basic Financial Statements

<u>Exhibit</u>	Government-Wide Financial Statements:	
1	Statement of Net Position	14
2	Statement of Activities	15
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
4	Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	19
5	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	21
6	Statement of Fund Net Position - Proprietary Funds	22
7	Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	23
8	Statement of Cash Flows - Proprietary Funds	24
	Notes to Financial Statements	26
<u>Schedule</u>	Required Supplementary Financial Data	
	Other Post-Employment Benefits:	
RSI-1	Schedules of Changes in the Total OPEB Liability and Related Ratios	61
	Local Government Employees' Retirement System:	
RSI-2	Schedules of Proportionate Share of Net Pension Liability (Asset) and City Contributions	62
	Law Enforcement Officers' Special Separation Allowance:	
RSI-3	Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll	63

Supplementary Information:**Schedule Major Funds****Combined General Fund:**

A-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	64
A-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hurricane Florence FEMA 4393 DR-NC Grant Project.....	70
A-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Edward Byrne Memorial Justice Assistance Grant Fund.....	71
A-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Police Other Restricted Revenue Fund	72
A-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Parks and Recreation Revenue Fund	73
A-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Relations Revenue Fund	74

Major Capital Project Fund:

A-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - FY 2016 TIGER Discretionary Grant Capital Projects Fund	75
-----	---	----

Major Enterprise Funds:

B-1	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Utility Fund.....	76
B-2	Schedule of Revenues and Expenditures - Budget and Actual - Phase IV Sewer Collection Rehabilitation Capital Project	79
B-3	Schedule of Revenues and Expenditures - Budget and Actual - 2010A Sanitary Sewer Improvements Capital Project.....	80
B-4	Schedule of Revenues and Expenditures - Budget and Actual - Sewer Rehabilitation Capital Project.....	81
B-5	Schedule of Revenues and Expenditures - Budget and Actual - Water Line Replacement and Booster Pump Station Capital Project.....	82
B-6	Schedule of Revenues and Expenditures - Budget and Actual - Plate Settlers Capital Project.....	83
B-7	Schedule of Revenues and Expenditures - Budget and Actual - Golden LEAF Stormwater and Sewer Infrastructure Capital Project	84
B-8	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Storm Water Fund.....	85

Nonmajor Governmental Funds**Combining Statements:**

C-1	Combining Balance Sheet - Other Governmental Funds.....	86
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Other Governmental Funds.....	87

Nonmajor Special Revenue Funds:

D-1	Combining Balance Sheet - Nonmajor Special Revenue Funds	88
D-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual - Nonmajor Special Revenue Funds	89
D-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual - Community Development Fund	90
D-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Downtown District Fund	92

Nonmajor Governmental Funds (Continued)**Schedule Nonmajor Special Revenue Funds (Continued):**

D-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Occupancy Tax Fund	93
D-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Federal and State Drug Forfeiture Fund	94

Nonmajor Capital Projects Funds:

E-1	Combining Balance Sheet - Nonmajor Capital Projects Funds	95
E-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Capital Projects Funds	96
E-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Parks and Recreation FY 2019-2024 Capital Projects Fund	97
E-4	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Street Improvements Capital Projects Fund	98
E-5	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - FY 2016 TIGER Discretionary Grant Capital Projects Fund	99
E-6	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Herman Park Recreation Center Capital Projects Fund	100
E-7	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 1919 LaFrance Fire Truck Restoration Capital Projects Fund	101

Other Financial Information**Additional Financial Data:**

F-1	Schedule of Ad Valorem Taxes Receivable	102
F-2	Analysis of Current Tax Levy	104

STATISTICAL SECTION**Table****Financial Trends:**

1	Net Position by Component	105
2	Changes in Net Position	107
3	Fund Balances - Governmental Funds	111
4	Changes in Fund Balances - Governmental Funds	113

Revenue Capacity:

5	Tax Revenues by Source - Governmental Activities	115
6	Tax Revenues by Source - Governmental Funds	116
7	Assessed Values of Taxable Property	117
8	Direct and Overlapping Property Tax Rates	118
9	Principal Property Taxpayers	119
10	Property Tax Levies and Collections	120

Debt Capacity:

11	Ratios of Outstanding Debt by Type	121
12	Ratios of General Bonded Debt Outstanding	122
13	Legal Debt Margin Information	123
14	Direct and Overlapping Debt - Governmental Activities	125

STATISTICAL SECTION (CONTINUED)

Table	Demographic and Economic Information:	
15	Demographic and Economic Statistics	126
16	Principal Employers	127
17	Full-Time Equivalent City Government Employees by Function/Program	128
	Operating Information:	
18	Operating Indicators by Function	130
19	Capital Asset Statistics by Function	132

COMPLIANCE SECTION

Compliance Reports:

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	134
---	-----

Independent Auditors' Report on Compliance for Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	136
--	-----

Independent Auditors' Report on Compliance for Each Major State Program and Internal Control over Compliance in Accordance with Applicable Sections of OMB Uniform Guidance and the State Single Audit Implementation Act	139
---	-----

Compliance Schedules

Schedule of Findings and Questioned Costs	141
Corrective Action Plan	145
Summary Schedule of Prior Audit Findings	148
Schedule of Expenditures of Federal and State Awards.....	149
Notes to Schedule of Expenditures of Federal and State Awards.....	152

INTRODUCTORY SECTION

This section of the City of Goldsboro's annual comprehensive financial report presents general information on the City's organization and the environment in which it operates.

LETTER OF TRANSMITTAL

March 7, 2022

Honorable Mayor, Members of City Council
and the Citizens of the City of Goldsboro
Goldsboro, NC

The Annual Comprehensive Financial Report (ACFR) of the City of Goldsboro for the fiscal year ended June 30, 2020 (FY20) is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the comprehensive annual financial report, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various City activities and funds. All disclosures required by law and necessary to enable the reader to gain an understanding of the City's financial activities are included.

The City is required to undergo an annual single audit in conformity with the requirements imposed by the Federal Single Audit Act and Subpart F of Title 2 U.S. Code Federal Regulations (CFR) Part 200 and the State Single Audit Implementation Act. As part of the single audit, the City's internal control system is tested and evaluated to ensure assets are safeguarded against loss, theft or misuse, and adequate financial records are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh the benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement. The basic financial statements contained herein have been audited in accordance with GAAP and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, by the independent certified public accounting firm of Dixon Hughes Goodman LLP; their unmodified opinion is included in the financial section of this report.

The Government Accounting Standards Board (GASB) GAAP requires management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors' report.

GOVERNMENT PROFILE



The City of Goldsboro, incorporated in 1847, is located in east-central North Carolina at the geographic center of Wayne County. It is the largest municipality in Wayne County with an estimated population of 34,186 and a land area of approximately 28.6 square miles.

The City operates under the Council-Manager form of government. The Mayor is elected at-large and is the presiding officer of the Council. The six Councilmembers are elected from the six districts. The Mayor and Councilmembers serve four-year concurrent terms. The Mayor Pro-Tempore is selected by the Council. The Mayor and Councilmembers make appointments to various advisory boards and appoint the City Manager and City Attorney. The City Manager serves as the Chief Executive Officer and Budget Officer, responsible to Council for administration of all City affairs to include: faithful execution of all laws of the state, the City charter and ordinances, resolutions and regulations; preparation and submission of the annual budget and capital program and a complete report on the finances and activities; direction and supervision of all departments, offices, and agencies to effectively and efficiently deliver services to residents and visitors.

The City provides a wide range of services: police and fire protection; sanitation, street maintenance, and cemetery; parks and recreation; engineering, planning, zoning and inspections; event center and theatre; community relations and development; and general administrative services. In addition, the City owns, operates and separately accounts for water, sewer and compost utilities and also separately accounts for stormwater, downtown municipal service district (MSD), and travel and tourism occupancy tax funds. This report includes all of the City's activities related to these services.

The City maintains budgetary controls as required by state statutes that promote sound financial management and fiscal accountability. Before April 30, as prescribed by the City Manager, each department head transmits their next fiscal year department budget requests and revenue estimates, previous fiscal year realized and current fiscal year estimated expenditures and revenues. Before June 1, the City Manager submits to Council a recommended budget by fund and department for the upcoming fiscal year. No later than June 30, the Council is required to hold a public hearing on the proposed budget and adopt a final budget.

LOCAL ECONOMY

The City has a diversified economy based upon federal military and local governmental institutions, agriculture, manufacturing, a mix of wholesale and retail businesses as well as numerous service providers. This diversity is also reflected in the international composition of the manufacturers that have corporate ties with Great Britain, Japan, Mexico, South Africa, and India. Excellent railroad and two interstate highways (US Highway 70/future Interstate 42 and US Highway 117/Interstate 795) intersect Goldsboro offering high-speed access for commerce within 25 minutes driving time to interstate highways I-95 and I-40. Despite COVID-19, the June 2020 unemployment rate was 7.6 percent, which was lower than the statewide rate of 8.8 percent and the national rate of 11.2 percent.



Seymour Johnson Air Force Base (SJAFB), located on 3,200 acres in the southeast portion of the City, is the largest local employer and contributed \$612 million (M) to the economy this year (Source - SJAFB FY20 Economic Impact). The base is the home of the Air Combat Command's 4th Fighter Wing and 916th Air Refueling Wing, an Air Force Reserve unit, and associated units. The base payroll is over \$344M and includes: 4,547 active duty military personnel; 898 civilian personnel; and 833 reservists. The base has an estimated

local employment impact of over \$436M, creating 7,688 jobs with expenditures of nearly \$34M for construction, health care, procurement and lodging.

Wayne County Government, seated in Goldsboro, employs over 1,100 people providing services to include health, social, and veteran services. Wayne County Public Schools employ nearly 3,000 people for the education of roughly 19,500 students at 34 schools for grades pre-kindergarten through - 13. Wayne Community College employs approximately 500 people supporting 4,400 students in more than 125 programs of study in college transfer and technical areas.

The City serves as the medical care center for the County and portions of surrounding counties. Wayne UNC Health Care employs over 1,700 people and is an acute-care facility offering a wide range of major medical services. The North Carolina Department of Health and Human Services employs over 1,750 people providing mental health care at Cherry Hospital and O'Berry Nuero-Medical Center.

Local industries involve a range of operations from simple assembly to complex manufacturing processes, resulting in products ranging from poultry and bread to automobile parts and electric transformers. The Wayne County Development Alliance recognizes over 66 major industries in the county that account for more than 5,100 jobs. Substantial technological improvements in recent years involving modernization of plant facilities and the addition of sophisticated manufacturing equipment have resulted in enhanced profitability and productivity for many of the local manufacturing firms. Some of the larger companies the city provides services to include: Case Farms; Goldsboro Milling Inc.; Franklin Baking Co.; Mission Foods; and Southco Distributing Co.

This fiscal year, the City Inspections Department issued approximately \$83M for commercial and residential building and miscellaneous permits to include: The Hub, Streetscape, bus terminal and restrooms, Affordable Suites Extended Stay Hotel, Rocket Car Wash, Modwash Car Wash, Wayne UNC Pharmacy up-fit, Team Chevrolet Showroom renovation, Immuno Tek Blood Plasma Center, Wayne Christian new STEP building, and T.A. Loving office expansion.



Downtown economic statistics for this fiscal year include: 16 building renovations; 58 new jobs (46 net); 10 new businesses (5 net) and one (1) business expansion accounting for ~\$2.4M of private investment. Since the 2013 TIGER V award, Downtown has realized: 163 building renovations; 480 new jobs (372 net); 108 new businesses (58 net) and nine (9) business expansions. The City's investment of \$9M has attracted \$25.5M in state and federal funding and \$32M in private investment, and we expect private investment to continue well into the future.

Domestic and international visitors to and within Wayne County spent an estimated \$141.8M in 2020; a decrease of 24.2% from 2019 due to the COVID-19 pandemic and resulting restrictions. Goldsboro-Wayne County is expected to bounce back in 2021 with events, sports, and business travel coming back faster than many other North Carolina destinations due to venues such as The Hub downtown, the Bryan Multi-Sports Complex, and the Maxwell Center.

MAJOR INITIATIVES

The City's most significant revenue increases include \$2.2M in federal grants and an industrial bulk monthly water rate increase of 10 percent. Significant expenditures include: Public Safety Complex improvements; Phase 3 Center Street Streetscape renovation; Phase 4 Sewer Collection System rehabilitation; road resurfacing; and several transportation improvement projects.

The City completed construction of the Public Safety Complex evidence storage facility and renovated office space and additional meeting space while upgrading the HVAC system. The Fire Station 4

dormitory addition was completed. The Phase 3 Center Street Streetscape project and Hub renovation was completed in May 2020.

The City has undertaken an extensive sewer collection system rehabilitation program with four initial phases: Phase 1 and Phase 2 have been completed; Phase 3 is 90% designed, but is on hold; Phase 4 is under construction (\$8.3M) and anticipated to be completed in September 2021. The City spent \$5.6M of the \$8.9M State Revolving Fund Loan in FY20.

The City has 163 miles of paved and 2.83 miles of unpaved city streets. Local funding is regularly allocated in the budget to maintain and resurface city streets. In November 2016, voters approved a \$7M Infrastructure Bond to improve its resurfacing and paving efforts. Due to COVID restrictions, the City postponed street resurfacing and other road improvements until FY21.

Several North Carolina Department of Transportation improvement projects are underway in design phase, right-of-way acquisition and utility relocation that will improve safety and congestion throughout Goldsboro. US 117 (N. William Street) Widening project is from US-70 to US-70 Bypass with a construction let date of August 2020. Realignment of Central Heights Road and Royall Avenue at Berkeley Boulevard will improve the intersection by relocating Central Heights Road to the north side of the railroad track to align with the existing Royall Avenue alignment with an estimated construction let year of 2023. Wayne Memorial Drive Widening is from New Hope Road to US-70 Bypass with an estimated construction let year of 2025. North Berkeley Boulevard Widening is from New Hope Road to Hood Swamp Road with an estimated construction let year of 2025. Finally, Ash Street from Berkeley Boulevard to Hwy 70 will see improvements by widening the existing 2-lane facility to a 4-lane median divided roadway with an estimated construction let year beyond 2028.

LONG-TERM FINANCIAL PLANNING

Long-term financial planning combines financial forecasting with strategizing to align financial capacity with objectives and achieve desired results. It engenders a long-range perspective for decision-makers and works best as part of a strategic plan for communication with internal and external stakeholders.

This past year, staff updated the City's strategic plan by identifying key objectives and benchmarking targets to achieve the Council's goals: safe and secure community; strong and diverse economy; exceptional quality of life; racial and cultural harmony; excellence in government. By aligning budget formulation, execution, analysis and reporting with the strategic plan, the City government can best meet these goals and citizen expectations.

City staff financial forecasts expect revenues to remain strong in the next five to ten years due to SJAFB, local government institutions, growing industry, and new business economic drivers. Goldsboro's excellent location and high-speed access between the NC Research Triangle and eastern shore position the City well for continued growth. Recent federal, state, and local government investments in the Downtown streetscape, Bryan Multi-Sports Complex, Maxwell Center, Park East Industrial Park, and Goldsboro Industrial Campus should realize significant economic rewards in the form of new private investment for businesses, industry, housing, sports and entertainment events, travel and tourism that will expand our tax base and services to benefit our residents and visitors.

New studies forecasting potential expenditures with debt and affordability analysis necessary for sustainable government include: utility systems and rates; tourism; and employee pay. The development of a Capital Improvement Plan will help plan, program, and budget for expected future infrastructure and equipment needs. These include: a new Water Treatment Plant; replacing Water Reclamation Facility equipment; maintaining over 500 miles of water distribution and sewer collection systems; building and maintaining roads; rebuilding Herman Park Center; replacing Fire Department Station No. 3 and fire trucks/apparatus reaching service life limits.

OTHER RELEVANT INFORMATION

The City utilizes the pooled cash and investment concept in investing temporarily idle cash. The criteria for selecting investments are safety, liquidity and yield. The investment policy of the City is guided by state statute and, as a result, investments in certificates of deposit, short-term money market arrangements, and the North Carolina Capital Management Trust, an SEC registered mutual fund, have been made. All deposits are either insured by federal depository insurance or collateralized by pledged securities.

The Goldsboro City Council adopted fiscal policy guidelines in April 2010 and updated policies to include Utility Fund objectives in February 2012. This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of Goldsboro. The City's debt policy ratio of direct net debt service expenditures as a percent of total governmental fund expenditures should not exceed 15% with an aggregate 10-year principal payout ratio target of 55% or better. The City will strive to maintain available fund balance in the General Fund at a level sufficient to meet its objectives. The City will target an available fund balance at the close of each fiscal year equal to 15% of the General Fund Operating Budget. At the end of this fiscal year, available fund balance is 9.38% as a result of planned and budgeted investments. In future budget cycles, reduced spending and/or increased taxes will be necessary to attain and exceed available fund balance targets.

In July 2018, Standard and Poor's Ratings Services raised the City's rating to 'AA' and Moody's assigned a rating of 'Aa2' indicating the City has very strong capacity to meet its financial commitments with high-quality fixed-income securities and very low credit risk. Due to the late submission of the FY19 Audit, Moody's removed its 'Aa2' rating; however, Standard and Poor's did not remove its rating and on September 1, 2021, affirmed its 'AA' rating on the City of Goldsboro's existing general obligation debt and 2018 street improvement bonds. The agency determined that the City's financial outlook is stable due to Goldsboro's management and budgetary performance, strong budgetary flexibility, liquidity and debt and contingent liability position.

In June 2015, the North Carolina General Assembly enacted a House Bill allowing local governmental units to join the North Carolina State Health Plan. The City of Goldsboro decided to participate in the North Carolina State Health Plan effective January 1, 2016.

ACKNOWLEDGEMENT

The preparation of this report was made possible by the dedicated efforts of the City Finance Department staff and other key staff; the independent Certified Public Accountant auditors, Dixon Hughes Goodman LLP; and the support and resources provided by the City Mayor and Councilmembers. We sincerely thank all involved.

Respectfully submitted,



Timothy M. Salmon
City Manager



Catherine F. Gwynn, CPA, CFE, CITP
Finance Director

Mayor and City Council Members



Left to right: **Antonio Williams** (District 1), **Bill Broadway** (District 2), **Taj Polack** (District 3), **Chuck Allen**, **Brandi Matthews** (District 4), **David Ham** (District 5), and **Gene Aycock** (District 6)

Staff

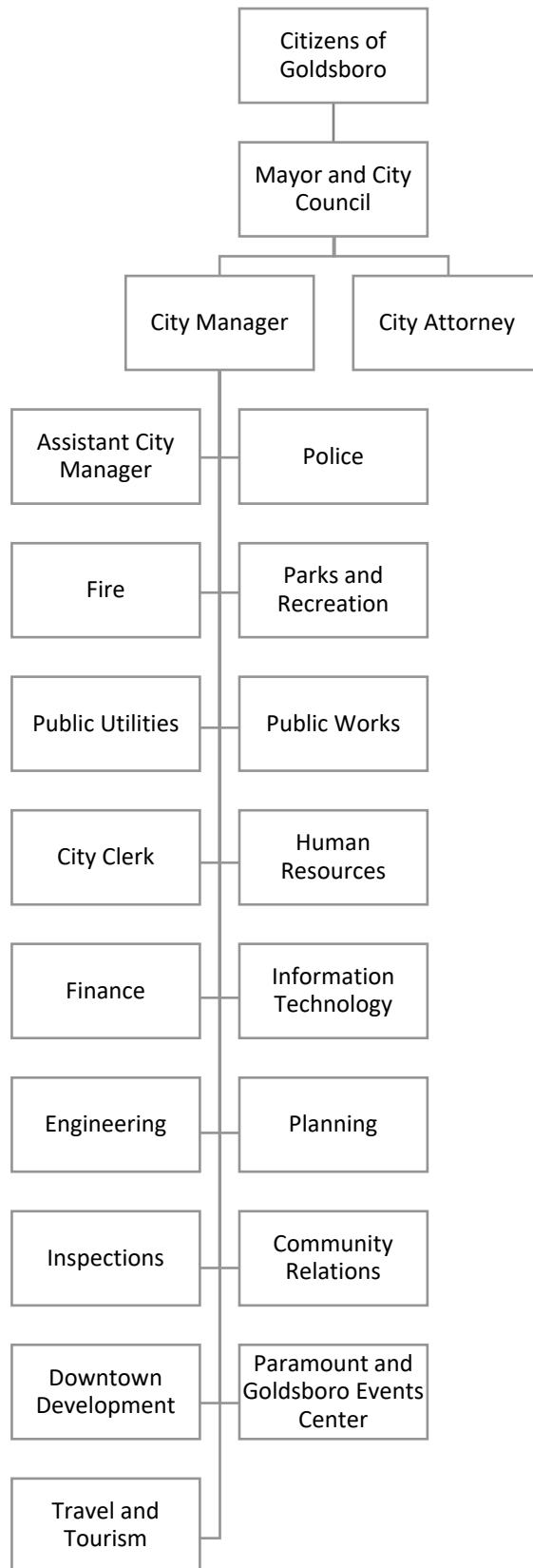
City Manager
Tim Salmon

Assistant City Manager
Randy Guthrie

City Attorney
Ronald T. Lawrence, II

Finance Director
Catherine F. Gwynn, CPA, CFE, CITP

City of Goldsboro, North Carolina
Organizational Chart



FINANCIAL SECTION

This section of the City of Goldsboro's annual comprehensive financial report presents the basic financial statements and required supplementary information (including management's discussion and analysis), as well as the Independent Auditors' Report. In addition, the financial section contains supplemental and other information including budget comparison schedules, required combining statements and other financial information.



Independent Auditors' Report

Honorable Mayor and
Members of the City Council
City of Goldsboro, NC

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Goldsboro, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Goldsboro'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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goldsboro, North Carolina, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 9 to the financial statements, the City restated beginning net position in business-type activities (Utility Fund and Stormwater Fund) to correct errors noted in accounts receivable balances. Our opinions are not modified with respect to these changes.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 13, the Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 61, the Local Government Employees' Retirement Systems' Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on page 62 and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on page 63 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.

Supplementary and Other Information

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



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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

High Point, NC
March 7, 2022

Management's Discussion and Analysis

As management of the City of Goldsboro (The "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the recent fiscal year by \$110,124,710 (net position). Of this amount, (\$9,595,729) was the unrestricted portion of net position (deficit) which may be used to meet the government's ongoing obligations to citizens employees and creditors.
- The City's total net position increased by \$5,486,674 consisting of an increase in governmental activities of \$5,414,930 and an increase in business-type activities of \$71,744. The change consisted of a decrease of \$1,077,826 in unrestricted net position of governmental activities and a \$272,566 increase in unrestricted net position of business-type activities. The decrease in unrestricted net position for governmental activities was due to the increase in net investment in capital assets of \$9,381,548. This is primarily attributed to current year construction in progress. The increase in unrestricted net position for business-type activities was due to a decrease in net investment of capital assets. Also affecting the overall change in net position, there was a decrease in the restricted assets for a decrease in the stabilization by state statute calculation and unexpended debt proceeds totaling \$966,776, for the governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,641,717, a decrease of \$3,602,539 in comparison with the prior year. Approximately 72.6 percent of this total, or \$9,171,733, is non-spendable or restricted.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$1,310,509 or 3.31 percent of total General Fund expenditures for the fiscal year. The portion of total fund balance that was available for appropriation was \$3,782,796 or 9.55 percent of total General Fund expenditures.
- The City's total debt decreased by \$4,247,618 (4.97%) during the current fiscal year.
- The City's bond rating remains AA from Standard and Poor's. Due to the late audit for fiscal year 2019, Moody's Investors Services withdrew its Aa2 rating from the City on August 13, 2020. The City may seek reconsideration from Moody's to reinstate the bond rating upon completion of the fiscal year 2022 audit.

Overview of the Financial Statements

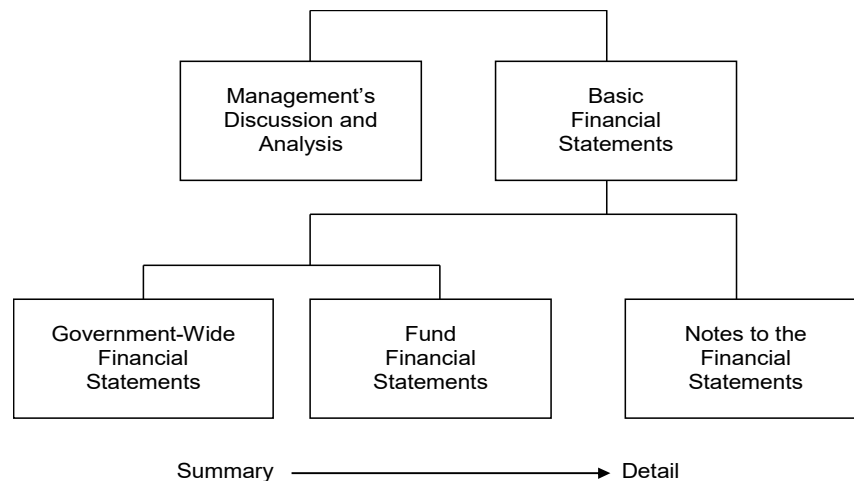
Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components (see Figure 1). They are as follows:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

Required Components of Annual Financial Report

Figure 1



Basic financial statements

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

The next statements (Exhibits 3 through 8) are Fund Financial Statements. These statements focus on the activities of the individual functions of the City's services. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: (1) the governmental fund statements; (2) the budgetary comparison statements; and (3) the proprietary fund statements.

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

Government-wide financial statements

The government-wide financial statements consist of two statements. They are the Statement of Net Position and the Statement of Activities. They are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs,

regardless of the timing of cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal years.

Both of the government-wide financial statements distinguish functions of the City that are primarily supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, economic and physical development, environmental protection, and cultural and recreational. The business-type activities of the City include Utility (water and sewer) and Storm Water operations.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the City are divided into two categories: governmental funds and proprietary funds.

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

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

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City uses an enterprise funds to account for its utility (water and sewer) and storm water activities. To account for the difference between the budgetary basis of accounting and the accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary schedule.

The fund financial statements can be found on pages 17-25 of this report.

City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2020

Notes to the Financial Statements - The notes to the financial statements 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 26-60 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information ("RSI") concerning the City's future obligations to provide pension benefits and other post-employment benefits ("OPEB") to its employees. This information can be found in schedules on pages 61-63 of this report.

Interdependence with other entities - The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Government-wide financial analysis

Table 1
City of Goldsboro, North Carolina
Condensed Statement of Net Position
As of June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019 (Restated)</u>	<u>2020</u>	<u>2019 (Restated)</u>
ASSETS						
Current assets	\$ 17,942,083	\$ 23,331,308	\$ 12,819,219	\$ 13,524,551	\$ 30,761,302	\$ 36,855,859
Capital assets	<u>87,441,565</u>	<u>81,009,559</u>	<u>76,829,534</u>	<u>74,864,108</u>	<u>164,271,099</u>	<u>155,873,667</u>
Total	105,383,648	104,340,867	89,648,753	88,388,659	195,032,401	192,729,526
DEFERRED OUTFLOWS OF RESOURCES	<u>5,479,031</u>	<u>5,908,203</u>	<u>1,122,758</u>	<u>1,252,408</u>	<u>6,601,789</u>	<u>7,160,611</u>
Total assets and deferred outflows	<u>110,862,679</u>	<u>110,249,070</u>	<u>90,771,511</u>	<u>89,641,067</u>	<u>201,634,190</u>	<u>199,890,137</u>
LIABILITIES						
Current liabilities	8,921,879	10,653,388	5,554,419	6,548,095	14,476,298	17,201,483
Long-term liabilities	<u>47,186,345</u>	<u>51,812,212</u>	<u>26,966,276</u>	<u>25,251,431</u>	<u>74,152,621</u>	<u>77,063,643</u>
Total	56,108,224	62,465,600	32,520,695	31,799,526	88,628,919	94,265,126
DEFERRED INFLOWS OF RESOURCES	<u>2,417,768</u>	<u>861,713</u>	<u>462,793</u>	<u>125,262</u>	<u>2,880,561</u>	<u>986,975</u>
Total liabilities and deferred inflows	<u>58,525,992</u>	<u>63,327,313</u>	<u>32,983,488</u>	<u>31,924,788</u>	<u>91,509,480</u>	<u>95,252,101</u>
NET POSITION						
Net investment in capital assets	59,410,166	50,028,618	50,776,484	50,977,306	110,186,650	101,005,924
Restricted	8,972,412	11,861,204	1,058,078	1,058,078	10,030,490	12,919,282
Unrestricted (deficit)	<u>(16,045,891)</u>	<u>(14,968,065)</u>	<u>5,953,461</u>	<u>5,680,895</u>	<u>(10,092,430)</u>	<u>(9,287,170)</u>
Net position	<u>\$ 52,336,687</u>	<u>\$ 46,921,757</u>	<u>\$ 57,788,023</u>	<u>\$ 57,716,279</u>	<u>\$ 110,124,710</u>	<u>\$ 104,638,036</u>

City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2020

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City exceeded liabilities and deferred inflows by \$110,124,710 as of June 30, 2020. The City's net position increased by \$5,486,674 for the fiscal year ended June 30, 2020. The largest portion of net position (100.05%) reflects the City's investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net position (8.66%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$9,595,729 (-8.71%) is unrestricted. The deficit balance is primarily due to long-term liabilities owed to employees for pension benefits and OPEB. These benefits will be paid out as employees retire.

Table 2
City of Goldsboro, North Carolina
Condensed Statement of Revenue, Expenses, and Changes in Net Position
For the Year Ended June 30,

	2020			2019 (Restated)		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES						
Program revenues:						
Charges for services	\$ 5,633,021	\$ 19,117,212	\$ 24,750,233	\$ 5,280,475	\$ 17,893,916	\$ 23,174,391
Operating grants and contributions	5,116,777	-	5,116,777	2,318,074	507,885	2,825,959
Capital grants and contributions	4,329,200	336,324	4,665,524	409,553	-	409,553
General revenues:						
Property taxes	16,534,709	-	16,534,709	15,664,078	-	15,664,078
Other taxes	1,304,724	-	1,304,724	1,416,068	-	1,416,068
Grants and contributions not restricted to specific programs	11,652,463	-	11,652,463	13,519,564	-	13,519,564
Unrestricted investment earnings	153,374	61,710	215,084	326,850	180,115	506,965
Miscellaneous	309,017	1,214,388	1,523,405	238,255	556,724	794,979
Total revenues	<u>45,033,285</u>	<u>20,729,634</u>	<u>65,762,919</u>	<u>39,172,917</u>	<u>19,138,640</u>	<u>58,311,557</u>
EXPENSES						
Governmental activities:						
General government	3,344,174	-	3,344,174	3,261,068	-	3,261,068
Public safety	17,282,752	-	17,282,752	18,902,090	-	18,902,090
Transportation	3,879,162	-	3,879,162	4,590,846	-	4,590,846
Economic and physical development	5,295,646	-	5,295,646	2,945,596	-	2,945,596
Environmental protection	4,278,685	-	4,278,685	4,693,340	-	4,693,340
Cultural and recreation	5,326,874	-	5,326,874	5,948,219	-	5,948,219
Interest on long-term debt	557,062	-	557,062	973,293	-	973,293
Business-type activities:						
Utilities	-	19,387,215	19,387,215	-	17,895,448	17,895,448
Storm Water	-	924,675	924,675	-	1,124,364	1,124,364
Total expenses	<u>39,964,355</u>	<u>20,311,890</u>	<u>60,276,245</u>	<u>41,314,452</u>	<u>19,019,812</u>	<u>60,334,264</u>
TRANSFERS	<u>346,000</u>	<u>(346,000)</u>	<u>-</u>	<u>1,773,265</u>	<u>(1,773,265)</u>	<u>-</u>
Net change	5,414,930	71,744	5,486,674	(368,270)	(1,654,437)	(2,022,707)
NET POSITION						
Beginning balances - as restated	<u>46,921,757</u>	<u>57,716,279</u>	<u>104,638,036</u>	<u>47,290,027</u>	<u>59,370,716</u>	<u>106,660,743</u>
Ending balances	<u>\$ 52,336,687</u>	<u>\$ 57,788,023</u>	<u>\$ 110,124,710</u>	<u>\$ 46,921,757</u>	<u>\$ 57,716,279</u>	<u>\$ 104,638,036</u>

Overall, the City's net position increased by \$5,486,674 during the current fiscal year. There are various factors that influenced this increase, both positively and negatively. Some key factors of the decrease in governmental activities was recognition of pension and liabilities and other post-employment benefits, decline in investment income, and unrestricted grants and contributions. These amounts were offset in part by the large increase in operating and capital grants and contributions related to reimbursement by FEMA for Hurricane Florence and Matthew, and the TIGER VIII Streetscape project. In addition, there was a slight increase in the property valuation after the octennial property reappraisal effective for fiscal year 2020. The business-type activities were positively affected by the 17.5% increase in utility rates as recommended by the utility rate study conducted in 2019, which helped fund ongoing operations.

Several aspects of the City's financial operations influenced its government-wide net position components:

Governmental activities: Governmental activities increased the City's net position by \$5,414,930. Key elements of this increase are as follows:

- Property tax revenues increased \$870,631 (5.56 percent) over the prior year due to the octennial reappraisal and modest growth.
- Investment earnings decreased \$173,476 for governmental activities due to lower market rates.
- Operating grants and contributions increased \$2,798,703 due to the FEMA reimbursements for Hurricane Florence and Matthew.
- Capital grants and contributions increased \$3,919,647 primarily due to the Federal Transportation Administration TIGER VIII Streetscape project funding.

Business-type activities: Business-type activities increased the City's net position by \$72,044. Key elements of this increase are as follows:

- The charges for services increased \$1,223,296 due largely to a 17.5 percent rate increase in water and sewer rates effective for the first billing in fiscal year 2020. The increase was related to the recommendation of a utility rate study conducted in 2019 to address operating and capital needs of the utility fund. The increase was slightly offset by government mandates to prohibit cutoffs of unpaid utility fees and inability to charge late fees and penalties due to the COVID-19 pandemic.
- Investment earnings decreased \$118,405 for business activities due to lower market rates.
- Increases in operating and maintenance costs of \$1,491,767 in the utility fund were used to fund deferred maintenance as identified by the utility rate study.

Financial analysis of the City's funds

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

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

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,310,509, while total fund balance was \$9,084,558. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 3.31% percent of total General Fund expenditures, while fund balance available for appropriation represents 9.55% of the same amount.

At June 30, 2020, the governmental funds of the City reported a combined fund balance of \$12,641,717, a 22.18% decrease over last year, primarily due to new unexpended loan proceeds on capital project expenditures, increases in capital assets such as construction in progress, prior period correction for misclassified miscellaneous accounts receivable from the utility fund, and change in pension liability. Impacts of the pandemic required changes in some operations including parks and recreation programs, as well as the events center and theater operations which required modifications or cancellations due to various restrictions imposed by state officials, which reduced corresponding related operating expenditures.

The Downtown District Fund had a decrease in fund balance of \$78,582, due in part to providing a \$100,000 match for the construction of the stage at the HUB for the Streetscape project and offset with a positive increase in property tax due to reappraisal. The Occupancy Tax Fund decreased by \$75,597 due to revenue shortfalls caused by travel restrictions during the pandemic.

General fund budgetary highlights

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

There were multiple occasions the City revised its budget as noted below.

- The annual purchase order re-appropriation from the prior fiscal year.
- Transfer of funds necessary to create several capital project and special revenue funds in order to comply with grant requirements.
- Funding several workers' compensation settlements negotiated.
- Funding a transfer to the utility fund to correct for prior fiscal years (2012 and 2017) incorrect debt amortization allocations.
- Funding retiree health insurance premiums and contribution-based benefit cap liability for a retired employee as required by state law.
- Funding separation pay incorrectly terminated early in prior years.
- Additional contract services necessary to assist with reconstruction of records for the 2019 audit.
- Funding transfers to establish special revenue funds for restricted contributions and donations for Police, Parks and Recreation and Community Relations departments.
- The Utility fund purchased sewer capacity from the Town of Fremont.
- The Utility fund had several unexpected major water and sewer line repairs caused by contractors.

Several significant differences occurred between the final amended budget and actual results:

- Ad valorem taxes fell short of the budgeted amount by approximately \$44 thousand dollars.
- Local option sales and use taxes fell short of the budgeted amount by approximately \$512 thousand dollars, and utility franchise taxes fell short of the budgeted amount by \$275 thousand dollars.
- FEMA reimbursements fell short of the budgeted amounts by approximately \$297 thousand dollars.
- Other grants fell short of the budgeted amounts by approximately \$376 thousand dollars.

- Overall expenditures were less than budgetary estimates, due to vacant positions and reduction in spending by all departments.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to \$5,953,461. The total increase in net position for the funds was \$71,744. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

Capital asset and debt administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$164,271,099 (net of accumulated depreciation). These assets include buildings, plant and distribution systems, streets, land, equipment, and vehicles.

The significant capital asset additions during the year were:

Governmental Activities

- Construction in progress increased \$2,123,068 overall. The Bryan Multi-Sports Complex was placed in service in 2020 and reduced construction in progress \$7,092,984. Construction in progress increased \$341,041 for the 2018 Street Paving Project, \$2,190,526 for the Police and Fire Complex Renovation project, and \$5,685,093 for the TIGER VIII Streetscape project. Work in process related to information technology items and police vehicles and other rolling stock not yet ready to be placed in service increased \$1,910,176.
- Equipment totaling \$963,186, with the more significant purchases as follows:
 - Building Maintenance division utility tractor with flail mower \$100,318
 - Solid Waste division Kenworth Grappler Truck with Container \$215,386 and Isuzu 8-yard rear loader \$101,222
 - Fire department SCBA air packs \$51,313
 - Police department 35 radio units totaling \$123,078
 - Information Technology 2 Intelliflash hybrid flash expansion shelf \$78,100
- Buildings and improvements totaling \$7,475,044 were placed in service with the most significant cost being various improvements for the Bryan Multi-Sports Complex totaling \$7,092,984, the greenway improvements on Wayne Memorial Drive from fiscal years 2015, 2018 and 2020 totaling \$228,214, and 3 bus shelters constructed for a total of \$13,433.
- Land acquired through foreclosure resulted in the City obtaining 4 parcels of land at \$4,945. The City also purchased .11 acres at 800 W. Grantham Street from the NC Department of Transportation for \$286 which was adjacent to 808 W. Grantham Street owned by the City.

Business-Type Activities

- Construction in progress decreased \$965,181 overall. Advanced Metering Infrastructure (AMI) was placed in service in 2020 and reduced construction in progress \$6,095,947. Construction in progress increased \$3,503,851 for the Phase IV Sewer Rehabilitation, and for several other small capital projects.
- Vehicles and motor equipment totaling \$171,767, with the more significant purchases as follows:
 - Stormwater division Freightliner truck \$89,993

City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2020

- Equipment totaling \$574,168, with the more significant purchases as follows:
 - Compost division stationary mixer and conveyor \$194,785
 - Meter services and billing AMI equipment \$107,811
 - Stormwater division Bobcat excavator \$66,334
 - Distributions and collections division cab tractor \$63,065
 - Wastewater division telemetry power equipment \$60,000
- Plant, buildings and improvements totaling \$66,340, with the more significant purchases as follows:
 - Water plant division connect fiber to Jordan water filtration plant \$42,975

The City's capital assets are summarized in the following table:

Table 3
City of Goldsboro, North Carolina
Condensed Statement of Capital Assets (net of depreciation)
As of June 30,

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets not depreciated:						
Land	\$ 7,483,921	\$ 7,483,906	\$ 1,443,282	\$ 1,443,282	\$ 8,927,203	\$ 8,927,188
Construction-in-progress	16,664,949	14,541,881	9,689,545	10,654,726	26,354,494	25,196,607
Assets depreciated, net:						
Buildings	21,340,914	14,995,568	-	-	21,340,914	14,995,568
Plant and distribution systems	-	-	56,792,995	59,313,383	56,792,995	59,313,383
Furniture and equipment	1,524,455	877,921	7,178,444	1,486,310	8,702,899	2,364,231
Vehicles and motor equipment	4,470,099	5,378,202	1,725,268	1,966,407	6,195,367	7,344,609
Infrastructure	35,957,227	37,732,081	-	-	35,957,227	37,732,081
Total	\$ 87,441,565	\$ 81,009,559	\$ 76,829,534	\$ 74,864,108	\$ 164,271,099	\$ 155,873,667

Additional information on the City's capital assets can be found on pages 36-38 of this report.

Long-term debt. As of June 30, 2020, the City had total capital related debt outstanding of \$60,203,958. General obligation bonds in the amount of \$18,883,000 is backed by the full faith and credit of the City, while the remainder represents several notes payable and capitalized leases which are collateralized by various assets of the City.

Table 4
City of Goldsboro, North Carolina
Condensed Statement of Long-Term Debt
As of June 30,

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 11,590,488	\$ 12,728,534	\$ 7,292,512	\$ 8,099,466	\$ 18,883,000	\$ 20,828,000
Premium on bonds	843,317	913,843	514,088	565,497	1,357,405	1,479,340
Capitalized leases	985,315	1,285,357	-	-	985,315	1,285,357
Notes payable	19,826,854	23,947,101	19,151,384	16,870,664	38,978,238	40,817,765
Total	\$ 33,245,974	\$ 38,874,835	\$ 26,957,984	\$ 25,535,627	\$ 60,203,958	\$ 64,410,462

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$170,381,000.

Other long-term liabilities for various employee benefits are not included in this analysis. Additional information regarding the City's long-term debt can be found on pages 49-54 of this report.

Economic factors and next year's budgets and rates

The average unemployment rate for Goldsboro is currently 7.10 percent. The statewide and the national average unemployment rates for fiscal year 2020 is 11.1 percent.

Budget highlights for the fiscal year ending June 30, 2021

Governmental activities: The City's adopted budget for 2021 included no change to the existing rate of 65 cents per \$100 valuation. The City implemented a \$1 per month recycling surcharge to help with escalating recycling disposal fees. Revenues from shared state revenues and property taxes remain flat. The retirement contribution rate increased from 9.02% to 10.21% for general employees, and from 9.7% to 10.84% for law enforcement. There were no cost of living or merit raises included with the adopted budget, however the City incorporated a recommendation from the Evergreen compensation and class study to bring 65 employees to the new minimum of the salary grade.

Business-type activities: Water and sewer usage are expected to remain constant in FY 2020-2021 despite the COVID-19 pandemic. There was a 17.5 percent increase for all water and sewer rates and classes, and all other utility service rates and charges remained the same. The City continues to sell water to the County's water districts, which includes Fork Township this fiscal year.

Requests for information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional financial information should be directed to the Director of Finance, City of Goldsboro, P.O. Drawer A, Goldsboro, North Carolina 27533.

Basic Financial Statements

The basic financial statements for the City of Goldsboro consist of both government-wide and fund financial statements of the City of Goldsboro.

City of Goldsboro
Statement of Net Position
June 30, 2020

Exhibit 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 5,862,071	\$ 5,127,735	\$ 10,989,806
Receivables, net	1,776,111	3,350,707	5,126,818
Due from other governments	4,637,887	2,017,788	6,655,675
Inventories and prepaids	257,212	580,572	837,784
Restricted assets:			
Cash and investments	5,108,802	1,742,417	6,851,219
Notes receivable	300,000	-	300,000
Capital assets, net:			
Assets not being depreciated	24,148,870	11,132,827	35,281,697
Other capital assets, net of depreciation	63,292,695	65,696,707	128,989,402
Total assets	105,383,648	89,648,753	195,032,401
DEFERRED OUTFLOWS OF RESOURCES	5,479,031	1,122,758	6,601,789
LIABILITIES			
Accounts payable and accrued liabilities	3,655,481	1,475,601	5,131,082
Estimated claims payable	466,775	-	466,775
Accrued interest payable	378,177	116,476	494,653
Customer deposits	40,071	1,191,082	1,231,153
Unearned revenue	-	13,864	13,864
Long-term liabilities:			
Due within one year	4,381,375	2,757,396	7,138,771
Due in more than one year	47,186,345	26,966,276	74,152,621
Total liabilities	56,108,224	32,520,695	88,628,919
DEFERRED INFLOWS OF RESOURCES	2,417,768	462,793	2,880,561
NET POSITION			
Net investment in capital assets	59,410,166	50,776,484	110,186,650
Restricted for:			
Stabilization by State Statute	5,044,550	-	5,044,550
Public safety	333,909	-	333,909
Capital outlay	3,241,584	-	3,241,584
Cemetery maintenance	294,478	-	294,478
Receivables held in abeyance	57,891	1,058,078	1,115,969
Unrestricted	(16,045,891)	5,953,461	(10,092,430)
Total net position	\$ 52,336,687	\$ 57,788,023	\$ 110,124,710

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 3,344,174	\$ 70,089	\$ 27,353	\$ -
Public safety	17,282,752	376,336	299,045	-
Transportation	3,879,162	70,128	1,310,490	4,274,200
Economic and physical development	5,295,646	7,905	982,431	-
Environmental protection	4,278,685	4,049,875	2,497,458	-
Cultural and recreation	5,326,874	1,058,688	-	55,000
Interest on long-term debt	557,062	-	-	-
Total governmental activities	39,964,355	5,633,021	5,116,777	4,329,200
Business-type activities				
Utilities	19,387,215	17,581,014	-	336,324
Stormwater	924,675	1,536,198	-	-
Total business-type activities	20,311,890	19,117,212	-	336,324
Total primary government	<u>\$ 60,276,245</u>	<u>\$ 24,750,233</u>	<u>\$ 5,116,777</u>	<u>\$ 4,665,524</u>

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Governmental activities			
General government	\$ (3,246,732)	\$ -	\$ (3,246,732)
Public safety	(16,607,371)	-	(16,607,371)
Transportation	1,775,656	-	1,775,656
Economic and physical development	(4,305,310)	-	(4,305,310)
Environmental protection	2,268,648	-	2,268,648
Cultural and recreation	(4,213,186)	-	(4,213,186)
Interest on long-term debt	(557,062)	-	(557,062)
Total governmental activities	(24,885,357)	-	(24,885,357)
Business-type activities			
Utilities	-	(1,469,877)	(1,469,877)
Stormwater	-	611,523	611,523
Total business-type activities	-	(858,354)	(858,354)
Total primary government	(24,885,357)	(858,354)	(25,743,711)
General revenues			
Taxes:			
Property taxes, levied for general purpose	16,534,709	-	16,534,709
Other taxes and licenses	1,304,724	-	1,304,724
Grants and contributions not restricted to specific programs	11,652,463	-	11,652,463
Unrestricted investment earnings	153,374	61,710	215,084
Miscellaneous	309,017	1,214,388	1,523,405
Total general revenues	29,954,287	1,276,098	31,230,385
Transfers	346,000	(346,000)	-
Total general revenues and transfers	30,300,287	930,098	31,230,385
Change in net position	5,414,930	71,744	5,486,674
Net position			
Beginning balances - as restated	46,921,757	57,716,279	104,638,036
Ending balances	\$ 52,336,687	\$ 57,788,023	\$ 110,124,710

City of Goldsboro
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3
(2 pages)

	Major Funds			
	General Fund	FY 2016 TIGER Discretionary Grant Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,473,574	\$ 403,887	\$ 984,610	\$ 5,862,071
Receivables (net):				
Property taxes receivable	539,879	-	5,879	545,758
Accounts receivable	1,063,770	-	-	1,063,770
Interest receivable	-	-	42,000	42,000
Due from other governments	3,889,108	315,934	432,845	4,637,887
Due from other funds	247,729	-	-	247,729
Inventories and prepaids	257,212	-	-	257,212
Restricted assets:				
Cash and investments	2,278,091	-	2,830,711	5,108,802
Notes receivable	-	-	300,000	300,000
Total assets	<u>\$ 12,749,363</u>	<u>\$ 719,821</u>	<u>\$ 4,596,045</u>	<u>\$ 18,065,229</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,308,755	\$ 659,521	\$ 489,156	\$ 2,457,432
Accrued compensation payable	1,183,627	-	14,422	1,198,049
Due to other funds	-	-	247,729	247,729
Customer deposits	40,071	-	-	40,071
Total liabilities	<u>2,532,453</u>	<u>659,521</u>	<u>751,307</u>	<u>3,943,281</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,132,352</u>	<u>-</u>	<u>347,879</u>	<u>1,480,231</u>
FUND BALANCES				
Nonspendable:				
Inventories and prepaids	257,212	-	-	257,212
Restricted:				
Stabilization by state statute	5,044,550	-	-	5,044,550
Public safety	18,334	-	-	18,334
Transportation	-	60,300	2,278,337	2,338,637
Cemetery maintenance	294,478	-	-	294,478
Economic and physical development	-	-	736,590	736,590
Public safety	-	-	315,575	315,575
Cultural and recreational	-	-	166,357	166,357
Committed:				
Environmental protection	2,135,411	-	-	2,135,411
Cultural and recreational	10,260	-	-	10,260
Economic and physical development	840	-	-	840
Assigned:				
Subsequent year's expenditures	12,964	-	-	12,964
Unassigned	<u>1,310,509</u>	<u>-</u>	<u>-</u>	<u>1,310,509</u>
Total fund balances	<u>9,084,558</u>	<u>60,300</u>	<u>3,496,859</u>	<u>12,641,717</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,749,363</u>	<u>\$ 719,821</u>	<u>\$ 4,596,045</u>	<u>\$ 18,065,229</u>

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

**Reconciliation of the governmental funds' Balance Sheet to the
Statement of Net Position**

Total fund balances		\$ 12,641,717
Reconciliation of amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources; therefore, the assets are not reported in the funds:		
Historical cost or estimated fair value/acquisition value:		
Assets not subject to depreciation	24,148,870	
Assets subject to depreciation	<u>130,169,510</u>	
Total cost	154,318,380	
Less:		
Accumulated depreciation	<u>(66,876,815)</u>	
Capital assets, net of accumulated depreciation		87,441,565
Deferred outflows of resources are not financial resources; therefore, the amounts are not reported in the funds:		
Local Government Employees' Retirement System ("LGERS")		4,387,690
Law Enforcement Officers' Special Separation Allowance ("LEO")		586,769
Other post employment benefits ("OPEB")		358,728
Deferred loss on sale of refunding bonds		145,844
Certain assets are not available to pay for current period expenditures; therefore, the balances are deferred in the funds:		
Property taxes receivable		545,758
Other receivables that are not available		934,473
Accrued interest receivable on unpaid property taxes		124,583
Long-term liabilities are not due and payable in the current period; therefore, the liabilities are not recognized and accrued in the funds:		
Bonds payable		(11,590,488)
Premium on bonds payable		(843,317)
Capitalized leases payable		(985,315)
Notes payable		(19,826,854)
Compensated absences payable		(1,699,234)
Net pension liability - LGERS		(7,464,257)
Total pension liability - LEO		(3,418,052)
Total OPEB liability		(5,740,203)
Deferred inflows of resources do not require financial resources; therefore, the amounts are not reported in the funds:		
LGERS		(125,468)
LEO		(132,423)
OPEB		(2,159,877)
Other accrual adjustments that do not require current financial resources; therefore, the liabilities are not recognized and accrued in the funds:		
Estimated claims payable (incurred but not reported)		(466,775)
Interest payable		<u>(378,177)</u>
Net position of governmental activities		<u>\$ 52,336,687</u>

City of Goldsboro
Statement of Revenues and Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

Exhibit 4
(2 pages)

	Major Funds			
	General Fund	FY 2016 TIGER Discretionary Grant Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 16,508,301	\$ -	\$ 92,325	\$ 16,600,626
Other taxes and licenses	309,715	-	995,009	1,304,724
Unrestricted intergovernmental	12,814,943	-	-	12,814,943
Restricted intergovernmental	4,131,596	4,274,200	943,848	9,349,644
Permits and fees	373,171	-	-	373,171
Sales and services	5,232,772	-	27,744	5,260,516
Investment earnings	86,073	-	67,301	153,374
Donations and sponsorships	27,748	-	55,000	82,748
Miscellaneous	274,031	-	47,905	321,936
Total revenues	39,758,350	4,274,200	2,229,132	46,261,682
EXPENDITURES				
Current:				
General government	3,006,377	-	-	3,006,377
Public safety	18,355,956	-	-	18,355,956
Transportation	2,381,361	5,685,094	341,040	8,407,495
Economic and physical development	1,557,776	-	3,672,068	5,229,844
Environmental protection	4,338,655	-	-	4,338,655
Cultural and recreational	4,695,670	-	66,036	4,761,706
Debt service:				
Principal retirement	4,671,807	-	297,000	4,968,807
Interest and other charges	586,292	-	42,000	628,292
Total expenditures	39,593,894	5,685,094	4,418,144	49,697,132
Revenues over (under) expenditures	164,456	(1,410,894)	(2,189,012)	(3,435,450)
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	-	1,104,658	695,772	1,800,430
Transfer to other funds	(2,048,958)	-	(100,000)	(2,148,958)
Sale of capital assets	65,931	-	-	65,931
Issuance of debt	105,000	-	-	105,000
Other financing sources (uses), net	(1,878,027)	1,104,658	595,772	(177,597)
Net change in fund balances	(1,713,571)	(306,236)	(1,593,240)	(3,613,047)
FUND BALANCES				
Beginning balances	10,787,621	366,536	5,090,099	16,244,256
Change in reserve for inventories	10,508	-	-	10,508
Ending balances	\$ 9,084,558	\$ 60,300	\$ 3,496,859	\$ 12,641,717

City of Goldsboro
Statement of Revenues and Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

Exhibit 4
(2 pages)

Reconciliation of the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

Net change in fund balances - total governmental funds \$ (3,613,047)

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures; however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay	\$ 10,569,413	
Depreciation expense	(4,132,477)	6,436,936

Inventories are a use of current financial resources and therefore reported as an expenditure in the governmental funds.

10,508

Deferred outflows of resources represents a consumption of net position that applies to a future period and so is not recognized as an expense in the current year.

LGERS	(857,009)	
LEO	243,462	
OPEB	203,108	
Deferred loss on debt refunding	(18,733)	(429,172)

Revenues not recognized in the fund statements because they are not considered available and do not provide current financial resources.

Net change in property taxes receivable	(108,324)	
Net change in accrued interest on unpaid property taxes	42,407	
Net change in other deferred balances	(1,162,480)	(1,228,397)

Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	(219,566)	
Net change in interest payable	19,437	
Net change in estimated claims payable	25,567	
Pension expense - LGERS	(733,984)	
Pension expense - LEO	(249,394)	
OPEB expense	(232,819)	(1,390,759)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Long-term debt issued	(105,000)	
Reallocation of debt to utility fund	694,528	
Principal retirement	4,968,807	
Amortization of bond premiums	70,526	5,628,861

Total changes in net position of governmental activities	\$ 5,414,930
--	--------------

City of Goldsboro
Statement of Revenues and Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2020

Exhibit 5

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$ 16,572,791	\$ 16,728,740	\$ 16,508,301	\$ (220,439)
Other taxes and licenses	332,034	332,034	309,715	(22,319)
Unrestricted intergovernmental	13,672,161	13,672,161	12,814,943	(857,218)
Restricted intergovernmental	2,325,378	2,358,717	1,857,507	(501,210)
Permits and fees	383,449	397,422	373,171	(24,251)
Sales and services	4,654,496	4,758,815	5,232,772	473,957
Investment earnings	66,174	66,174	85,941	19,767
Miscellaneous	616,311	664,970	260,476	(404,494)
Total revenues	38,622,794	38,979,033	37,442,826	(1,536,207)
EXPENDITURES				
Current:				
General government	2,619,903	3,226,868	3,006,377	220,491
Transportation	2,487,678	2,491,734	2,381,361	110,373
Economic and physical development	1,871,886	2,042,921	1,544,594	498,327
Public safety	19,271,303	19,621,909	18,295,821	1,326,088
Environmental protection	3,672,985	4,122,077	3,882,972	239,105
Cultural and recreational	4,693,462	5,090,837	4,685,224	405,613
Debt service:				
Principal retirement	4,642,417	4,735,705	4,671,807	63,898
Interest and other charges	452,487	586,292	586,292	-
Total expenditures	39,712,121	41,918,343	39,054,448	2,863,895
Revenues under expenditures	(1,089,327)	(2,939,310)	(1,611,622)	1,327,688
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(768,658)	(1,881,430)	(2,059,938)	(178,508)
Sale of capital assets	156,726	156,726	65,931	(90,795)
Issuance of debt	1,064,396	1,169,396	-	(1,169,396)
Other financing sources (uses), net	452,464	(555,308)	(1,889,007)	(1,333,699)
Fund balance appropriated	636,863	3,494,618	-	(3,494,618)
Net change in fund balance	\$ -	\$ -	(3,500,629)	\$ (3,500,629)
FUND BALANCE				
Beginning balance			10,402,937	
Change in reserve for inventories			10,508	
Ending balance			6,912,816	
LEGALLY BUDGETED FUNDS THAT ARE CONSOLIDATED INTO THE GENERAL FUND FOR REPORTING PURPOSES:				
Hurricane Florence FEMA 4393 DR-NC Grant Project:				
Beginning fund balance			374,346	
Revenues			2,216,748	
Expenditures			(455,683)	
Other public safety projects:				
Beginning fund balance			10,338	
Revenues			75,028	
Expenditures			(60,135)	
Other cultural and recreational projects:				
Revenues			12,075	
Expenditures			(10,446)	
Transfers from other funds			8,631	
Other economic and physical deveopment projects:				
Revenues			11,673	
Expenditures			(13,182)	
Transfers from other funds			2,349	
General Fund ending balance (Exhibit 4)			\$ 9,084,558	

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

City of Goldsboro
Statement of Net Position
Proprietary Funds
June 30, 2020

Exhibit 6

	Utility Fund	Storm Water Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 3,845,111	\$ 1,282,624	\$ 5,127,735
Accounts receivable, net	3,138,977	211,730	3,350,707
Due from other governments	2,017,788	-	2,017,788
Inventories	580,572	-	580,572
Restricted assets:			
Cash and investments	1,742,417	-	1,742,417
Total current assets	11,324,865	1,494,354	12,819,219
Noncurrent assets:			
Capital assets:			
Land and construction-in-progress	11,132,827	-	11,132,827
Other capital assets, net	65,050,231	646,476	65,696,707
Total noncurrent assets	76,183,058	646,476	76,829,534
Total assets	87,507,923	2,140,830	89,648,753
DEFERRED OUTFLOWS OF RESOURCES	1,038,168	84,590	1,122,758
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,445,991	29,610	1,475,601
Accrued interest payable	113,194	3,282	116,476
Customer deposits	1,191,082	-	1,191,082
Unearned revenue	13,864	-	13,864
Current portion of:			
Compensated absences payable	16,900	7,500	24,400
Notes payable	1,600,988	114,920	1,715,908
Bonds payable	1,017,088	-	1,017,088
Total current liabilities	5,399,107	155,312	5,554,419
Noncurrent liabilities:			
Net pension liability	1,136,798	143,903	1,280,701
Total OPEB liability	1,033,854	138,876	1,172,730
Compensated absences payable	277,443	10,413	287,856
Notes payable	17,195,496	239,980	17,435,476
Bonds payable	6,789,513	-	6,789,513
Total noncurrent liabilities	26,433,104	533,172	26,966,276
Total liabilities	31,832,211	688,484	32,520,695
DEFERRED INFLOWS OF RESOURCES	408,119	54,674	462,793
NET POSITION			
Net investment in capital assets	50,484,908	291,576	50,776,484
Restricted - accounts receivable held in abeyance	1,058,078	-	1,058,078
Unrestricted	4,762,775	1,190,686	5,953,461
Total net position	\$ 56,305,761	\$ 1,482,262	\$ 57,788,023

City of Goldsboro
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2020

Exhibit 7

	Utility Fund	Stormwater Fund	Total
Operating revenues			
Charges for service	\$ 17,518,725	\$ 1,536,198	\$ 19,054,923
Assessments	14,811	-	14,811
Water and sewer taps	34,125	-	34,125
Other operating revenues	13,353	-	13,353
Total operating revenues	17,581,014	1,536,198	19,117,212
Operating expenses			
Salaries and employee benefits	4,241,937	549,643	4,791,580
Operating expenses	9,315,400	282,829	9,598,229
Depreciation	4,890,945	80,202	4,971,147
Total operating expenses	18,448,282	912,674	19,360,956
Operating income (loss)	(867,268)	623,524	(243,744)
Nonoperating revenues (expenses)			
Other revenues	1,213,320	1,068	1,214,388
Investment earnings	54,210	7,500	61,710
Debt issuance costs	(34,627)	-	(34,627)
Interest expense	(904,306)	(12,001)	(916,307)
Nonoperating revenues (expenses), net	328,597	(3,433)	325,164
Net income (loss) before contributions and transfers	(538,671)	620,091	81,420
Capital contributions	336,324	-	336,324
Transfers to other funds	(346,000)	-	(346,000)
Change in net position	(548,347)	620,091	71,744
Net position			
Beginning balance - as restated	56,854,108	862,171	57,716,279
Ending balance	\$ 56,305,761	\$ 1,482,262	\$ 57,788,023

City of Goldsboro
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

Exhibit 8
(2 pages)

	Utility Fund	Stormwater Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 17,496,121	\$ 1,516,329	\$ 19,012,450
Cash paid for goods and services	(10,323,707)	(290,568)	(10,614,275)
Cash paid to employees for services	(3,743,926)	(505,491)	(4,249,417)
Other nonoperating revenue	1,213,320	-	1,213,320
Net cash provided by operating activities	4,641,808	720,270	5,362,078
Cash flows from noncapital financing activities:			
Cash received from governmental agencies	-	1,068	1,068
Decrease in due from other funds	290,592	-	290,592
Transfers to other funds	(346,000)	-	(346,000)
Net cash provided (used) by noncapital financing activities	(55,408)	1,068	(54,340)
Cash flows from capital and related financing activities:			
Proceeds from the issuance of long-term debt	1,157,668	-	1,157,668
Principal paid on long-term debt	(1,563,722)	(112,060)	(1,675,782)
Interest and fees paid on long-term debt	(929,439)	(13,025)	(942,464)
Debt issuance costs paid	(34,627)	-	(34,627)
Acquisition and construction of capital assets	(6,595,811)	(171,767)	(6,767,578)
Capital contributions - federal and state grants	336,324	-	336,324
Net cash used for capital and related financing activities	(7,629,607)	(296,852)	(7,926,459)
Cash flows from investing activities:			
Interest on investments	54,210	7,500	61,710
Net cash provided by investing activities	54,210	7,500	61,710
Net increase (decrease) in cash and cash equivalents	(2,988,997)	431,986	(2,557,011)
Cash and cash equivalents:			
Beginning balances	8,576,525	850,638	9,427,163
Ending balances	<u>\$ 5,587,528</u>	<u>\$ 1,282,624</u>	<u>\$ 6,870,152</u>
Cash and cash equivalents:			
Unrestricted	\$ 3,845,111	\$ 1,282,624	\$ 5,127,735
Restricted	1,742,417	-	1,742,417
Total cash and cash equivalents	<u>\$ 5,587,528</u>	<u>\$ 1,282,624</u>	<u>\$ 6,870,152</u>

City of Goldsboro
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

Exhibit 8
(2 pages)

	Utility Fund	Stormwater Fund	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (867,268)	\$ 623,524	\$ (243,744)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	4,890,945	80,202	4,971,147
Other nonoperating revenue	1,213,320	-	1,213,320
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(150,138)	(19,869)	(170,007)
Increase in due from other governments	111,612	-	111,612
Decrease in inventories	(91,996)	-	(91,996)
Decrease in:			
Deferred outflows of resources for pensions	28,494	-	28,494
Deferred outflows of resources for OPEB	39,003	26,794	65,797
Accounts payable and accrued liabilities	(1,001,300)	(5,290)	(1,006,590)
Increase in customer deposits	61,871	-	61,871
Decrease in unearned revenues	3,374	-	3,374
Increase (decrease) in compensated absences	38,253	(4,053)	34,200
Increase in net pension liability	211,064	301	211,365
Increase (decrease) in total OPEB liability	(143,527)	(20,769)	(164,296)
Increase (decrease) in:			
Deferred inflows of resources for pensions	2,408	(172)	2,236
Deferred inflows of resources for OPEB	295,693	39,602	335,295
Net cash provided by operating activities	<u>\$ 4,641,808</u>	<u>\$ 720,270</u>	<u>\$ 5,362,078</u>

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Goldsboro conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting entity

The City of Goldsboro (the "City") is a municipal corporation that is governed by an elected mayor and a six-member council. The City is required to include, as part of the reporting entity, any entities that meet the definition of a component unit. A component unit is a legally separate entity for which the City is financial accountable. The City has no component units.

B. Basis of presentation

Government-wide statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. The general fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, intergovernmental revenues, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, recreation and

sanitation services. The City has created funds and adopted ordinances for *Hurricane Florence FEMA 4393 DR-NC Grant Project*, *Edward Byrne Memorial Justice Assistance Grant Project*, *Police Other Restricted Revenue*, *Parks and Recreation Revenue*, and *Community Relations Revenue*. These funds are combined with the General Fund for financial statement purposes.

FY 2016 TIGER Discretionary Grant Capital Project Fund. This fund is established to account for and report a 2016 TIGER Discretionary Grant received by the City, to carry out the Goldsboro Main Street Revitalization through Transportation Investment II project.

The City reports the following major proprietary enterprise funds:

Utility Fund. This fund is established to account for the City's water and sewer services provided to residents of the City. This fund also covers acquisition and/or construction of major water and sewer capital facilities and infrastructure which are accounted for in various capital projects funds and are combined with the Utility Fund for financial statement purposes. The current active projects include the *Phase IV Sewer Collection Rehabilitation Project*, the *2010A Sanitary Sewer Improvements Project*, the *Sewer Rehabilitation Capital Project*, the *Water Line Replacement & Booster Pump Station Capital Project*, the *Plate Settlers Capital Project*, and the *Golden LEAF Stormwater & Sewer Infrastructure Capital Project*.

Storm Water Fund. This fund is established to account for the City's storm water services provided to residents of the City. Technically this is a nonmajor fund but, the City has elected to report this fund as a major fund for financial statement purposes.

The City reports the following other governmental fund types:

Nonmajor special revenue funds. These funds account for and report proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The City has the following nonmajor special revenue funds: *Community Development Fund*, *Downtown District Fund*, *Occupancy Tax Fund*, and the *Federal & State Drug Forfeiture Fund*.

Nonmajor capital project funds. These funds account for financial resources that are restricted, committed or assigned to be used for the acquisition and/or construction of capital facilities and other capital assets (other than those finance by proprietary funds) that the City will own. The City has the following nonmajor capital project funds: *Parks and Recreation FY 2019-2024 Capital Projects Fund*, *Street Improvements Capital Projects Fund* and the *Police/Fire Expansion Capital Project Fund*. The City has also adopted project ordinances for projects that have not started yet. Those projects are the *Herman Park Recreation Center Project* and *1919 LaFrance Fire Truck Restoration Project*.

C. Measurement focus and basis of accounting

In accordance with North Carolina General Statutes ("NCGS" or "G.S."), all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and proprietary fund financial statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving

(or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

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

D. Budgetary data

The City's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, special revenue funds, (excluding the Community Development Fund) and all enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Fund, capital project funds, and the funds combined with the General Fund. The enterprise

fund projects are consolidated with their respective operating fund for financial statement purposes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The City's budget officer can transfer appropriations within a department or between departments within a fund in an amount not to exceed 10% of the departmental appropriation without the approval of the governing body; however, any revisions that alter total expenditures of any fund in excess of the 10% threshold must be approved by the governing board. During the year several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, liabilities, deferred outflows/inflows of resources and fund equity

(1) Deposits and investments

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

G.S. 159-30(c) authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the NCCMT Term Portfolio had a duration of 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than six months.

In accordance with NCGS, the City may invest in securities which are callable, and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

(2) Cash and cash equivalents

The City pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments with an original maturity date of three months or less are considered cash and cash equivalents.

(3) Restricted assets

Restricted assets include the unexpended portion of debt proceeds for which the debt was originally issued. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Certain other cash balances are restricted by purpose and source. The City's restricted assets are summarized as follows:

Governmental activities:			
Police/Fire Department	Unexpended debt proceeds	\$	621,102
Vehicles	Unexpended debt proceeds		1,209,621
Street bonds	Unexpended debt proceeds		2,209,609
US Bank Police HVAC	Unexpended debt proceeds		534,906
Refuse Equipment	Unexpended debt proceeds		493,493

City of Goldsboro
Notes to Financial Statements

Customer deposits	40,071
Total governmental activities	<u>\$ 5,108,802</u>
Business-type activities:	
Utility Fund:	
NCCMT - sewer	Unexpended bond proceeds \$ 551,335
Customer deposits	<u>1,191,082</u>
Total business-type activities	<u>\$ 1,742,417</u>

(4) Ad valorem taxes receivable

In accordance with G.S. 105-347 and G.S. 159-13(a), the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019.

(5) Allowances for doubtful accounts

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

(6) Inventories and prepaid items

The inventories of the City are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased with adjustments made to inventory on hand at year end through a reserve for inventories.

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

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

(7) Capital assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003 consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported as estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Infrastructure	30 years
Improvements	10 to 20 years
Furniture and equipment	10 years

Vehicles	3 to 5 years
Computer software and equipment	3 to 5 years

(8) Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has three items that meets this criterion, OPEB and pension deferrals for the 2020 fiscal year and an unamortized loss on a bond defeasance for Water and Sewer Refunding bonds. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category - property taxes receivable, cemetery receivable, special assessments, miscellaneous receivables and prepaid assessments, and pension and OPEB deferrals.

(9) Long-term obligations

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

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

(10) Compensated absences

The vacation policies of the City provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Compensated absences are liquidated in the General Fund and each respective enterprise fund. The City has assumed a first-in, first-out ("FIFO") method of accounting for accumulated compensated time assuming employees are taking leave time as it is earned. The portion of the total balance estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the City provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the City.

(11) Net position/fund balances

Net position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either

(a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through state statute.

Fund balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Public safety - portion of fund balance that is restricted by grants and donations for certain law enforcement supplies.

Cemetery maintenance - portion of fund balance that is restricted for maintenance of the City's cemetery.

Other restrictions - portion of fund balances that are restricted by the restrictive nature of special revenue and capital project funds. These restrictions are classified by the functional nature of each fund (i.e. public safety, transportation, etc.).

Committed fund balance - portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by the most binding formal action (for example, legislation, resolution, ordinance) of the majority vote by quorum of City of Goldsboro's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation

imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for environmental protection - portion of fund balance designated by the Board for repairs resulting from Hurricane Florence.

Other commitments - portion of fund balances that are designated by the Board for specific uses in line with nature of the related revenue sources. These commitments are classified by the functional nature of each fund (i.e. cultural and recreational, economic and physical development, etc.).

Assigned fund balance - portion of fund balance the City intends to use for specific purposes as designated by the governing body.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resources or appropriation within funds in an amount not to exceed 10% of the departmental appropriation.

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

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

The City has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that available fund balance will target at the close of each fiscal year equal to 15% of the general fund operating budget; at no time shall the available fund balance fall below 10% of the general fund operating budget.

(12) Defined benefit cost-sharing plans

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

(13) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance and Accountability

A. Significant violations of finance-related legal and contractual provisions

(1) Contractual violations

Pursuant to the City's continuing disclosure undertakings with respect to its outstanding general obligation bonds, the City is obligated to make annual disclosure of certain financial and statistical data for each fiscal year, by filing such information with the Electronic Municipal Market Access ("EMMA") Service within seven months after the end of each fiscal year (January 31st). The City failed to file the requisite financial and statistical data for the fiscal year ended June 30, 2019 by January 31, 2020, which is a material event disclosed on EMMA. Such financial and statistical data was submitted on February 12, 2021. The delay was caused by a turnover of management in the City's finance department. The new Finance Director has established written procedures to ensure annual reporting requirements are completed in a timely manner.

(2) Timeliness of audit

The audit report was issued 13 months after the required due date of January 31, 2021. The City intends to complete the FY 2021 audit by June 30, 2022, and to complete the FY 2022 by the statutory due date.

3. Detail Notes on All Funds

A. Assets

(1) Deposits and investments

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

The City's bank deposits had a carrying amount of \$8,385,741 and a bank balance of \$9,096,163 on June 30, 2020. The portion of the bank balance covered by federal depository insurance was \$750,000 and the remainder of the bank balance was covered by collateral held under the Pooling Method. The City's cash on hand was \$3,156 at June 30, 2020.

City of Goldsboro
Notes to Financial Statements

(2) Investments

The City's investment balances as of June 30, 2020 consist of the following:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Value</u>	<u>Less than 6 Months</u>	<u>6-12 Months</u>	<u>Rating</u>
NCCMT - Government Portfolio	Level 1	\$ 3,762,169	\$ 3,762,169	\$ -	AAAm
NCCMT - Term Portfolio	Level 1	5,689,959	5,689,959	-	Unrated
Total investments		<u>\$ 9,452,128</u>	<u>\$ 9,452,128</u>	<u>\$ -</u>	

* The NCCMT Term Portfolio has a weighted average maturity of less than 90 days; therefore, it is presented as an investment with a maturity of less than 6 months.

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

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's internal investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months.

Credit Risk. The City has no formal policy regarding credit risk but, it has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City's investment in the NCCMT Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2020. The City's investment in the NCCMT Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under G.S. 159-30 as amended.

(3) Receivables - allowances for doubtful accounts

The City's receivable balances as of June 30, 2020, were presented net of an estimate for doubtful accounts as follows:

<u>Governmental Activities</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes receivable	\$ 716,078	\$ 5,879	\$ 721,957
Accounts receivable	2,714,708	-	2,714,708
Interest receivable	124,583	42,000	166,583
Allowance for doubtful accounts	(1,951,720)	-	(1,951,720)
Net governmental activities	<u>\$ 1,603,649</u>	<u>\$ 47,879</u>	<u>\$ 1,651,528</u>
 <u>Business-Type Activities</u>	 <u>Utility Fund</u>	 <u>Storm Water Fund</u>	 <u>Total</u>
Accounts receivable	\$ 4,729,659	\$ 283,675	\$ 5,013,334
Allowance for uncollectible	(1,590,682)	(71,945)	(1,662,627)
Net business-type activities	<u>\$ 3,138,977</u>	<u>\$ 211,730</u>	<u>\$ 3,350,707</u>

City of Goldsboro
Notes to Financial Statements

Due from other governments that is owed to the City consists of the following:

	Governmental Activities	Business-Type Activities
North Carolina Department of Revenue:		
Local option sales tax	\$ 2,467,106	\$ -
Refund of sales and use taxes	613,414	25,908
Franchise and other taxes	608,558	-
North Carolina Department of Environmental Quality:		
Grants	-	1,991,880
North Carolina Department of Transportation:		
Grants	26,764	-
Federal government:		
Grants	579,094	-
Wayne County:		
Property taxes	230,411	-
Other	<u>112,540</u>	<u>-</u>
Total due from other governments	<u>\$ 4,637,887</u>	<u>\$ 2,017,788</u>

(4) Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,483,906	\$ 4,945	\$ (4,930)	\$ 7,483,921
Construction-in-progress	<u>14,541,881</u>	<u>9,331,583</u>	<u>(7,208,515)</u>	<u>16,664,949</u>
Total	<u>22,025,787</u>	<u>9,336,528</u>	<u>(7,213,445)</u>	<u>24,148,870</u>
Capital assets being depreciated:				
Buildings	24,285,491	7,475,044	-	31,760,535
Equipment	3,724,069	963,186	-	4,687,255
Streets and improvements	77,445,170	3,170	-	77,448,340
Vehicles and motor equipment	<u>16,576,304</u>	<u>-</u>	<u>(302,924)</u>	<u>16,273,380</u>
Total	<u>122,031,034</u>	<u>8,441,400</u>	<u>(302,924)</u>	<u>130,169,510</u>
Less accumulated depreciation:				
Buildings	9,289,923	1,129,698	-	10,419,621
Equipment	2,846,148	316,652	-	3,162,800
Streets and improvements	39,713,089	1,778,024	-	41,491,113
Vehicles and motor equipment	<u>11,198,102</u>	<u>908,103</u>	<u>(302,924)</u>	<u>11,803,281</u>
Total	<u>63,047,262</u>	<u>4,132,477</u>	<u>(302,924)</u>	<u>66,876,815</u>
Depreciable assets, net	<u>58,983,772</u>	<u>4,308,923</u>	<u>-</u>	<u>63,292,695</u>
Capital assets, net	<u>\$ 81,009,559</u>	<u>\$ 13,645,451</u>	<u>\$ (7,213,445)</u>	<u>\$ 87,441,565</u>

City of Goldsboro
Notes to Financial Statements

A breakdown of depreciation expense by function at June 30, 2020 is as follows:

Depreciation expense:	
General government	\$ 424,927
Public safety	668,286
Transportation	1,714,130
Economic and physical development	19,427
Environmental protection	277,225
Cultural and recreational	<u>1,028,482</u>
Total depreciation expense	<u>\$ 4,132,477</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
<u>Utility Fund:</u>				
Capital assets not being depreciated:				
Land	\$ 1,443,282	\$ -	\$ -	\$ 1,443,282
Construction-in-progress	<u>10,654,726</u>	<u>6,096,769</u>	<u>(7,061,950)</u>	<u>9,689,545</u>
Total	<u>12,098,008</u>	<u>6,096,769</u>	<u>(7,061,950)</u>	<u>11,132,827</u>
Capital assets being depreciated:				
Plant and distribution systems	157,557,640	1,140,155	-	158,697,795
Furniture and maintenance equipment	2,789,441	6,562,304	-	9,351,745
Vehicles	<u>3,840,604</u>	<u>27,528</u>	<u>(217,383)</u>	<u>3,650,749</u>
Total	<u>164,187,685</u>	<u>7,729,987</u>	<u>(217,383)</u>	<u>171,700,289</u>
Less accumulated depreciation for:				
Plant and distribution systems	98,244,257	3,660,543	-	101,904,800
Furniture and maintenance equipment	1,303,131	939,918	-	2,243,049
Vehicles	<u>2,429,108</u>	<u>290,484</u>	<u>(217,383)</u>	<u>2,502,209</u>
Total	<u>101,976,496</u>	<u>4,890,945</u>	<u>(217,383)</u>	<u>106,650,058</u>
Depreciable assets, net	<u>62,211,189</u>	<u>2,839,042</u>	<u>-</u>	<u>65,050,231</u>
Utility Fund capital assets, net	<u>74,309,197</u>	<u>8,935,811</u>	<u>(7,061,950)</u>	<u>76,183,058</u>
<u>Storm Water Fund:</u>				
Capital assets being depreciated:				
Vehicles	634,654	96,183	-	730,837
Furniture and maintenance Equipment	<u>-</u>	<u>75,584</u>	<u>-</u>	<u>75,584</u>
Total	<u>634,654</u>	<u>171,767</u>	<u>-</u>	<u>806,421</u>
Less accumulated depreciation for:				
Vehicles	79,743	74,366	-	154,109
Furniture and maintenance Equipment	<u>-</u>	<u>5,836</u>	<u>-</u>	<u>5,836</u>
Total	<u>79,743</u>	<u>80,202</u>	<u>-</u>	<u>159,945</u>
Storm Water Fund capital assets, net	<u>554,911</u>	<u>91,565</u>	<u>-</u>	<u>646,476</u>
Business-type capital assets, net	<u>\$ 74,864,108</u>	<u>\$ 9,027,376</u>	<u>\$ (7,061,950)</u>	<u>\$ 76,829,534</u>

(5) Construction commitments

The City has active construction projects as of June 30, 2020. The projects include various water and sewer system projects and the ongoing projects in the General Fund. At June 30, 2020, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Police/Fire Expansion Project	\$ 6,187,144	\$ 66,551
Street paving and resurfacing	4,776,270	123,836
GWTA Concourse	33,230	11,073
Total governmental activities	<u>10,996,644</u>	<u>201,460</u>
Business-Type Activities:		
Phase IV Sewer Collection Rehabilitation Project	7,883,090	1,342,720
Sewer Line Rehabilitation	584,129	147,125
Water Line Replacement and Booster Pump Station	265,513	17,261
Total business-type activities	<u>8,732,732</u>	<u>1,507,106</u>
Total	<u>\$ 19,729,376</u>	<u>\$ 1,708,566</u>

B. Liabilities

(1) Pension plan obligations

(a) Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City were \$1,960,496 for the year ended June 30, 2020.

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The City reported a liability of \$8,744,958 for its proportionate share of the net pension liability on June 30, 2020. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. The City's proportion as of June 30, 2019 was 0.3202%, which was a decrease of 0.0087% from its proportion measured as of June 30, 2018.

The City recognized pension expense of \$3,820,378 for the year ended June 30, 2020. Deferred outflows of resources and deferred inflows of resources related to pensions were derived from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,497,358	\$ -
Changes of assumptions	1,425,283	-
Net difference between projected and actual earnings on pension plan investments	213,302	-
Changes in proportion and differences between employee contributions and proportionate share of contributions	44,081	146,996
Employer contributions subsequent to the measurement date	<u>1,960,496</u>	<u>-</u>
Total	<u>\$ 5,140,520</u>	<u>\$ 146,996</u>

\$1,960,496 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2021	\$ 1,514,058
2022	474,049
2023	829,499
2024	<u>215,422</u>
	<u>\$ 3,033,028</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00 percent) or 1 percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's proportionate share of the net pension liability (asset)	\$ 20,001,319	\$ 8,744,958	\$ (611,358)

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

(b) Law Enforcement Officers' Special Separation Allowance

1. Plan description

The City administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time City law enforcement officers are covered by the Separation Allowance. The Separation Allowance's membership at December 31, 2018 consisted of:

Retirees receiving benefits	18
Active plan members	<u>96</u>
Total	<u>114</u>

A separate report was not issued for the plan.

2. *Summary of significant accounting policies*

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

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

3. *Actuarial assumptions*

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

Inflation	2.50 percent
Projected salary increases	3.50 to 7.35 percent, including inflation
Discount rate	3.26 percent, including inflation

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. Mortality rates are based on the RP-2014 mortality tables with adjustments for mortality improvements based on Scale AA.

4. *Contributions*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the Separation Allowance on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$278,188 as benefits came due for the reporting period.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The City reported a total pension liability of \$3,418,052 at June 30, 2020. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions.

The City recognized pension expense of \$290,616 for the year ended June 30, 2020. Deferred outflows of resources and deferred inflows of resources related to the Separation Allowance were derived from the following sources:

City of Goldsboro
Notes to Financial Statements

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 132,750	\$ 25,611
Changes of assumptions	175,831	106,812
Benefit payments and plan administrative expense subsequent to the measurement date	<u>278,188</u>	<u>-</u>
Total	<u>\$ 586,769</u>	<u>\$ 132,423</u>

\$278,188 paid as benefits came due subsequent to the measurement date has been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ 35,839
2022	35,839
2023	41,169
2024	27,275
2025	<u>36,036</u>
Total	<u>\$ 176,158</u>

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.26 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	<u>\$ 3,714,808</u>	<u>\$ 3,418,052</u>	<u>\$ 3,148,739</u>

	<u>2020</u>
Changes in the Separation Allowance Total Liability:	
Beginning balance	\$ 3,126,017
Service cost	145,016
Interest on the total pension liability	109,761
Differences between expected and actual experience	152,980
Changes of assumptions or other inputs	105,476
Benefit payments	<u>(221,198)</u>
Ending balance	<u>\$ 3,418,052</u>

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Total expense, liabilities and deferred outflows and inflows of resources related to pensions

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 3,820,378	\$ 290,616	\$ 4,110,994
Pension liability	8,744,958	3,418,052	12,163,010
Proportionate share of the net pension liability	0.3202%	N/A	N/A
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 1,497,358	\$ 132,750	\$ 1,630,108
Changes of assumptions	1,425,283	175,831	1,601,114
Net difference between projected and actual earnings on plan investments	213,302	-	213,302
Changes in proportion and differences between contributions and proportionate share of contributions	44,081	-	44,081
Benefit payments and administrative costs paid subsequent to the measurement date	<u>1,960,496</u>	<u>278,188</u>	<u>2,238,684</u>
	<u>\$ 5,140,520</u>	<u>\$ 586,769</u>	<u>\$ 5,727,289</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 25,611	\$ 25,611
Changes of assumptions	-	106,812	106,812
Changes in proportion and differences between contributions and proportionate share of contributions	<u>146,996</u>	<u>-</u>	<u>146,996</u>
	<u>\$ 146,996</u>	<u>\$ 132,423</u>	<u>\$ 279,419</u>

(c) Supplemental Retirement Income Plan

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

Funding policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The City also contributes four percent of salary for all other full-time employees not engaged in law enforcement. The law enforcement officers and other employees may make voluntary contributions to the plan.

The City made contributions of \$938,815 for the reporting year, which included \$261,781 for law enforcement officers and \$677,034 for general employees. Employee contributions to the plan were \$745,040. No amounts were forfeited.

(2) Other post-employment benefits ("OPEB")

(a) **Healthcare benefits**

Plan description. Under the terms of a City resolution, The City administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The Plan provides post-employment healthcare benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System), were 55 years of age and have at least 20 years of experience with the City or participated in the System and have 30 years of experience with the City at any age. The retiree pays the full cost of the blended rate group health insurance premium. Also, retirees can purchase coverage for their dependents at the City's group rates if enrolled in dependent coverage at the time of retirement. Retirees coverages ends when the retiree becomes Medicare eligible. Dependent coverage continues after the retiree's death. City Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

	<u>2020</u>
Retirees and dependents receiving benefits	12
Active plan members	<u>436</u>
Total	<u><u>448</u></u>

Total OPEB liability

The City's total OPEB liability of \$6,912,933 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 %
Real wage growth	1.00 %
Wage inflation	3.50 %
Salary increases, including wage inflation	
General employees	3.50% to 7.75%
Firefighters	3.50% to 7.75%
Law enforcement officers	3.50% to 7.35%
Municipal Bond Index Rate:	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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

	<u>2020</u>
Changes in the Total OPEB Liability:	
Beginning balance	\$ 8,441,223
Service cost	420,672
Interest on the total OPEB liability	325,810
Differences between expected and actual experience in the measurement of the total OPEB liability	(2,264,511)
Changes of assumptions or other inputs	122,299
Benefit payments	<u>(132,560)</u>
Ending balance	<u>\$ 6,912,933</u>

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

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.50 percent) or 1 percentage-point higher (4.50 percent) than the current discount rate:

	<u>Discount Rate Sensitivity</u>		
	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	<u>\$ 7,685,737</u>	<u>\$ 6,912,933</u>	<u>\$ 6,222,722</u>

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

	<u>Healthcare Cost Trend Rate Sensitivity</u>		
	<u>1% Decrease (6.00%)</u>	<u>Current Cost Trend (7.00%)</u>	<u>1% Increase (8.00%)</u>
Total OPEB liability	<u>\$ 6,030,945</u>	<u>\$ 6,912,933</u>	<u>\$ 7,965,402</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$427,187. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,060,416
Changes of assumptions or other inputs	109,181	540,726
Benefit payments and plan administrative expense subsequent to the measurement date	<u>265,875</u>	<u>-</u>
Total	<u>\$ 375,056</u>	<u>\$ 2,601,142</u>

\$265,875 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ (319,295)
2022	(319,295)
2023	(319,295)
2024	(319,295)
2025	(319,295)
Thereafter	<u>(895,486)</u>
	<u>\$ (2,491,961)</u>

(b) *Death benefits*

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City made contributions to the State for death benefits of \$11,359 for the year ended June 30, 2020. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.07% and 0.14% of covered payroll, respectively. The City considers these contributions to be immaterial.

c. Additional death benefit

The City has elected to provide an additional death benefit to employees through a group life insurance policy. All employees are added to the policy on their first day of employment. There is no waiting period. The amount of benefit is \$20,000 per employee. Total premiums paid for the year were \$10,855.

(3) Deferred outflows and inflows of resources

The City has deferred outflows of resources and deferred inflows of resources at June 30, 2020 which consist of the following:

	<u>Modified Accrual</u>	<u>Full Accrual</u>
Deferred Outflows of Resources:		
Governmental Activities:		
Pension - LGERS	\$ -	\$ 4,387,690
Pension - LEO Special Separation Allowance	-	586,769
OPEB - Healthcare benefits	-	358,728
Deferred loss on sale of refunding bonds	-	145,844
	<u>-</u>	<u>145,844</u>
Total	<u>\$ -</u>	<u>\$ 5,479,031</u>
Business-Type Activities:		
Pension - LGERS	\$ -	\$ 752,830
OPEB - Healthcare benefits	-	16,329
Deferred loss on sale of refunding bonds	-	353,599
	<u>-</u>	<u>353,599</u>
Total	<u>\$ -</u>	<u>\$ 1,122,758</u>
Deferred Inflows of Resources:		
Governmental Activities:		
Property taxes receivable, net	\$ 545,758	\$ -
Notes receivable and related interest	342,000	-
Special assessments receivable	36,826	-
Receivables held in abeyance	57,891	-
Miscellaneous receivables	497,756	-
Pension - LGERS	-	125,468
Pension - LEO Special Separation Allowance	-	132,423
Healthcare benefits - OPEB	-	2,159,877
	<u>-</u>	<u>2,159,877</u>
Total	<u>\$ 1,480,231</u>	<u>\$ 2,417,768</u>
Business-Type Activities:		
Pension - LGERS	\$ -	\$ 21,528
Healthcare benefits - OPEB	-	441,265
	<u>-</u>	<u>441,265</u>
Total	<u>\$ -</u>	<u>\$ 462,793</u>

(4) Long-term obligations

(a) **Capital leases**

The City has entered into agreements to lease certain equipment. The lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The outstanding lease balances are summarized as follows:

On March 23, 2018, the City entered into a lease purchase agreement for \$478,000 with SunTrust Equipment Finance & Leasing Corp. for the purchase of equipment. The lease agreement is collateralized by all the equipment. The terms of the agreement require one annual payment of \$111,560 and four annual payments of 102,264 including interest at 3.04% per annum. The balance outstanding at June 30, 2020 was \$289,041.

On September 28, 2018, the City entered into a lease purchase agreement for \$450,000 with SunTrust Equipment Finance & Leasing Corp. for the purchase of technology equipment. The lease agreement is collateralized by all the equipment. The terms of the agreement require five annual payments of \$98,593 including interest at 3.21% per annum. The balance outstanding at June 30, 2020 was \$364,648.

On December 7, 2017, the City entered into a lease purchase agreement for \$515,000 with Musco Finance, LLC for the purchase of lighting system for athletic fields. The lease agreement is collateralized by the lighting system. The terms of the agreement require a down payment of \$16,000 and 59 monthly payments of \$9,218.49 including interest at 3.5% per annum. The balance outstanding at June 30, 2020 was \$264,432.

On September 15, 2019, the City entered into a lease purchase agreement for \$105,000 with PNC Equipment Finance for the purchase of used golf turf equipment. The lease agreement is collateralized by the equipment. The terms of the agreement require zero down and 24 monthly payments of \$4,989.35 including interest at 12.948% per annum. The balance outstanding at June 30, 2020 was \$67,193.

In all agreements, title passes to the City at the end of the lease term. The following is an analysis of the assets recorded under capital leases at June 30, 2020.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer equipment	\$ 352,408	\$ 239,092	\$ 113,316
Computer equipment	807,404	-	807,404
Lighting system	515,000	51,500	463,500
Used golf turf equipment	105,000	17,500	87,500
	<u>\$ 1,779,812</u>	<u>\$ 308,092</u>	<u>\$ 1,471,720</u>

Depreciation expense for these capital assets are included within total depreciation expense.

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

Year Ending June 30

2021	\$ 367,565
2022	325,500
2023	256,168
2024	98,593
Total minimum lease payments	1,047,826
Less: amount representing interest	(62,511)
Present value of the minimum lease payments	<u>\$ 985,315</u>

(b) General obligation bonds

All general obligation bonds serviced by the City's governmental funds are collateralized by the full faith, credit, and taxing power of the City. The City issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Utility Fund, are collateralized by the full faith, credit, and taxing power of the City. Principal and interest payments are appropriated when due.

The City's general obligation bonds payable at June 30, 2020 are comprised of the following individual issues:

Serviced by the General Fund:

\$1,705,000 2014 Public Improvements Serial Bonds due in varying annual principal installments and varying semi-annual interest installments through May 1, 2034, interest at 3.34 percent payable with each installment.	\$ 850,000
\$580,200 2011 Refunding Serial Bonds (Street Portion) due in varying annual principal installments and varying semi-annual interest installments through June 1, 2022, interest at 2.67 percent payable with each installment.	97,000
\$829,590 2013 Refunding Serial Bonds (Street Portion) due in varying annual principal installments and varying semi-annual interest installments through June 2025, interest at 1.75 percent payable with each installment.	373,488
\$5,500,000 2017 Public Improvement Bonds due in annual principal installments of \$275,000 through May 1, 2037 plus varying annual interest through May 1, 2037, interest at 3.00 to 5.00 percent payable with each installment.	4,675,000
\$1,691,900 2017 Refunding Bonds (Street Portion) due in varying annual principal installments through May 1, 2030 plus varying annual interest through May 1, 2030, interest at 3.00 to 4.00 percent payable with each installment.	1,320,000
\$4,500,000 2018 Street Improvement Bonds due in annual principal installments of \$225,000 through August 1, 2038 plus varying annual interest through August 1, 2038, interest at 3.00 to 5.00 percent payable with each installment.	<u>4,275,000</u>
Total bonds payable - governmental activities	<u>\$ 11,590,488</u>

Serviced by the Utility Fund:

\$2,469,410 2013 Refunding Serial Bonds (Sewer Portion) due in varying annual principle installments and varying semi-annual interest installments through June 1, 2025, interest at 1.75 percent payable with each installment	\$ 1,114,512
\$2,320,800 2011 Refunding Serial Bonds (Sewer Portion) due in varying annual principal installments and varying semi-annual interest installments through June 1, 2022, interest at 2.67 percent payable with each installment	388,000

City of Goldsboro
Notes to Financial Statements

\$5,733,100 2017 Refunding Bonds (Sewer Portion) due in varying annual principal installments and varying annual interest installments through May 1, 2030, interest at 3.00 to 4.00 percent payable with each installment	5,790,000
Total bonds payable - business-type activities	<u>\$ 7,292,512</u>

Annual debt service requirements to maturity for the City's outstanding bonds are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 969,320	\$ 434,102	\$ 965,680	\$ 249,764
2022	961,312	395,763	965,688	219,136
2023	911,555	357,261	808,445	188,320
2024	909,547	319,732	797,453	161,122
2025	898,754	281,897	770,246	134,229
2026-2030	2,990,000	934,655	2,985,000	303,000
2031-2035	2,500,000	448,421	-	-
2036-2039	<u>1,450,000</u>	<u>85,174</u>	<u>-</u>	<u>-</u>
	11,590,488	<u>\$ 3,257,005</u>	7,292,512	<u>\$ 1,255,571</u>
Unamortized premium on general obligation bonds	<u>843,317</u>		<u>514,089</u>	
Total carrying amount of debt	<u>\$ 12,433,805</u>		<u>\$ 7,806,601</u>	

(c) Notes payable

Serviced by the General Fund

On April 13, 2007, the City entered into a financing agreement for \$4,000,000 with BB&T to renovate City Hall. On March 16, 2012, the City refinanced this agreement with Bank of America. The installment agreement is collateralized by all real and personal property at City Hall. The terms of the new agreement require 20 semi-annual installments of varying amounts plus interest at 1.96% per annum beginning October 1, 2012. The balance outstanding at June 30, 2020 was \$505,000.

On September 10, 2008, the City entered into a financing agreement for \$4,500,000 with RBC Centura for the purchase of the Paramount Theater. On July 10, 2014, the City refinanced this agreement with Capital One Public Funding, LLC. The installment agreement is collateralized by all real and personal property acquired at the Paramount Theater. The terms of the new agreement require 10 semi-annual installments of varying amounts plus interest at 2.04% per annum beginning November 1, 2014. The balance outstanding at June 30, 2020 was \$1,000,000.

On July 10, 2014, the City entered into a financing agreement for \$4,558,000 with Capital One Public Funding LLC for the construction of a Transfer Facility, Police Complex Improvements and Center Street Streetscape Improvements. The installment agreement is collateralized by all real and personal property acquired at the Paramount Theater and City Hall. The terms of the new agreement require 20 semi-annual installments of varying amounts plus interest at 3.34 % per annum beginning November 1, 2014. The balance outstanding at June 30, 2020 was \$3,191,000.

On June 26, 2015, the City entered into a financing agreement for \$7,280,000 with Sterling National Bank for the construction of the W.A. Foster Recreation Center and renovations of the Goldsboro Event Center. The installment agreement is collateralized by all real and personal property acquired with the construction of W. A. Foster Recreation Center and Goldsboro Event Center Facility. The terms of the new agreement require 15 semi-annual installments of varying amounts plus interest at 2.91 % per annum beginning November 1, 2015. The balance outstanding at June 30, 2020 was \$4,852,000.

On March 8, 2016, the City entered into a financing agreement for \$1,206,590 with Banc of America Public Capital Corporation for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 58 monthly payments of varying amounts plus interest at 1.495% per annum. The balance outstanding at June 30, 2020 was \$245,386.

On March 16, 2017, the City entered into an intergovernmental agreement with the County of Wayne for a funding agreement for \$3,000,000 to assist with the Multi-Sports Complex project. The installment agreement is collateralized by equipment acquired with the loan. The terms of the agreement require 15 annual payments of \$200,000 plus interest at 1.50% per annum. The balance outstanding at June 30, 2020 was \$2,400,000.

On March 23, 2017, the City entered into a financing agreement for \$1,911,000 with Banc of America Public Capital Corporation for the purchase of AMI and vehicles. The installment agreement is collateralized by all the equipment acquired with the loan. The terms of the agreement require 15 annual payments of various amounts plus interest at 2.3615% per annum. The balance outstanding at June 30, 2020 was \$790,000.

On May 3, 2018, the City entered into a financing agreement for \$1,335,000 with Banc of America Public Capital Corporation for the purchase of vehicles and equipment. The installment agreement is collateralized by all the vehicles and equipment acquired with the loan. The terms of the agreement require 5 annual payments of various amounts plus interest at 2.7893% per annum. The balance outstanding at June 30, 2020 was \$819,000.

On September 13, 2018, the City entered into a financing agreement for \$5,300,000 with AMFU II, Inc. for the "Police/Fire Expansion Capital Project". The installment agreement is secured by a deed of trust that places a lien on the property. The terms of the agreement require 15 annual payments of various amounts plus interest at 3.41% per annum. The balance outstanding at June 30, 2020 was \$4,947,000.

On December 18, 2018, the City entered into a financing agreement for \$1,190,000 with Banc of America Public Capital Corporation for the purchase of vehicles and equipment. The installment agreement is collateralized by all the vehicles and equipment acquired with the loan. The terms of the agreement require 5 annual payments of various amounts plus interest at 2.98% per annum. The loan was split between the General Fund and the Utility Fund. The General Fund's balance outstanding at June 30, 2020 was \$535,468.

On June 1, 2019, the City entered into a financing agreement for \$596,000 with Zions Bank for the purchase of three garbage trucks. The installment agreement is collateralized by all the vehicles acquired with the loan. The terms of the agreement require 10 annual payments of various amounts plus interest at 2.68% per annum. The balance outstanding at June 30, 2020 was \$542,000.

Serviced by the Utility Fund

On March 8, 2016, the City entered into a financing agreement for \$360,410 with Banc of America Public Capital Corporation for the purchase of capital equipment. The installment agreement is collateralized by all equipment acquired with the loan. The terms of the agreement require 58 monthly payments of varying amounts plus interest at 1.495% per annum. The balance outstanding at June 30, 2020 was \$75,614.

On October 12, 2006, the City entered into a financing agreement for \$1,604,335 with RBC Centura for the purchase and installation of an automatic meter reading system. On March 16, 2012, the City refinanced this agreement with Bank of America. The installment agreement is collateralized by the equipment. The terms of the new agreement require 20 semi-annual installments of varying amounts plus interest at 1.96% per annum beginning October 1, 2012. The balance outstanding at June 30, 2020 was \$146,000.

On February 2, 2010, the City entered into a long-term loan agreement with the North Carolina Department of Environment, Health and Natural Resources' North Carolina Water Pollution Control Revolving Fund for water reclamation improvements. The loan agreement was executed for \$6,460,894 for water improvements. The terms of the agreement require 20 installments of \$336,015 plus interest at 2.5% per annum. The balance outstanding at June 30, 2020 was \$4,031,606.

On February 14, 2012, the City entered into a long-term loan agreement with the North Carolina Department of Environment, Health and Natural Resources' North Carolina Water Pollution Control Revolving Fund for phase 2 of the water reclamation improvements. The loan agreement was executed for \$2,949,322 for water improvements. The terms of the agreement require 20 installments due not earlier than six months after completion of the project. The balance outstanding at June 30, 2020 was \$1,912,212.

On March 23, 2017, the City entered into a financing agreement for \$5,621,000 with Banc of America Public Capital Corporation for the purchase of AMI vehicles. The installment agreement is collateralized by all the equipment acquired with the loan. The terms of the agreement require 15 annual payments of various amounts plus interest at 2.3615% per annum. The balance outstanding at June 30, 2020 was \$4,528,000.

On May 10, 2016, the City entered into a long-term loan agreement with the North Carolina Department of Environment, Health and Natural Resources Revolving Fund for the Stoney Creek Sewer Outfall Rehabilitation. The loan agreement was executed for \$3,361,708 for these improvements. The terms of the agreement require 20 installments of \$168,085.40 plus interest at 1.88% per annum. The balance outstanding at June 30, 2020 was \$2,857,452.

On May 3, 2018, the City entered into a financing agreement for \$311,500 with Banc of America Public Capital Corporation for the purchase of vehicles and equipment. The installment agreement is collateralized by all the vehicles and equipment acquired with the loan. The terms of the agreement require five annual payments of various amounts plus interest at 2.7893% per annum. The balance outstanding at June 30, 2020 was \$191,100.

On December 18, 2018, the City entered into a financing agreement for \$1,190,000 with Banc of America Public Capital Corporation for the purchase of vehicles and equipment. The installment agreement is collateralized by all the vehicles and equipment acquired with the loan. The terms of the agreement require 5 annual payments of various amounts plus interest at 2.98% per annum. The loan was split between the General Fund and the Utility Fund. The Utility Fund's balance outstanding at June 30, 2020 was \$419,531.

On October 15, 2018, the City adopted a project ordinance for Phase IV Sewer Collection Rehabilitation Project (the "Project"). The project is being financed with a loan from the North Carolina Drinking Water State Revolving Fund. As of June 30, 2019, the City had been advanced \$1,485,421 for the Project. On November 26, 2019, the loan from the State was approved for \$8,905,676 of which \$500,000 in principal will be forgiven. The terms of the loan require 20 annual payments of \$420,284 at 0% interest. As of June 30, 2020, the City had drawn down \$4,634,969. The Project was substantially complete as of September 30, 2021.

Serviced by the Storm Water Fund

On May 3, 2018, the City entered into a financing agreement for \$578,500 with Banc of America Public Capital Corporation for the purchase of vehicles and equipment. The installment agreement is collateralized by all the vehicles and equipment acquired with the loan. The terms of the agreement require five annual payments of various amounts plus interest at 2.7893% per annum. The balance outstanding at June 30, 2020 was \$354,900.

Annual debt service requirements to maturity for the above financing agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,905,986	\$ 554,109	\$ 1,715,908	\$ 292,664
2022	2,954,765	486,140	1,600,130	261,392
2023	1,865,489	407,650	1,514,405	231,876
2024	1,465,614	356,174	1,338,280	203,948
2025	1,327,000	313,636	1,236,893	180,960
2026-2030	6,587,000	977,529	6,314,471	602,004
2031-2035	2,721,000	205,224	3,936,383	133,504
2036-2040	-	-	1,494,914	9,480
	<u>\$ 19,826,854</u>	<u>\$ 3,300,462</u>	<u>\$ 19,151,384</u>	<u>\$ 1,915,828</u>

(d) Long-term debt summary

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balances</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation debt	\$ 12,728,534	\$ -	\$ 1,138,046	\$ 11,590,488	\$ 969,320
Premium on bonds	913,843	-	70,526	843,317	70,526
Capitalized leases	1,285,357	105,000	405,042	985,315	336,694
Notes payable	23,947,101	-	4,120,247	19,826,854	2,905,986
Net pension liability (LGERS)	6,734,247	730,010	-	7,464,257	-
Total pension liability (LEO)	3,126,017	292,035	-	3,418,052	-
Total OPEB liability	7,104,197	-	1,363,994	5,740,203	-
Compensated absences	1,479,668	318,415	98,849	1,699,234	98,849
Total governmental activities	<u>\$ 57,318,964</u>	<u>\$ 1,445,460</u>	<u>\$ 7,196,704</u>	<u>\$ 51,567,720</u>	<u>\$ 4,381,375</u>
Business-type activities:					
<u>Utility Fund:</u>					
General obligation debt	\$ 8,099,466	\$ -	\$ 806,954	\$ 7,292,512	\$ 965,680
Premium on bonds	565,497	-	51,409	514,088	51,408
Notes payable	16,403,704	3,149,548	756,768	18,796,484	1,600,988
Net pension liability (LGERS)	925,734	211,064	-	1,136,798	-
Total OPEB liability	1,177,381	-	143,527	1,033,854	-
Compensated absences	256,090	55,156	16,903	294,343	16,900
Total Utility Fund	<u>27,427,872</u>	<u>3,415,768</u>	<u>1,775,561</u>	<u>29,068,079</u>	<u>2,634,976</u>
<u>Storm Water Fund:</u>					
Notes payable	\$ 466,960	\$ -	\$ 112,060	\$ 354,900	\$ 114,920
Net pension liability (LGERS)	143,602	301	-	143,903	-
Total OPEB liability	159,645	-	20,769	138,876	-
Compensated absences	21,966	3,358	7,411	17,913	7,500
Total Storm Water Fund	<u>792,173</u>	<u>3,659</u>	<u>140,240</u>	<u>655,592</u>	<u>122,420</u>
Total business-type activities	<u>\$ 28,220,045</u>	<u>\$ 3,419,427</u>	<u>\$ 1,915,801</u>	<u>\$ 29,723,671</u>	<u>\$ 2,757,396</u>

(e) **Debt margin**

The City is subject to the Local Government Bond Act of North Carolina which limits the amount of the amount of debt it can issue to 8 percent of the appraised value of property subject to taxation. The City's statutory debt limit at June 30, 2020 was approximately \$203,408,000 providing a legal debt margin of approximately \$170,162,000.

C. Interfund balances and activity

(1) Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Major Capital Projects Fund	\$ 658,658
General Fund	Nonmajor special revenue funds	179,508
General Fund	Nonmajor capital projects funds	516,264
General Fund	Utility fund	<u>694,528</u>
Total transfers from the General Fund		<u>\$ 2,048,958</u>
Utility Fund	Major Capital Projects Fund	<u>\$ 346,000</u>
Total transfers from the Utility Fund		<u>\$ 346,000</u>

The transfers from the General Fund were made to finance a portion of the total costs of various capital projects. The General Fund also transferred \$10,980 to sub-funds within the General Fund for establishment of the funds during the fiscal year. The General Fund transfer of \$694,528 was for a reallocation of debt between the General Fund and Utility Fund. The transfers from the Utility Fund were made to finance a portion of the TIGER project.

(2) Internal Charges and Reimbursements

The "administrative chargeout" represents reimbursements to the General Fund for services provided to the Utility Fund and Storm Water Fund. The amount of "shared service fees" during the year ended June 30, 2020, consisted of the following:

<u>Paid From</u>	<u>Paid To</u>	<u>Amount</u>
Utility Fund	General Fund	\$ 2,869,532
Storm Water Fund	General Fund	<u>45,000</u>
Total administrative reimbursements		<u>\$ 2,914,532</u>

D. Net position/fund balances

(1) Net investment in capital assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net	\$ 87,441,565	\$ 76,829,534
Less:		
General obligation bonds	(11,590,488)	(7,292,512)
Notes payable	(19,826,854)	(19,151,384)
Capitalized leases	(985,315)	-
Unamortized premium on bonds	(843,317)	(514,088)
Add:		
Deferred loss on bond refunding	145,844	353,599
Unexpended debt proceeds	<u>5,068,731</u>	<u>551,335</u>
Net investment in capital assets	<u>\$ 59,410,166</u>	<u>\$ 50,776,484</u>

(2) Receivables held in abeyance

The City has recognized revenue from special assessments on the full accrual basis of accounting. A portion of net position related to certain outstanding receivable balances has been restricted as receivables held in abeyance as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Assessments receivable	\$ 160,019	\$ 1,186,322
Less:		
Unrestricted portion	<u>(102,128)</u>	<u>(128,244)</u>
Receivables held in abeyance	<u>\$ 57,891</u>	<u>\$ 1,058,078</u>

(3) Fund balance - General Fund

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

Total fund balance - General Fund	\$ 9,084,558
Less:	
Inventories and prepaids	(257,212)
Stabilization by state statute	<u>(5,044,550)</u>
Fund balance available for appropriation	<u>\$ 3,782,796</u>

The City has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance will target at the close of each fiscal year equal to 15 percent of the general fund operating budget; at no time shall the available fund balance fall below 10 percent of the General Fund's operating budget. 10 percent of the General Fund's operating budget for the current year was \$4,191,834.

(4) Encumbrances

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The City's outstanding encumbrances at June 30, 2020 were \$434,325 and \$1,516,645 in the General Fund and other governmental funds, respectively.

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City obtains property insurance coverage and general liability coverage for these risks through commercial carriers. The City also obtains health insurance for City employees through the State health insurance plan administered by Blue Cross Blue Shield of NC. Based on past experience, management believes that the City's coverages are sufficient.

The City carries commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims from these risks have not exceeded the total commercial insurance coverage in any of the past three fiscal years.

The City is self-insured for Worker's Compensation. The City retains out-of-pocket costs up to \$1,000,000 per event for workers compensation claims. Excess insurance with statutory limits is maintained for any claims exceeding the \$600,000 and \$500,000 self-insured retention for police/fire and all other classes, respectively.

The City records a liability for estimated claims incurred but not reported ("IBNR") as of the end of the year based on an analysis provided by a third-party administrator. The following table summarizes IBNR for the two-year period ending June 30, 2020:

	<u>2019</u>	<u>2020</u>
Beginning balance	\$ -	\$ 492,342
Claims reported and IBNR	645,511	114,387
Less: claims paid	<u>(153,169)</u>	<u>(139,954)</u>
Ending balance	<u>\$ 492,342</u>	<u>\$ 466,775</u>

Although the City is not in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the City has elected to carry flood insurance through the National Flood Insurance Plan on those buildings located within the 100-year flood area. The City has also purchased commercial flood insurance coverage of from \$6,800 to \$500,000 per structure based on specifically identified structures located in the "100 year" flood area.

In accordance with G.S. 159-29, the finance officer and tax collector are each individually bonded for \$50,000 and \$55,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000 per loss.

5. Joint Ventures

The City, in conjunction with Wayne County, participates in the Goldsboro-Wayne Transportation Authority (the "Authority"). Each participating government appoints four members to the nine-member board with one joint

appointee. The Authority is a joint venture established to facilitate the transportation within the County and improve the quality of life for its citizens. The Authority designates its own management. Wayne County and the City provide financial support for the Authority but are not responsible for the debts or entitled to the surpluses of the Authority. The City contributed \$163,315 to the Authority during fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for the Authority can be obtained from the Authority administrative offices at 1615 E. Beech Street, Goldsboro, NC 27530.

The City and the members of the City's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightening insurance premiums which insurers remit to the State. The State passes these moneys to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The City obtains an ongoing financial benefit from the Fund for payments for salaries and fringe benefits made to members of the City's fire department by the board of trustees.

The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2020. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at Post Office Box 188, Farmville, NC 27828.

6. Related Organizations

The seven-member board of the Goldsboro Housing Authority (the "Housing Authority") is appointed by the Mayor of Goldsboro. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City is also disclosed as a related organization in the notes to the financial statements for the Housing Authority. Complete financial statements for the Housing Authority can be obtained from the Authority's offices at 700 N. Jefferson Avenue, Goldsboro, North Carolina 27530.

The Paramount Theatre Foundation (the "Foundation") was originally established in 2006 to help raise funds and coordinate the reconstruction of the Paramount Theatre (the "Theatre") after it was destroyed by fire in 2005. The Foundation continues to support the Theatre and City through annual fundraising efforts, equipment purchases and upgrades, and sponsorship of community-spirited programming targeted to cultural enrichment, diversity, and youth engagement. The Foundation is a not-for-profit organization exempt from federal taxation under IRC 501(C). Complete financial statements can be obtained from the Foundation's office at P.O. Box 2063, Goldsboro, NC 27533.

7. Summary Disclosure of Significant Commitments and Contingencies

A. Federal and state assistance programs

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

B. Claims and litigation

The City was a defendant to various lawsuits during the year. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have any significant effect on the City's financial position; therefore, no liability has been recorded at June 30, 2020.

C. COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel strain of the coronavirus ("COVID-19") to be a pandemic. The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, and business practices. Federal and state governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, supply chain logistical changes, and closure of non-essential businesses. The COVID-19 pandemic has impacted and may continue to impact the Town, including employees, partners, and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. The financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

8. Subsequent Events

The City has evaluated subsequent events through March 7, 2022, the date on which the financial statements were available to be issued. Accordingly, it has identified the following events:

A. ARPA funding

In accordance with funding provided by the American Rescue Plan Act of 2021, effective May 17, 2021, the City agreed to its terms for receiving an allocation of funds from the U.S. Department of Treasury, through the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund. The City's total estimated grant award is \$8,813,514, which is to be provided in two equal disbursements of \$4,406,757. The first disbursement was received on July 15, 2021, while the second disbursement is to be received in 2022. The City will have until December 31, 2024 to use or encumber the funds, and if encumbered, has until December 31, 2026 to finish any associated work.

B. Credit rating

On August 13, 2020, Moody's Investors Services withdrew its Aa2 rating from the City due to the late audit for fiscal year 2019. The City plans to seek reconsideration from Moody's to reinstate the bond rating upon completion of all late audits.

On April 30, 2021, S&P Global Ratings placed the City's bond rating on "CreditWatch" with negative implications, due to the late audit for fiscal year 2019. Following the release of the 2019 audited financial statements, S&P Global Ratings affirmed the City's AA rating and removed it from CreditWatch on July 1, 2021.

C. Pending Audit by the Office of the State Auditor

On January 12, 2022, North Carolina State Treasurer Dale Folwell requested State Auditor Beth Wood to conduct an audit of the City's financial records, as a result of the City not having submitted the fiscal 2020 and fiscal 2021 audited financial statements by their statutory due dates. As of March 7, 2022, the City has received no formal communication from the Office of the State Auditor related to this pending audit and, accordingly, the audit has not commenced.

9. Restatements

A. Government-Wide Level

Beginning net position for Governmental Activities and Business-type Activities have been restated as of July 1, 2019, to correct for misstatements that occurred in prior years. The net effect of these restatements is summarized as follows:

	<u>Business-Type Activities</u>
Net position:	
Beginning balances - as previously reported	\$ 56,570,153
Adjustments:	
Accounts receivable adjustments	<u>1,146,126</u>
Beginning balances - as restated	<u>\$ 57,716,279</u>

The net effect of the above restatements would have decreased the change in net position, for the year ended June 30, 2019, by \$51,228 for business-type activities.

B. Fund Level

Beginning net position (proprietary fund-types) has been restated as of July 1, 2019 to correct for misstatements that occurred in prior years. The net effect of these restatements are summarized as follows:

	<u>Utility Fund</u>	<u>Stormwater Fund</u>
Fund balances/Net Position:		
Beginning balances - as previously reported	\$ 55,785,662	\$ 784,491
Adjustments:		
Accounts receivable adjustments	<u>1,068,446</u>	<u>77,680</u>
Beginning balances - as restated	<u>\$ 56,854,108</u>	<u>\$ 862,171</u>

The net effect of the above restatements would have decreased the change in net position, for the year ended June 30, 2019, by \$53,295 for the Utility fund and increased the change in net position by \$2,067 for the Stormwater Fund.

Required Supplementary Information

Required Supplementary Information ("RSI") is not a required part of the basic financial statements but is information required by accounting principles generally accepted in the United States of America. This section includes the following RSI:

- Schedules of Changes in the Total OPEB Liability and Related Ratios
- Schedule of Proportionate Share of Net Pension Liability (Asset)
- Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percent Covered Payroll

Management's Discussion and Analysis is also RSI. It is presented immediately before the basic financial statements.

City of Goldsboro
Other Post-Employment Benefits
Required Supplementary Information
Schedules of Changes in the Total OPEB Liability and Related Ratios
Last Three Fiscal Years*

RSI-1

	2020	2019	2018
Service cost	\$ 420,672	\$ 435,175	\$ 470,816
Interest on the total pension liability	325,810	289,035	242,438
Differences between expected and actual experience in the measurement of the total pension liability	(2,264,511)	(39,794)	(11,376)
Changes of assumptions or other inputs	122,299	(284,729)	(476,696)
Benefit payments	(132,560)	(153,484)	(167,941)
Net change in total OPEB liability	(1,528,290)	246,203	57,241
Total OPEB liability:			
Beginning balance	8,441,223	8,195,020	8,137,779
Ending balance	<u>\$ 6,912,933</u>	<u>\$ 8,441,223</u>	<u>\$ 8,195,020</u>
Covered payroll	<u>\$ 19,898,944</u>	<u>\$ 18,731,050</u>	<u>\$ 18,731,050</u>
Total OPEB liability as a percentage of covered payroll	<u>34.74%</u>	<u>45.07%</u>	<u>43.75%</u>

Notes to the required schedules:

- The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.
- Benefit changes. There were no changes of benefit terms for the year ended June 30, 2020.
- The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

	Rate
Fiscal year 2020	3.50%
Fiscal year 2019	3.89%
Fiscal year 2018	3.56%
Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation:	
General employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law enforcement officers	3.50% - 7.35%
Discount rate:	
Prior measurement date	3.89%
Measurement date	3.50%
Healthcare cost trend rates:	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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

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

City of Goldsboro
Schedules of Proportionate Share of Net Pension Liability (Asset)
and City Contributions
Local Government Employees' Retirement System
Required Supplementary Information
Last Seven Fiscal Years*

RSI-2

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.3202%	0.3289%	0.31959%	0.31496%	0.34461%	0.34955%	0.35980%
City's proportion of the net pension liability (asset)	\$ 8,744,958	\$ 7,803,582	\$ 4,882,450	\$ 6,684,506	\$ 1,546,596	\$ (2,061,457)	\$ 4,336,972
City's covered payroll	\$ 20,934,374	\$ 20,558,645	\$ 19,971,596	\$ 19,751,218	\$ 18,765,633	\$ 18,765,633	\$ 18,765,633
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.77%	37.96%	24.45%	33.84%	8.24%	-10.99%	23.11%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

Schedule of City Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,960,496	\$ 1,645,124	\$ 1,577,402	\$ 1,482,481	\$ 1,282,111	\$ 1,361,251	\$ 1,336,240
Contributions in relation to the contractually required contribution	<u>1,960,496</u>	<u>1,645,124</u>	<u>1,577,402</u>	<u>1,482,481</u>	<u>1,282,111</u>	<u>1,361,251</u>	<u>1,336,240</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 21,357,643	\$ 20,934,374	\$ 20,558,645	\$ 19,971,596	\$ 19,751,218	\$ 18,765,633	\$ 18,765,633
Contributions as a percentage of covered payroll	9.18%	7.86%	7.67%	7.42%	6.49%	7.25%	7.12%

** The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.*

City of Goldsboro
Schedules of Changes in Total Pension Liability and
Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Four Fiscal Years*

RSI-3

Schedule of Changes in Total Pension Liability

	2020	2019	2018	2017
Changes:				
Service cost	\$ 145,016	\$ 152,324	\$ 119,831	\$ 130,775
Interest on the total pension liability	109,761	97,935	113,996	107,532
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	152,980	9,252	(53,754)	-
Changes of assumptions or other inputs	105,476	(125,356)	185,769	(71,786)
Benefit payments	(221,198)	(214,702)	(225,061)	(225,677)
Net change in total pension liability	292,035	(80,547)	140,781	(59,156)
Total pension liability:				
Beginning balance	3,126,017	3,206,564	3,065,783	3,124,939
Ending balance	<u>\$ 3,418,052</u>	<u>\$ 3,126,017</u>	<u>\$ 3,206,564</u>	<u>\$ 3,065,783</u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2020	2019	2018	2017
Total pension liability	<u>\$ 3,418,052</u>	<u>\$ 3,126,017</u>	<u>\$ 3,206,564</u>	<u>\$ 3,065,783</u>
Covered payroll	<u>\$ 4,892,057</u>	<u>\$ 4,847,317</u>	<u>\$ 4,422,007</u>	<u>\$ 4,659,564</u>
Total pension liability as a percentage of covered payroll	<u>69.87%</u>	<u>64.49%</u>	<u>72.51%</u>	<u>65.80%</u>

Notes to the Schedules:

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

* The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Supplemental Information

Supplemental information ("SI") consists of combining and individual fund statements and schedules. Budgetary comparison schedules are included for every fund to demonstrate legal compliance for every fund required to adopt an annual budget or project ordinance. SI also contains certain other financial data.

Supplemental information is divided into the following sections:

Major Funds:

- General Fund
- Major capital project fund
- Major enterprise funds

Non-major Funds:

- Combining statements for other governmental funds
- Non-major special revenue funds combining and individual fund statements and schedules
- Non-major capital project funds combining and individual fund statements and schedules

Additional financial data:

- Property tax schedules

All supplemental information is prepared using the same underlying financial data used to prepare the basic financial statements.

Major Governmental Funds

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

The City has elected to create additional funds to account for certain activities. Each fund has a legally adopted budget for which a separate budgetary schedule is presented. These funds do not meet the definition of a special revenue or capital project fund; therefore, they are combined with the General Fund.

This section contains budgetary schedules for the following:

Combined General Fund:

- General Fund
- Hurricane Florence FEMA 4393 DR-NC Grant Project
- Edward Byrne Memorial Justice Assistance Grant
- Police Other Restricted Revenue
- Parks and Recreation Revenue
- Community Relations Revenue

Capital project funds are used to account for activities associated with significant purchase or construction of assets that will be owned by the City. The City has one major capital projects fund.

Major Capital Projects Fund:

- FY 2016 TIGER Discretionary Grant Capital Project Fund

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2020

Schedule A-1
(6 pages)

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 16,648,240	\$ 16,408,608	\$ (239,632)
Penalties and interest	80,500	99,693	19,193
Total	16,728,740	16,508,301	(220,439)
Other taxes and licenses:			
Privilege licenses	2,364	3,405	1,041
Vehicle taxes - rental/leases	59,595	69,810	10,215
Vehicle tag fee	270,000	236,500	(33,500)
Penalties and interest	75	-	(75)
Total	332,034	309,715	(22,319)
Unrestricted intergovernmental:			
Local option sales taxes	9,813,576	9,301,152	(512,424)
Payment in lieu of taxes	131,676	101,153	(30,523)
Utility taxes	2,933,850	2,658,959	(274,891)
Cable franchise fees	258,064	207,136	(50,928)
Beer and wine tax	154,916	144,670	(10,246)
ABC revenues	117,698	150,297	32,599
Solid waste disposal tax	22,508	25,454	2,946
Appropriation from Wayne County	8,000	4,000	(4,000)
GWTA Garage reimbursement	231,873	222,122	(9,751)
Total	13,672,161	12,814,943	(857,218)
Restricted intergovernmental:			
Powell Bill allocation	918,925	909,163	(9,762)
Federal Emergency Management Agency	578,000	280,710	(297,290)
Wayne County Schools Resource			
Officer reimbursement	107,578	111,963	4,385
PEG Channel support	27,339	27,353	14
Cherry Hospital reimbursement	78,224	61,109	(17,115)
Transportation Planning Grant	370,223	303,192	(67,031)
NCDOT signals reimbursement	241,428	-	(241,428)
East Carolina Housing Grant	31,000	32,905	1,905
Other grants	6,000	131,112	125,112
Total	2,358,717	1,857,507	(501,210)

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2020

Schedule A-1
(6 pages)

	Budget	Actual	Variance Positive (Negative)
Permits and fees:			
Building and inspection permits	\$ 117,528	\$ 94,078	\$ (23,450)
Mechanical permits	69,418	71,892	2,474
Plumbing, gas and electric inspections	95,070	88,345	(6,725)
Stormwater Management Fee	13,973	16,011	2,038
Miscellaneous permits	101,433	102,845	1,412
Total	397,422	373,171	(24,251)
Sales and services:			
Recreation fees	141,113	158,437	17,324
Golf course revenue	547,404	559,271	11,867
Goldsboro events center	72,275	50,083	(22,192)
Paramount Theater	289,340	289,124	(216)
GWTA Rental	64,000	69,354	5,354
Recyclable materials sold	24,942	6,032	(18,910)
Cemetery services	54,693	55,018	325
Refuse services	3,549,032	4,033,864	484,832
Miscellaneous fees and services	16,016	11,589	(4,427)
Total	4,758,815	5,232,772	473,957
Investment earnings	66,174	85,941	19,767
Miscellaneous:			
Officers fees	19,462	16,626	(2,836)
Donations	30	30	-
Other miscellaneous	645,478	243,820	(401,658)
Total	664,970	260,476	(404,494)
Total revenues	38,979,033	37,442,826	(1,536,207)
Expenditures			
Current:			
General government:			
Governing body:			
Salaries and employee benefits	71,411	75,702	(4,291)
Operating expenditures	349,920	292,469	57,451
Total	421,331	368,171	53,160
Administration:			
Salaries and employee benefits	1,512,370	1,418,221	94,149
Operating expenditures	1,300,237	1,246,975	53,262
Capital outlay	179,512	194,236	(14,724)
Total	2,992,119	2,859,432	132,687

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2020

Schedule A-1
(6 pages)

	Budget	Actual	Variance Positive (Negative)
Finance:			
Salaries and employee benefits	\$ 969,182	\$ 1,006,349	\$ (37,167)
Operating expenditures	601,769	575,893	25,876
Total	1,570,951	1,582,242	(11,291)
Human resources management:			
Salaries and employee benefits	448,287	445,042	3,245
Operating expenditures	212,572	191,068	21,504
Total	660,859	636,110	24,749
Public building and grounds:			
Salaries and employee benefits	286,800	282,491	4,309
Operating expenditures	209,340	192,463	16,877
Total	496,140	474,954	21,186
Administrative chargeout	(2,914,532)	(2,914,532)	-
Total general government	3,226,868	3,006,377	220,491
Transportation:			
Street and highways:			
Salaries and employee benefits	1,287,387	1,255,889	31,498
Street lights	450,000	472,802	(22,802)
Operating expenditures	134,136	183,867	(49,731)
Capital outlay	317,082	305,488	11,594
Total	2,188,605	2,218,046	(29,441)
Goldsboro/Wayne Transportation Authority	303,129	163,315	139,814
Total transportation	2,491,734	2,381,361	110,373
Economic and physical development:			
Planning and redevelopment:			
Salaries and employee benefits	517,040	485,975	31,065
Operating expenditures	881,827	476,557	405,270
Postage credits	(30,000)	(15,355)	(14,645)
Capital outlay	14,750	13,433	1,317
Total	1,383,617	960,610	423,007
Community affairs:			
Salaries and employee benefits	124,393	117,123	7,270
Operating expenditures	62,700	75,518	(12,818)
Total	187,093	192,641	(5,548)

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2020

Schedule A-1
(6 pages)

	Budget	Actual	Variance Positive (Negative)
Downtown development:			
Salaries and employee benefits	\$ 278,787	\$ 238,108	\$ 40,679
Operating expenditures	84,085	50,685	33,400
Total	362,872	288,793	74,079
Other appropriations:			
Community in Schools	15,000	15,000	-
Mental Health Association	12,000	12,000	-
Wayne County Schools - PEG Channel	27,339	20,550	6,789
WAGES	20,000	20,000	-
WATCH	20,000	20,000	-
WISH	10,000	10,000	-
Alta Foods	5,000	5,000	-
Total	109,339	102,550	6,789
Total economic and physical development	2,042,921	1,544,594	498,327
Public safety:			
Building and grounds:			
Salaries and employee benefits	585,073	504,128	80,945
Operating expenditures	159,440	119,127	40,313
Capital outlay	133,000	120,550	12,450
Total	877,513	743,805	133,708
Engineering:			
Salaries and employee benefits	828,165	697,251	130,914
Operating expenditures	181,782	100,467	81,315
Capital outlay	144,100	-	144,100
Total	1,154,047	797,718	356,329
Fire:			
Salaries and employee benefits	5,821,074	5,588,765	232,309
Operating expenditures	756,771	545,322	211,449
Capital outlay	208,011	139,659	68,352
Total	6,785,856	6,273,746	512,110
Police:			
Salaries and employee benefits	7,845,119	7,938,865	(93,746)
Operating expenditures	1,748,108	1,495,763	252,345
Capital outlay	314,264	257,802	56,462
Total	9,907,491	9,692,430	215,061

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2020

Schedule A-1
(6 pages)

	Budget	Actual	Variance Positive (Negative)
Inspections:			
Salaries and employee benefits	\$ 584,663	\$ 560,504	\$ 24,159
Operating expenditures	287,339	207,215	80,124
Capital outlay	25,000	20,403	4,597
Total	897,002	788,122	108,880
Total public safety	19,621,909	18,295,821	1,326,088
Environmental protection:			
Cemetery:			
Salaries and employee benefits	283,268	273,856	9,412
Operating expenditures	60,667	46,045	14,622
Capital outlay	10,842	10,803	39
Total	354,777	330,704	24,073
Sanitation:			
Salaries and employee benefits	1,948,677	1,872,821	75,856
Operating expenditures	1,353,812	1,218,005	135,807
Capital outlay	464,811	461,442	3,369
Total	3,767,300	3,552,268	215,032
Total environmental protection	4,122,077	3,882,972	239,105
Cultural and recreational:			
Parks and recreation:			
Salaries and employee benefits	2,638,379	2,363,123	275,256
Operating expenditures	717,627	618,508	99,119
Capital outlay	271,120	264,042	7,078
Total	3,627,126	3,245,673	381,453
Golf course:			
Salaries and employee benefits	311,902	322,676	(10,774)
Operating expenditures	258,357	215,266	43,091
Capital outlay	105,000	105,000	-
Total	675,259	642,942	32,317
Paramount Theatre:			
Salaries and employee benefits	276,854	255,133	21,721
Operating expenditures	299,421	350,221	(50,800)
Total	576,275	605,354	(29,079)

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2020

Schedule A-1
(6 pages)

	Budget	Actual	Variance Positive (Negative)
Goldsboro Event Center:			
Salaries and employee benefits	\$ 82,496	\$ 68,488	\$ 14,008
Operating expenditures	69,681	62,767	6,914
Total	152,177	131,255	20,922
Assistance to:			
Museum	15,000	15,000	-
Waynesboro Park	20,000	20,000	-
Art Council	25,000	25,000	-
Total	60,000	60,000	-
Total cultural and recreational	5,090,837	4,685,224	405,613
Debt service:			
Principal retirement	4,735,705	4,671,807	63,898
Interest and other charges	586,292	586,292	-
Total debt service	5,321,997	5,258,099	63,898
Total expenditures	41,918,343	39,054,448	2,863,895
Revenues under expenditures	(2,939,310)	(1,611,622)	1,327,688
Other financing sources (uses)			
Transfers to other funds:			
Capital projects funds	(1,174,922)	(1,174,922)	-
Special revenue funds	(11,980)	(190,488)	(178,508)
Utility fund	(694,528)	(694,528)	-
Sale of capital assets	156,726	65,931	(90,795)
Issuance of debt	1,169,396	-	(1,169,396)
Capital lease obligations issued	-	105,000	105,000
Other financing sources (uses), net	(555,308)	(1,889,007)	(1,333,699)
Fund balance appropriated	3,494,618	-	(3,494,618)
Net change in fund balance	\$ -	(3,500,629)	\$ (3,500,629)
Fund balance			
Beginning balance		10,402,937	
Change in reserve for inventories		10,508	
Ending balance		<u>\$ 6,912,816</u>	

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Hurricane Florence FEMA 4393 DR-NC Grant Project

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 387,718	\$ 29,982	\$ 2,216,748	\$ 2,246,730	\$ 1,859,012
Miscellaneous	101,221	99,758	-	99,758	(1,463)
Total revenues	<u>488,939</u>	<u>129,740</u>	<u>2,216,748</u>	<u>2,346,488</u>	<u>1,857,549</u>
Expenditures					
Current:					
Public safety:					
Emergency response		146,646	-	146,646	
Storm debris cleanup		461,547	-	461,547	
Transportation:					
Roads and bridges repairs		14,142	-	14,142	
Environmental protection:					
Water and sewer repairs		1,145,614	439,087	1,584,701	
Cemetery repairs		4,022	16,596	20,618	
Total expenditures	<u>2,652,484</u>	<u>1,771,971</u>	<u>455,683</u>	<u>2,227,654</u>	<u>424,830</u>
Revenues over (under) expenditures	<u>(2,163,545)</u>	<u>(1,642,231)</u>	<u>1,761,065</u>	<u>118,834</u>	<u>2,282,379</u>
Other financing sources					
Transfers from other funds:					
General Fund	447,577	482,000	-	482,000	34,423
Utility Fund	1,715,968	1,534,577	-	1,534,577	(181,391)
Total other financing sources	<u>2,163,545</u>	<u>2,016,577</u>	<u>-</u>	<u>2,016,577</u>	<u>(146,968)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 374,346</u>	<u>1,761,065</u>	<u>\$ 2,135,411</u>	<u>\$ 2,135,411</u>
Fund balance					
Beginning balance			<u>374,346</u>		
Ending balance			<u>\$ 2,135,411</u>		

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Edward Byrne Memorial Justice Assistance Grant Fund

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 163,004	\$ 68,402	\$ 57,341	\$ 125,743	\$ (37,261)
Investment earnings	<u>25</u>	<u>25</u>	<u>4</u>	<u>29</u>	<u>4</u>
Total revenues	<u>163,029</u>	<u>68,427</u>	<u>57,345</u>	<u>125,772</u>	<u>(37,257)</u>
Expenditures					
Current:					
Public safety:					
Capital Outlay	<u>163,029</u>	<u>65,914</u>	<u>57,342</u>	<u>123,256</u>	<u>39,773</u>
Total expenditures	<u>163,029</u>	<u>65,914</u>	<u>57,342</u>	<u>123,256</u>	<u>39,773</u>
Revenues over expenditures	<u>-</u>	<u>2,513</u>	<u>3</u>	<u>2,516</u>	<u>2,516</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,513</u>	<u>3</u>	<u>\$ 2,516</u>	<u>\$ 2,516</u>
Fund balance					
Beginning balance			<u>2,513</u>		
Ending balance			<u>\$ 2,516</u>		

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Police Other Restricted Revenue Fund
From Inception and for the Year Ended June 30, 2020

Schedule A-4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Donations and sponsorships	\$ 9,346	\$ 5,346	\$ 4,000	\$ 9,346	\$ -
Miscellaneous	18,797	5,242	13,555	18,797	-
Investment earnings	113	-	128	128	15
Total revenues	<u>28,256</u>	<u>10,588</u>	<u>17,683</u>	<u>28,271</u>	<u>15</u>
Expenditures					
Current:					
Public safety:					
Operating expenditures	<u>33,357</u>	<u>7,864</u>	<u>2,793</u>	<u>10,657</u>	<u>22,700</u>
Total expenditures	<u>33,357</u>	<u>7,864</u>	<u>2,793</u>	<u>10,657</u>	<u>22,700</u>
Revenues over (under) expenditures	<u>(5,101)</u>	<u>2,724</u>	<u>14,890</u>	<u>17,614</u>	<u>22,715</u>
Other financing sources					
Sale of capital assets	<u>5,101</u>	<u>5,101</u>	<u>-</u>	<u>5,101</u>	<u>-</u>
Total other financing sources	<u>5,101</u>	<u>5,101</u>	<u>-</u>	<u>5,101</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,825</u>	<u>14,890</u>	<u>\$ 22,715</u>	<u>\$ 22,715</u>
Fund balance					
Beginning balance			<u>7,825</u>		
Ending balance			<u>\$ 22,715</u>		

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Parks and Recreation Revenue Fund
From Inception and for the Year Ended June 30, 2020

Schedule A-5

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Donations	\$ 12,077	\$ -	\$ 12,075	\$ 12,075	\$ (2)
Total revenues	12,077	-	12,075	12,075	(2)
Expenditures					
Cultural and recreational:					
Parks and recreation:					
Program expenditures	20,708	-	10,446	10,446	10,262
Total expenditures	20,708	-	10,446	10,446	10,262
Revenues over (under) expenditures	(8,631)	-	1,629	1,629	10,260
Other financing sources					
Transfer from other funds	8,631	-	8,631	8,631	-
Total other financing sources	8,631	-	8,631	8,631	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,260	<u>\$ 10,260</u>	<u>\$ 10,260</u>
Fund balance					
Beginning balance			-		
Ending balance			<u>\$ 10,260</u>		

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Community Relations Revenue Fund
From Inception and for the Year Ended June 30, 2020

Schedule A-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Donations	\$ 11,674	\$ -	\$ 11,673	\$ 11,673	\$ (1)
Total revenues	11,674	-	11,673	11,673	(1)
Expenditures					
Economic and physical development:					
Community affairs:					
Program expenditures	14,023	-	13,182	13,182	841
Total expenditures	14,023	-	13,182	13,182	841
Revenues under expenditures	(2,349)	-	(1,509)	(1,509)	840
Other financing sources					
Transfer from other funds	2,349	-	2,349	2,349	-
Total other financing sources	2,349	-	2,349	2,349	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	840	<u>\$ 840</u>	<u>\$ 840</u>
Fund balance					
Beginning balance			-		
Ending balance			<u>\$ 840</u>		

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - FY 2016 TIGER Discretionary Grant Capital Projects Fund

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 5,100,000	\$ 272,160	\$ 4,274,200	\$ 4,546,360	\$ (553,640)
Total revenues	5,100,000	272,160	4,274,200	4,546,360	(553,640)
Expenditures					
Current:					
Transportation:					
Design	1,338,376	378,000	99,375	477,375	861,001
Construction	5,734,010	5,000	5,302,501	5,307,501	426,509
Contingency	460,741	-	283,218	283,218	177,523
Debt Service:					
Interest and other charges	20,000	-	-	-	20,000
Total expenditures	7,553,127	383,000	5,685,094	6,068,094	1,485,033
Revenues under expenditures	(2,453,127)	(110,840)	(1,410,894)	(1,521,734)	931,393
Other financing sources					
Transfers from other funds	953,127	477,376	1,104,658	1,582,034	628,907
Issuance of debt	1,500,000	-	-	-	(1,500,000)
Total other financing sources	2,453,127	477,376	1,104,658	1,582,034	(871,093)
Net change in fund balance	\$ -	\$ 366,536	(306,236)	\$ 60,300	\$ 60,300
Fund balance					
Beginning balance			366,536		
Ending balance			\$ 60,300		

Proprietary Funds

Major Enterprise Funds

Enterprise funds are used to account for revenues resulting primarily from charges for services provided to the general public and the related costs of such services.

Each enterprise fund accounts for its activities using one main operating fund. This fund adopts an annual operating budget. Significant construction activity of an enterprise fund may be accounted for in a capital projects sub-fund. Each sub-fund adopts a project

This section contains budgetary schedules for the following:

Combined Utility Fund:

- Utility Operating Fund
- Phase IV Sewer Collection Rehabilitation Capital Project
- 2010A Sanitary Sewer Improvements Project
- Sewer Rehabilitation Capital Project
- Water Line Replacement and Booster Pump Station Capital Project
- Plate Settlers Capital Project
- Golden LEAF Stormwater and Sewer Infrastructure Capital Project

The City uses an enterprise fund to account for its storm water charges. This fund does not meet the criteria to be a major fund. It is the only other enterprise fund of the City; as such, the City has elected to elevate it to major fund status.

Storm Water Fund:

- Storm Water Operating Fund

City of Goldsboro
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)
Utility Fund
Year Ended June 30, 2020

Schedule B-1
(3 pages)

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues:			
Charges for services	\$ 16,279,053	\$ 18,052,949	\$ 1,773,896
Assessments	11,741	14,811	3,070
Water and sewer taps	35,794	34,125	(1,669)
Miscellaneous fees and services	124,908	13,353	(111,555)
Nonoperating revenues:			
Other revenues	441,687	1,213,320	771,633
Restricted federal grants	343,000	-	(343,000)
Restricted state grants	27,876	-	(27,876)
Investment earnings	25,807	44,157	18,350
Total revenues	17,289,866	19,372,715	2,082,849
Expenditures			
Distribution and Collections:			
Salaries and employee benefits	1,552,423	1,485,847	66,576
Travel	6,500	3,184	3,316
Supplies	447,258	397,965	49,293
Insurance	10,102	9,499	603
Repairs and maintenance	92,000	23,737	68,263
Other expenditures	364,528	328,680	35,848
	2,472,811	2,248,912	223,899
Water Plant:			
Salaries and employee benefits	687,261	681,612	5,649
Travel	5,310	3,375	1,935
Supplies	986,204	846,707	139,497
Insurance	71,301	67,129	4,172
Utilities	302,500	320,037	(17,537)
Repairs and maintenance	902,226	859,386	42,840
Other expenditures	505,458	325,771	179,687
	3,460,260	3,104,017	356,243
Waste Treatment Plant:			
Salaries and employee benefits	1,309,193	1,317,541	(8,348)
Travel	8,675	5,184	3,491
Supplies	269,565	213,894	55,671
Insurance	201,402	201,227	175
Utilities	638,668	589,761	48,907
Repairs and maintenance	1,197,111	964,489	232,622
Other expenditures	437,069	341,179	95,890
	4,061,683	3,633,275	428,408

City of Goldsboro
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)
Utility Fund
Year Ended June 30, 2020

Schedule B-1
(3 pages)

	Budget	Actual	Variance Positive (Negative)
Compost facility department:			
Salaries and employee benefits	\$ 288,143	\$ 285,548	\$ 2,595
Supplies	23,500	21,674	1,826
Insurance	31,336	30,537	799
Repairs and maintenance	166,396	157,769	8,627
Other expenditures	152,410	139,535	12,875
	<u>661,785</u>	<u>635,063</u>	<u>26,722</u>
Other:			
General operating expenditures	<u>880,222</u>	<u>-</u>	<u>880,222</u>
Shared service fees	<u>2,869,531</u>	<u>2,869,531</u>	<u>-</u>
Budgetary appropriations:			
Principal retirement - bonds payable	1,107,903	988,374	119,529
Principal retirement - notes payable	1,185,670	1,269,876	(84,206)
Interest and other charges	929,439	929,439	-
Sewer capacity purchased	687,000	687,000	-
Capital outlay	<u>2,605,006</u>	<u>2,381,953</u>	<u>223,053</u>
Total expenditures	<u>20,921,310</u>	<u>18,747,440</u>	<u>2,173,870</u>
Revenues over (under) expenditures	<u>(3,631,444)</u>	<u>625,275</u>	<u>4,256,719</u>
Other financing sources (uses)			
Transfer to FY 2016 TIGER Discretionary Grant			
Capital Project Fund	(346,000)	(346,000)	-
Transfers from other funds	694,528	694,528	-
Issuance of debt	<u>86,000</u>	<u>-</u>	<u>(86,000)</u>
Other financing sources (uses), net	<u>434,528</u>	<u>348,528</u>	<u>(86,000)</u>
Fund balance appropriated	<u>3,196,916</u>	<u>-</u>	<u>(3,196,916)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>\$ 973,803</u>	<u>\$ 973,803</u>

City of Goldsboro
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)
Utility Fund
Year Ended June 30, 2020

Schedule B-1
(3 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources (uses) over expenditures		\$ 973,803	
Reconciling items:			
Debt issuance costs - Plate Settlers			
Capital Project		(34,627)	
Investment earnings - 2010A Sanitary Sewer Improvements Capital Project		10,053	
Restricted grant revenues - Golden LEAF Stormwater & Sewer Infrastructure Capital Project		336,324	
Capital asset additions		2,381,807	
Depreciation expense		(4,890,945)	
Net change in other deferred balances		(530,850)	
Increase in inventories		91,996	
Decrease in deferred outflows of resources:			
Pensions		(28,494)	
OPEB		(39,003)	
Decrease in accrued interest payable		9,083	
Increase in unearned revenue		(3,374)	
Increase in compensated absences		(38,253)	
Increase in net pension liability		(211,064)	
Decrease in total OPEB liability		143,527	
Increase in deferred inflows of resources:			
Pensions		(2,409)	
OPEB		(295,693)	
Reallocation of debt from general fund		(694,528)	
Principal retirement		2,258,250	
Amortization of bond premium		51,409	
Loss on bond refunding		(35,359)	
Change in net position		<u>\$ (548,347)</u>	

Schedule of Revenues and Expenditures

Budget and Actual - Phase IV Sewer Collection Rehabilitation Capital Project

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Expenditures					
Sewer Lines:					
Construction	\$ 8,905,676	\$ 3,020,288	\$ 3,503,851	\$ 6,524,139	\$ 2,381,537
Debt service:					
Interest and other charges	178,114	178,114	-	178,114	-
Total expenditures	<u>9,083,790</u>	<u>3,198,402</u>	<u>3,503,851</u>	<u>6,702,253</u>	<u>2,381,537</u>
Revenues under expenditures	<u>(9,083,790)</u>	<u>(3,198,402)</u>	<u>(3,503,851)</u>	<u>(6,702,253)</u>	<u>2,381,537</u>
Other financing sources					
Transfer from Utility Operating Fund	178,114	178,114	-	178,114	-
Issuance of debt - State Revolving Loan Fund	<u>8,905,676</u>	<u>1,485,421</u>	<u>3,149,548</u>	<u>4,634,969</u>	<u>(4,270,707)</u>
Total other financing sources	<u>9,083,790</u>	<u>1,663,535</u>	<u>3,149,548</u>	<u>4,813,083</u>	<u>(4,270,707)</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (1,534,867)</u>	<u>\$ (354,303)</u>	<u>\$ (1,889,170)</u>	<u>\$ (1,889,170)</u>

City of Goldsboro
Schedule of Revenues and Expenditures
Budget and Actual - 2010A Sanitary Sewer Improvements Capital Project
From Inception and for the Year Ended June 30, 2020

Schedule B-3

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ 79,163	\$ 79,940	\$ 10,053	\$ 89,993	\$ 10,830
Total revenues	79,163	79,940	10,053	89,993	10,830
Expenditures					
Water Lines:					
Construction - W1111	-	42,600	-	42,600	(42,600)
	-	42,600	-	42,600	(42,600)
Waste Water Plant:					
Construction - #001-E	8,684,163	164,605	-	164,605	8,519,558
Construction - S1103	-	34,556	-	34,556	-
	8,684,163	199,161	-	199,161	8,485,002
Total expenditures	8,684,163	241,761	-	241,761	8,442,402
Revenues over (under) expenditures	(8,605,000)	(161,821)	10,053	(151,768)	8,453,232
Other financing sources					
Transfer from Utility Operating Fund	-	870,871	-	870,871	870,871
Issuance of debt	8,605,000	-	-	-	(8,605,000)
	8,605,000	870,871	-	870,871	(7,734,129)
Revenues and other financing sources over expenditures	\$ -	\$ 709,050	\$ 10,053	\$ 719,103	\$ 719,103

City of Goldsboro
Schedule of Revenues and Expenditures
Budget and Actual - Sewer Rehabilitation Capital Project
From Inception and for the Year Ended June 30, 2020

Schedule B-4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Expenditures					
Sewer Lines:					
Construction - S1103	\$ 1,235,100	\$ -	\$ 122,616	\$ 122,616	\$ 1,112,484
Other fees	24,702	-	-	-	24,702
Total expenditures	<u>1,259,802</u>	<u>-</u>	<u>122,616</u>	<u>122,616</u>	<u>1,137,186</u>
Revenues under expenditures	<u>(1,259,802)</u>	<u>-</u>	<u>(122,616)</u>	<u>(122,616)</u>	<u>1,137,186</u>
Other financing sources					
Transfer from Utility Operating Fund	24,702	-	-	-	(24,702)
Issuance of debt	1,235,100	-	-	-	(1,235,100)
	<u>1,259,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,259,802)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,616)</u>	<u>\$ (122,616)</u>	<u>\$ (122,616)</u>

Schedule of Revenues and Expenditures

Budget and Actual - Water Line Replacement and Booster Pump Station Capital Project

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Expenditures					
Water plant:					
Construction - W1111	\$ 3,610,000	\$ -	\$ 195,216	\$ 195,216	\$ 3,414,784
Other fees	<u>72,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,200</u>
Total expenditures	<u>3,682,200</u>	<u>-</u>	<u>195,216</u>	<u>195,216</u>	<u>3,486,984</u>
Revenues under expenditures	<u>(3,682,200)</u>	<u>-</u>	<u>(195,216)</u>	<u>(195,216)</u>	<u>3,486,984</u>
Other financing sources					
Transfer from Utility Operating Fund	72,200	-	-	-	(72,200)
Issuance of debt	<u>3,610,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,610,000)</u>
	<u>3,682,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,682,200)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (195,216)</u>	<u>\$ (195,216)</u>	<u>\$ (195,216)</u>

City of Goldsboro
Schedule of Revenues and Expenditures
Budget and Actual - Plate Settlers Capital Project
From Inception and for the Year Ended June 30, 2020

Schedule B-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Expenditures					
Water plant:					
Construction - W1112	\$ 2,078,360	\$ -	\$ 114,989	\$ 114,989	\$ 1,963,371
Other fees	35,947	-	34,627	34,627	1,320
	<u>2,114,307</u>	<u>-</u>	<u>149,616</u>	<u>149,616</u>	<u>1,964,691</u>
Total expenditures					
	<u>2,114,307</u>	<u>-</u>	<u>(149,616)</u>	<u>(149,616)</u>	<u>1,964,691</u>
Revenues under expenditures					
	<u>(2,114,307)</u>	<u>-</u>	<u>(149,616)</u>	<u>(149,616)</u>	<u>1,964,691</u>
Other financing sources					
Transfer from Utility Operating Fund	316,947	-	-	-	(316,947)
Issuance of debt	1,797,360	-	-	-	(1,797,360)
	<u>2,114,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,114,307)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (149,616)</u>	<u>\$ (149,616)</u>	<u>\$ (149,616)</u>

Schedule of Revenues and Expenditures

Budget and Actual - Golden LEAF Stormwater and Sewer Infrastructure Capital Project

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted state grants	\$ 961,307	\$ -	\$ 336,324	\$ 336,324	\$ (624,983)
Total revenues	<u>961,307</u>	<u>-</u>	<u>336,324</u>	<u>336,324</u>	<u>(624,983)</u>
Expenditures					
Sewer Lines:					
Construction	<u>961,307</u>	<u>-</u>	<u>446,328</u>	<u>446,328</u>	<u>514,979</u>
Total expenditures	<u>961,307</u>	<u>-</u>	<u>446,328</u>	<u>446,328</u>	<u>514,979</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (110,004)</u>	<u>\$ (110,004)</u>	<u>\$ (110,004)</u>

City of Goldsboro
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Storm Water Fund
Year Ended June 30, 2020

Schedule B-8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues:			
Charges for services	\$ 1,366,249	\$ 1,650,379	\$ 284,130
Nonoperating revenues:			
Investment earnings	-	7,500	7,500
Miscellaneous	-	1,068	1,068
Total revenues	<u>1,366,249</u>	<u>1,658,947</u>	<u>292,698</u>
Expenditures			
Public Works - Storm Water:			
Salaries and employee benefits	589,701	507,940	81,761
Consultant fees	13,000	6,700	6,300
Vehicle maintenance	65,728	71,252	(5,524)
Landfill tipping fees	50,000	41,083	8,917
Utility service fee	45,000	45,000	-
Other expenses	179,047	118,794	60,253
	<u>942,476</u>	<u>790,769</u>	<u>151,707</u>
Budgetary appropriations:			
Principal retirement	112,060	112,060	-
Interest and other charges	13,025	13,025	-
Storm Drainage Improvements	226,688	-	226,688
Capital outlay	173,232	171,756	1,476
	<u>525,005</u>	<u>296,841</u>	<u>821,846</u>
Total expenditures	<u>1,467,481</u>	<u>1,087,610</u>	<u>2,555,091</u>
Revenues over (under) expenditures	(101,232)	571,337	672,569
Fund balance appropriated	<u>101,232</u>	<u>-</u>	<u>(101,232)</u>
Revenues over expenditures	<u>\$ -</u>	<u>571,337</u>	<u>\$ 571,337</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		171,756	
Depreciation expense		(80,202)	
Decrease in deferred outflows of resources		(26,794)	
Decrease in accrued interest payable		1,024	
Decrease in compensated absences		4,053	
Increase in net pension liability		(301)	
Decrease in OPEB liability		20,769	
Decrease in deferred inflows resources - pensions		172	
Increase in deferred inflows resources - OPEB		(39,602)	
Principal retirement		112,060	
Net change in other deferred balances		(114,181)	
Change in net position		<u>\$ 620,091</u>	



This page was intentionally left blank.

Nonmajor Governmental Funds

Combining Statements and Schedules

Nonmajor governmental funds are combined and presented in the aggregate as "other governmental funds" in the basic financial statements. The City's nonmajor governmental funds

Other Governmental Funds:

- Combining Balance Sheet
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds:

- Combining Balance Sheet
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- Community Development Fund - Budget and Actual
- Downtown District Fund - Budget and Actual
- Occupancy Tax Fund - Budget and Actual
- Federal and State Drug Forfeiture Fund - Budget and Actual

Nonmajor Capital Project Funds:

- Combining Balance Sheet
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Active

- Parks and Recreation FY 2019-2024 Capital Projects Fund - Budget and Actual
- Street Improvements Capital Projects Fund - Budget and Actual
- Police/Fire Expansion Capital Project Fund

Inactive

- Herman Park Recreation Center Capital Projects Fund - Budget and Actual
- 1919 LaFrance Fire Truck Restoration Capital Project Fund - Budget and Actual

City of Goldsboro
Combining Balance Sheet
Other Governmental Funds
June 30, 2020

Schedule C-1

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
ASSETS			
Cash and investments	\$ 791,837	\$ 192,773	\$ 984,610
Receivables (net):			
Property taxes receivable	5,879	-	5,879
Interest receivable	42,000	-	42,000
Due from other governments	348,996	83,849	432,845
Restricted assets:			
Cash and investments	-	2,830,711	2,830,711
Notes receivable	300,000	-	300,000
Total assets	<u>\$ 1,488,712</u>	<u>\$ 3,107,333</u>	<u>\$ 4,596,045</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 74,175	\$ 414,981	\$ 489,156
Accrued compensation payable	14,422	-	14,422
Due to other funds	113,484	134,245	247,729
Total liabilities	<u>202,081</u>	<u>549,226</u>	<u>751,307</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	5,879	-	5,879
Interest receivable	42,000	-	42,000
Notes receivable	300,000	-	300,000
Total deferred inflows of resources	<u>347,879</u>	<u>-</u>	<u>347,879</u>
FUND BALANCES			
Restricted:			
Transportation	-	2,278,337	2,278,337
Economic and physical development	736,590	-	736,590
Public safety	202,162	113,413	315,575
Cultural and recreational	-	166,357	166,357
Total fund balances	<u>938,752</u>	<u>2,558,107</u>	<u>3,496,859</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,488,712</u>	<u>\$ 3,107,333</u>	<u>\$ 4,596,045</u>

City of Goldsboro
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Other Governmental Funds
Year Ended June 30, 2020

Schedule C-2

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues			
Ad valorem taxes	\$ 92,325	\$ -	\$ 92,325
Other taxes and licenses	995,009	-	995,009
Restricted intergovernmental	943,848	-	943,848
Sales and services	27,744	-	27,744
Investment earnings	6,464	60,837	67,301
Donations and sponsorships	-	55,000	55,000
Miscellaneous	7,905	40,000	47,905
Total revenues	<u>2,073,295</u>	<u>155,837</u>	<u>2,229,132</u>
Expenditures			
Current:			
Transportation	-	341,040	341,040
Economic and physical development	1,481,542	2,190,526	3,672,068
Cultural and recreational	-	66,036	66,036
Debt service:			
Principal retirement	297,000	-	297,000
Interest and other charges	42,000	-	42,000
Total expenditures	<u>1,820,542</u>	<u>2,597,602</u>	<u>4,418,144</u>
Revenues over (under) expenditures	<u>252,753</u>	<u>(2,441,765)</u>	<u>(2,189,012)</u>
Other financing sources (uses)			
Transfers from other funds	179,508	516,264	695,772
Transfers to other funds	(100,000)	-	(100,000)
Other financing sources (uses), net	<u>79,508</u>	<u>516,264</u>	<u>595,772</u>
Net change in fund balances	332,261	(1,925,501)	(1,593,240)
Fund balances			
Beginning balances	<u>606,491</u>	<u>4,483,608</u>	<u>5,090,099</u>
Ending balances	<u>\$ 938,752</u>	<u>\$ 2,558,107</u>	<u>\$ 3,496,859</u>

City of Goldsboro
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

Schedule D-1

	Community Development Fund	Downtown District Fund	Occupancy Tax Fund	Federal and State Drug Forfeiture Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and investments	\$ -	\$ 53,062	\$ 536,613	\$ 202,162	\$ 791,837
Receivables (net):					
Property taxes receivable	-	5,879	-	-	5,879
Interest receivable	42,000	-	-	-	42,000
Due from other governments	347,150	1,846	-	-	348,996
Notes receivable	300,000	-	-	-	300,000
	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Total assets	<u>\$ 689,150</u>	<u>\$ 60,787</u>	<u>\$ 536,613</u>	<u>\$ 202,162</u>	<u>\$ 1,488,712</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 9,941	\$ 64,234	\$ -	\$ 74,175
Accrued compensation payable	6,412	-	8,010	-	14,422
Due to other funds	113,484	-	-	-	113,484
	<u>113,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,484</u>
Total liabilities	<u>119,896</u>	<u>9,941</u>	<u>72,244</u>	<u>-</u>	<u>202,081</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	-	5,879	-	-	5,879
Interest receivable	42,000	-	-	-	42,000
Notes receivable	300,000	-	-	-	300,000
	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Total deferred inflows of resources	<u>342,000</u>	<u>5,879</u>	<u>-</u>	<u>-</u>	<u>347,879</u>
FUND BALANCES					
Restricted:					
Economic and physical development	227,254	44,967	464,369	-	736,590
Public safety	-	-	-	202,162	202,162
	<u>227,254</u>	<u>44,967</u>	<u>464,369</u>	<u>202,162</u>	<u>938,752</u>
Total fund balances	<u>227,254</u>	<u>44,967</u>	<u>464,369</u>	<u>202,162</u>	<u>938,752</u>
Total liabilities, deferred inflows of re- sources and fund balances	<u>\$ 689,150</u>	<u>\$ 60,787</u>	<u>\$ 536,613</u>	<u>\$ 202,162</u>	<u>\$ 1,488,712</u>

City of Goldsboro
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit) - Nonmajor Special Revenue Funds
Year Ended June 30, 2020

Schedule D-2

	Community Development Fund	Downtown District Fund	Occupancy Tax Fund	Federal and State Drug Forfeiture Fund	Total Nonmajor Special Revenue Funds
Revenues					
Ad valorem taxes	\$ -	\$ 92,325	\$ -	\$ -	\$ 92,325
Other taxes and licenses	-	-	995,009	-	995,009
Restricted intergovernmental:					
Community Development					
Block Grant	429,872	-	-	-	429,872
Home Partnership Program	50,540	-	-	-	50,540
Urgent Repair Program	50,000	-	-	-	50,000
NCHFA ESFRLP - DisasterRecovery	79,175	-	5,712	-	84,887
Other grants	307,033	-	-	-	307,033
DEA funds	-	-	-	15,396	15,396
NC controlled substance tax	-	-	-	6,120	6,120
Sales and services:					
Owner Income	27,744	-	-	-	27,744
Investment earnings	153	686	4,487	1,138	6,464
Miscellaneous	-	-	7,905	-	7,905
Total revenues	944,517	93,011	1,013,113	22,654	2,073,295
Expenditures					
Current:					
Economic and physical development	660,239	71,593	749,710	-	1,481,542
Debt service:					
Principal retirement	-	-	297,000	-	297,000
Interest and other charges	-	-	42,000	-	42,000
Total expenditures	660,239	71,593	1,088,710	-	1,820,542
Revenues over (under) expenditures	284,278	21,418	(75,597)	22,654	252,753
Other financing sources (uses)					
Transfers from general fund	-	-	-	179,508	179,508
Transfer to other funds	-	(100,000)	-	-	(100,000)
Other financing sources (uses), net	-	(100,000)	-	179,508	79,508
Net change in fund balances	284,278	(78,582)	(75,597)	202,162	332,261
Fund balances (deficit)					
Beginning balances (deficit)	(57,024)	123,549	539,966	-	606,491
Ending balances	\$ 227,254	\$ 44,967	\$ 464,369	\$ 202,162	\$ 938,752

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual - Community Development Fund
From Inception and for the Year Ended June 30, 2020

Schedule D-3
(2 pages)

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues					
Restricted intergovernmental:					
CDBG FY10-FY20	\$ 4,343,758	\$ 3,876,525	\$ 429,872	\$ 4,306,397	\$ (37,361)
HOME FY10-FY20	2,205,537	2,312,865	50,540	2,363,405	157,868
Urgent Repair Program	337,000	312,400	50,000	362,400	25,400
Essential Single Family Rehab					
Loan Pool Program (ESFRLP)	150,000	22,000	79,175	101,175	(48,825)
Other Grants	456,965	-	307,033	307,033	(149,932)
Owner Income:					
CDBG	162,024	233,839	25,128	258,967	96,943
HOME	48,691	3,196	2,616	5,812	(42,879)
Investment earnings	-	-	153	153	153
Miscellaneous	800	466,288	-	466,288	465,488
Prior years FY1996-FY2009:					
CDBG	9,707,787	6,403,309	-	6,403,309	(3,304,478)
HOME	7,163,071	4,773,289	-	4,773,289	(2,389,782)
Owner income CDBG	462,401	527,784	-	527,784	65,383
Owner income HOME	66,899	-	-	-	(66,899)
Other grants	47,622,877	29,476,219	-	29,476,219	(18,146,658)
Miscellaneous income	-	70,600	-	70,600	70,600
Total revenues	72,727,810	48,478,314	944,517	49,422,831	(23,304,979)
Expenditures					
Current:					
Economic and physical development:					
CDBG:					
FY19-FY20	331,599	-	277,388	277,388	54,211
FY18-FY19	344,309	301,952	-	301,952	42,357
FY17-FY18	320,826	313,954	-	313,954	6,872
Prior years FY 96 - FY 17	15,761,828	12,181,648	-	12,181,648	3,580,180
HOME:					
FY19-FY20	218,780	-	45,693	45,693	173,087
FY18-FY19	317,616	20,283	-	20,283	297,333
FY17-FY18	90,980	88,311	-	88,311	2,669
Prior years FY 09 - FY 17	6,774,059	5,910,987	-	5,910,987	863,072
Urgent Repair Program	337,000	312,400	-	312,400	24,600
ESFRLP	150,000	80,650	30,125	110,775	39,225
Other Grants	456,965	-	307,033	307,033	149,932
FEMA and prior year grants	47,623,048	29,325,153	-	29,325,153	18,297,895
Total expenditures	72,727,010	48,535,338	660,239	49,195,577	23,531,433

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual - Community Development Fund
From Inception and for the Year Ended June 30, 2020

Schedule D-3
(2 pages)

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues over (under) expenditures	\$ 800	\$ (57,024)	\$ 284,278	\$ 227,254	\$ 226,454
Other financing uses					
Transfer to other funds	(800)	-	-	-	800
Total other financing uses	(800)	-	-	-	800
Change in fund balance	<u>\$ -</u>	<u>\$ (57,024)</u>	284,278	<u>\$ 227,254</u>	<u>\$ 227,254</u>
Fund balance (deficit)					
Beginning balance (deficit)			<u>(57,024)</u>		
Ending balance			<u>\$ 227,254</u>		

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Downtown District Fund
Year Ended June 30, 2020

Schedule D-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes	\$ 98,581	\$ 91,788	\$ (6,793)
Penalties and interest	770	537	(233)
Total	99,351	92,325	(7,026)
Investment earnings	1,000	686	(314)
Total revenues	100,351	93,011	(7,340)
Expenditures			
Current:			
Economic and physical development:			
Downtown revitalization	69,210	49,193	20,017
Salaries and employee benefits	2,752	-	2,752
Capital outlay	42,400	22,400	20,000
Total expenditures	114,362	71,593	42,769
Revenue over (under) expenditures	(14,011)	21,418	35,429
Other financing uses			
Transfer to other funds	(107,339)	(100,000)	7,339
Total other financing uses	(107,339)	(100,000)	7,339
Fund balance appropriated	121,350	-	(121,350)
Net change in fund balance	<u>\$ -</u>	(78,582)	<u>\$ (78,582)</u>
Fund balance			
Beginning balance		123,549	
Ending balance		<u>\$ 44,967</u>	

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Occupancy Tax Fund
Year Ended June 30, 2020

Schedule D-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other taxes and licenses	\$ 1,068,135	\$ 995,009	\$ (73,126)
NC Tennis Association grant	-	5,712	5,712
Investment earnings	3,320	4,487	1,167
Miscellaneous	18,277	7,905	(10,372)
Total revenues	<u>1,089,732</u>	<u>1,013,113</u>	<u>(76,619)</u>
Expenditures			
Current:			
Economic and physical development:			
Salaries and employee benefits	182,921	176,197	6,724
Operating expenditures	239,357	231,926	7,431
Wayne County share of occupancy tax	352,454	341,587	10,867
	<u>774,732</u>	<u>749,710</u>	<u>25,022</u>
Debt Service:			
Principal retirement - notes	197,000	197,000	-
Principal retirement - bonds	100,000	100,000	-
Interest and other charges	42,000	42,000	-
	<u>339,000</u>	<u>339,000</u>	<u>-</u>
Total expenditures	<u>1,113,732</u>	<u>1,088,710</u>	<u>25,022</u>
Revenues under expenditures	(24,000)	(75,597)	(51,597)
Fund balance appropriated	<u>24,000</u>	<u>-</u>	<u>(24,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(75,597)</u>	<u>\$ (75,597)</u>
Fund balance			
Beginning balance		<u>539,966</u>	
Ending balance		<u>\$ 464,369</u>	

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Federal and State Drug Forfeiture Fund
Year Ended June 30, 2020

Schedule D-6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental:			
DEA funds	\$ 173,417	\$ 15,396	\$ (158,021)
NC controlled substance tax	6,091	6,120	29
Total	179,508	21,516	(157,992)
Investment earnings	-	1,138	1,138
Total revenues	179,508	22,654	(156,854)
Expenditures			
Current:			
Public safety:			
Federal operating expenditures	173,417	-	173,417
State operating expenditures	6,091	-	6,091
Total expenditures	179,508	-	179,508
Revenue over expenditures	-	22,654	22,654
Other financing sources			
Transfer from general fund	-	179,508	179,508
Total other financing sources	-	179,508	179,508
Net change in fund balance	<u>\$ -</u>	202,162	<u>\$ 202,162</u>
Fund balance			
Beginning balance		-	
Ending balance		<u>\$ 202,162</u>	

City of Goldsboro
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

Schedule E-1

	Parks and Recreation FY 2019-2024 Capital Project Fund	Street Improvements Capital Project Fund	Police/Fire Expansion Capital Project Fund	Total Nonmajor Capital Project Funds
ASSETS				
Cash and investments	\$ 165,875	\$ 26,898	\$ -	\$ 192,773
Due from other governments	482	41,830	41,537	83,849
Restricted cash and investments	-	2,209,609	621,102	2,830,711
Total assets	<u>\$ 166,357</u>	<u>\$ 2,278,337</u>	<u>\$ 662,639</u>	<u>\$ 3,107,333</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 414,981	\$ 414,981
Due to other funds	-	-	134,245	134,245
Total liabilities	<u>-</u>	<u>-</u>	<u>549,226</u>	<u>549,226</u>
FUND BALANCES				
Restricted:				
Transportation	-	2,278,337	-	2,278,337
Public safety	-	-	113,413	113,413
Cultural and recreational	166,357	-	-	166,357
Total fund balances	<u>166,357</u>	<u>2,278,337</u>	<u>113,413</u>	<u>2,558,107</u>
Total liabilities and fund balances	<u>\$ 166,357</u>	<u>\$ 2,278,337</u>	<u>\$ 662,639</u>	<u>\$ 3,107,333</u>

City of Goldsboro
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2020

Schedule E-2

	Parks and Recreation FY 2020-2024 Capital Project Fund	Street Improvements Capital Project Fund	Police/Fire Expansion Capital Project Fund	Total Nonmajor Capital Project Funds
Revenues				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Donations and sponsorships	55,000	-	-	55,000
Investment earnings	-	38,601	22,236	60,837
Miscellaneous	-	-	40,000	40,000
Total revenues	55,000	38,601	62,236	155,837
Expenditures				
Current:				
Transportation	-	341,040	-	341,040
Public safety	-	-	2,190,526	2,190,526
Cultural and recreational	66,036	-	-	66,036
Total expenditures	66,036	341,040	2,190,526	2,597,602
Revenues under expenditures	(11,036)	(302,439)	(2,128,290)	(2,441,765)
Other financing sources				
Transfer from other funds	-	-	516,264	516,264
Total other financing sources	-	-	516,264	516,264
Net change in fund balances	(11,036)	(302,439)	(1,612,026)	(1,925,501)
Fund balances				
Beginning balances	177,393	2,580,776	1,725,439	4,483,608
Ending balances	\$ 166,357	\$ 2,278,337	\$ 113,413	\$ 2,558,107

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Parks and Recreation FY 2020-2024 Capital Projects Fund

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 56,893	\$ 6,893	\$ -	\$ 6,893	\$ (50,000)
Donations and sponsorships	330,500	130,500	55,000	185,500	(145,000)
Total revenues	387,393	137,393	55,000	192,393	(195,000)
Expenditures					
Current:					
Cultural and recreational:					
Multi Sports Complex:					
construction	330,500	-	26,234	26,234	304,266
GoWayneGo projects:					
construction	96,893	-	39,802	39,802	57,091
Total expenditures	427,393	-	66,036	66,036	361,357
Revenues over (under) expenditures	(40,000)	137,393	(11,036)	126,357	166,357
Other financing sources					
Transfer from other funds	40,000	40,000	-	40,000	-
Total other financing sources	40,000	40,000	-	40,000	-
Net change in fund balance	\$ -	\$ 177,393	(11,036)	\$ 166,357	\$ 166,357
Fund balance					
Beginning balance			177,393		
Ending balance			\$ 166,357		

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Street Improvements Capital Projects Fund

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 76,919	\$ 38,601	\$ 115,520	\$ 115,520
Expenditures					
Current:					
Transportation:					
Street resurfacing	4,742,822	2,130,809	341,040	2,471,849	2,270,973
Debt Service:					
Interest and other charges	-	108,257	-	108,257	(108,257)
Total expenditures	4,742,822	2,239,066	341,040	2,580,106	2,162,716
Revenues under expenditures	(4,742,822)	(2,162,147)	(302,439)	(2,464,586)	2,278,236
Other financing sources					
Issuance of debt	4,500,000	4,500,000	-	4,500,000	-
Premium on the issuance of debt	242,822	242,923	-	242,923	101
Total other financing sources	4,742,822	4,742,923	-	4,742,923	101
Net change in fund balance	\$ -	\$ 2,580,776	(302,439)	\$ 2,278,337	\$ 2,278,337
Fund balance					
Beginning balance			2,580,776		
Ending balance			\$ 2,278,337		

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Police/Fire Expansion Capital Project Fund
From Inception and for the Year Ended June 30, 2020

Schedule E-5

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ 113,412	\$ 93,309	\$ 22,236	\$ 115,545	\$ 2,133
Miscellaneous	40,000	-	40,000	40,000	-
Total revenues	153,412	93,309	62,236	155,545	2,133
Expenditures					
Current:					
Public safety:					
Construction	5,879,676	3,828,212	2,148,526	5,976,738	(97,062)
Professional fees	380,400	130,058	42,000	172,058	208,342
Total expenditures	6,260,076	3,958,270	2,190,526	6,148,796	111,280
Revenues under expenditures	(6,106,664)	(3,864,961)	(2,128,290)	(5,993,251)	113,413
Other financing sources					
Transfer from other funds	806,664	290,400	516,264	806,664	-
Issuance of debt	5,300,000	5,300,000	-	5,300,000	-
Total other financing sources	6,106,664	5,590,400	516,264	6,106,664	-
Net change in fund balance	\$ -	\$ 1,725,439	(1,612,026)	\$ 113,413	\$ 113,413
Fund balance					
Beginning balance			1,725,439		
Ending balance			\$ 113,413		

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Herman Park Recreation Center Capital Project Fund

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Current:					
Cultural and recreational: construction	11,013,000	-	-	-	11,013,000
Debt Service:					
Interest and other charges	137,000	-	-	-	137,000
Total expenditures	11,150,000	-	-	-	11,150,000
Revenues over expenditures	(11,150,000)	-	-	-	11,150,000
Other financing sources					
Issuance of debt	11,150,000	-	-	-	(11,150,000)
Total other financing sources	11,150,000	-	-	-	(11,150,000)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance					
Beginning balance			-		
Ending balance			\$ -		

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - 1919 LaFrance Fire Truck Restoration Capital Project Fund

From Inception and for the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Donations	\$ 80,000	\$ -	\$ -	\$ -	\$ (80,000)
Total revenues	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>
EXPENDITURES					
Current:					
Public safety:					
Restoration	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Total expenditures	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE					
Beginning balance			<u>-</u>		
Ending balance			<u>\$ -</u>		



This page was intentionally left blank.

Additional Financial Data

The City's largest source of revenue is derived from the assessment and collection of property taxes. This section contains additional information on property taxes City-wide and

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

City of Goldsboro
Schedule of Ad Valorem Taxes Receivable
June 30, 2020

Schedule F-1
(2 pages)

City-Wide Levy

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 16,560,427	\$ 16,285,619	\$ 274,808
2018-2019	252,991	-	143,499	109,492
2017-2018	112,999	-	56,724	56,275
2016-2017	66,731	-	25,844	40,887
2015-2016	49,927	-	14,539	35,388
2014-2015	42,810	-	15,114	27,696
2013-2014	53,684	-	10,113	43,571
2012-2013	55,287	-	8,833	46,454
2011-2012	52,436	-	7,616	44,820
2010-2011	51,020	-	14,333	36,687
2009-2010	52,159	-	52,159	-
	<u>\$ 790,044</u>	<u>\$ 16,560,427</u>	<u>\$ 16,634,393</u>	716,078
Less: allowance for uncollectible accounts				<u>(176,199)</u>
Property taxes receivable, net				<u>\$ 539,879</u>
Reconciliation with revenue:				
Ad valorem taxes - General Fund				\$ 16,508,301
Reconciling items:				
Interest collected				(99,693)
Taxes written off				52,159
Other adjustments				<u>173,626</u>
Total collections and credits				<u>\$ 16,634,393</u>

City of Goldsboro
Schedule of Ad Valorem Taxes Receivable
June 30, 2020

Schedule F-1
(2 pages)

Downtown District Fund

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 93,900	\$ 90,716	\$ 3,184
2018-2019	2,688	-	1,535	1,153
2017-2018	792	-	58	734
2016-2017	721	-	5	716
2015-2016	721	-	192	529
2014-2015	314	-	207	107
2013-2014	239	-	117	122
2012-2013	139	-	83	56
2011-2012	96	-	32	64
2010-2011	64	-	64	-
2009-2010	307	-	307	-
	<u>\$ 6,081</u>	<u>\$ 93,900</u>	<u>\$ 93,316</u>	6,665
Less: allowance for uncollectible accounts				<u>(786)</u>
Property taxes receivable, net				<u>\$ 5,879</u>

Reconciliation with revenue:

Ad valorem taxes - Downtown District Fund	92,325
Reconciling items:	
Interest collected	(537)
Taxes written off	371
Other adjustments	<u>1,157</u>
Total collections and credits	<u>\$ 93,316</u>

City of Goldsboro
Analysis of Current Tax Levy
Year Ended June 30, 2020

Schedule F-2

<u>Original levy</u>	<u>Total Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
City-Wide:					
Property taxed at current					
year's rate	\$ 2,542,598,769	0.65	\$ 16,526,892	\$ 15,026,305	\$ 1,500,587
Penalties	-		15,744	15,744	-
Discoveries	7,405,538	0.65	48,136	48,136	-
Abatements	<u>(4,668,462)</u>	0.65	<u>(30,345)</u>	<u>(30,345)</u>	<u>-</u>
Total property valuation	<u>\$ 2,545,335,845</u>				
	Net levy		16,560,427	15,059,840	1,500,587
	Uncollected taxes at June 30, 2020		<u>(274,808)</u>	<u>(274,808)</u>	<u>-</u>
	Current year's taxes collected		<u>\$ 16,285,619</u>	<u>\$ 14,785,032</u>	<u>\$ 1,500,587</u>
	Current levy collection percentage		<u>98.34%</u>	<u>98.18%</u>	<u>100.00%</u>
Downtown District:					
Property taxed at current					
year's rate	\$ 39,913,617	0.235	\$ 93,797	\$ 88,240	\$ 5,557
Penalties	-		106	106	-
Discoveries	-	0.235	-	-	-
Abatements	<u>(1,277)</u>	0.235	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Total property valuation	<u>\$ 39,912,340</u>				
	Net levy		93,900	88,343	5,557
	Uncollected taxes at June 30, 2020		<u>(3,184)</u>	<u>(3,184)</u>	<u>-</u>
	Current year's taxes collected		<u>\$ 90,716</u>	<u>\$ 85,159</u>	<u>\$ 5,557</u>
	Current levy collection percentage		<u>96.61%</u>	<u>96.40%</u>	<u>100.00%</u>

STATISTICAL SECTION

This section of the City of Goldsboro's (the "City") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the ad valorem or property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service, water system, and infrastructure data to help the reader understand how the information in the City's comprehensive annual financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual comprehensive financial reports for the relevant year.

City of Goldsboro
Net Position by Component
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investments in capital assets	\$ 43,486,935	\$ 42,700,984	\$ 37,507,996	\$ 38,335,957
Restricted	4,240,257	5,253,355	3,578,328	3,937,395
Unrestricted	<u>6,121,406</u>	<u>8,087,596</u>	<u>5,367,859</u>	<u>804,941</u>
Total governmental activities	<u>\$ 53,848,598</u>	<u>\$ 56,041,935</u>	<u>\$ 46,454,183</u>	<u>\$ 43,078,293</u>
Business-type activities				
Net investments in capital assets	\$ 40,962,133	\$ 40,370,922	\$ 41,216,430	\$ 43,218,439
Restricted	-	-	-	-
Unrestricted	<u>10,748,545</u>	<u>12,206,203</u>	<u>12,022,767</u>	<u>11,720,607</u>
Total business-type activities	<u>\$ 51,710,678</u>	<u>\$ 52,577,125</u>	<u>\$ 53,239,197</u>	<u>\$ 54,939,046</u>
Total primary government				
Net investments in capital assets	\$ 84,449,068	\$ 83,071,906	\$ 78,724,426	\$ 81,554,396
Restricted	4,240,257	5,253,355	3,578,328	3,937,395
Unrestricted	<u>16,869,951</u>	<u>20,293,799</u>	<u>17,390,626</u>	<u>12,525,548</u>
Total primary government	<u>\$ 105,559,276</u>	<u>\$ 108,619,060</u>	<u>\$ 99,693,380</u>	<u>\$ 98,017,339</u>

Note: Financial information was prepared on the accrual basis of accounting.

Table 1

2015	2016	2017	2018	2019	2020
\$ 42,803,884	\$ 44,410,030	\$ 46,326,181	\$ 45,169,151	\$ 50,028,618	\$ 59,410,166
8,952,468	3,045,504	3,797,767	4,406,657	11,861,204	8,972,412
(2,315,163)	5,329,663	(653,682)	(2,285,781)	(14,968,065)	(16,045,891)
<u>\$ 49,441,189</u>	<u>\$ 52,785,197</u>	<u>\$ 49,470,266</u>	<u>\$ 47,290,027</u>	<u>\$ 46,921,757</u>	<u>\$ 52,336,687</u>
\$ 45,635,607	\$ 47,525,121	\$ 48,098,769	\$ 48,720,090	\$ 50,977,306	\$ 50,776,484
-	-	6,506,387	876,387	1,058,078	1,058,078
10,943,475	10,326,236	4,345,372	9,774,239	5,680,895	5,953,461
<u>\$ 56,579,082</u>	<u>\$ 57,851,357</u>	<u>\$ 58,950,528</u>	<u>\$ 59,370,716</u>	<u>\$ 57,716,279</u>	<u>\$ 57,788,023</u>
\$ 88,439,491	\$ 91,935,151	\$ 94,424,950	\$ 93,889,241	\$ 101,005,924	\$ 110,186,650
8,952,468	3,045,504	10,304,154	5,283,044	12,919,282	10,030,490
8,628,312	15,655,899	3,691,690	7,488,458	(9,287,170)	(10,092,430)
<u>\$ 106,020,271</u>	<u>\$ 110,636,554</u>	<u>\$ 108,420,794</u>	<u>\$ 106,660,743</u>	<u>\$ 104,638,036</u>	<u>\$ 110,124,710</u>

City of Goldsboro
Change in Net Position
Last Ten Fiscal Years

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 2,947,130	\$ 2,822,577	\$ 3,570,115	\$ 3,564,525
Public safety	15,954,680	15,513,297	17,432,563	19,435,147
Transportation	4,835,713	2,395,299	9,176,022	3,656,128
Economic and physical development	3,221,967	5,048,592	5,502,759	3,696,955
Environmental protection	3,307,854	3,293,159	3,369,229	3,656,775
Cultural and recreational	2,370,322	2,208,649	2,958,211	3,137,048
Interest on long-term debt	690,706	724,774	671,960	489,199
Total expenses - governmental activities	<u>33,328,372</u>	<u>32,006,347</u>	<u>42,680,859</u>	<u>37,635,777</u>
Business-type activities:				
Utilities	13,135,400	13,606,323	14,598,647	14,121,802
Storm Water	-	-	-	-
Total expenses - business-type activities	<u>13,135,400</u>	<u>13,606,323</u>	<u>14,598,647</u>	<u>14,121,802</u>
Total expenses - primary government	<u>45,662,200</u>	<u>45,612,670</u>	<u>57,279,506</u>	<u>51,757,579</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	380,695	371,656	354,205	347,680
Public safety	449,256	411,691	435,183	358,876
Transportation	-	409,430	316,779	485,833
Economic and physical development	-	-	-	-
Environmental protection	3,120,888	3,261,733	3,197,586	3,382,985
Cultural and recreational	750,577	616,498	562,576	727,498
Operating grants and contributions:				
General government	2,899,883	2,742,032	3,159,698	3,151,217
Public safety	863,878	650,740	372,695	276,439
Transportation	1,494,860	1,257,218	1,179,871	1,406,886
Economic and physical development	31,770	31,812	33,139	31,685
Environmental protection	-	534,600	32,356	166,913
Cultural and recreational	709,238	1,123,879	527,157	343,778
Capital grants and contributions:				
General government	-	-	-	-
Transportation	-	-	-	-
Economic and physical development	-	-	-	-
Cultural and recreational	-	-	-	-
Total program revenues - governmental activities	<u>10,701,045</u>	<u>11,411,289</u>	<u>10,171,245</u>	<u>10,679,790</u>

Table 2
(2 pages)

2015	2016	2017	2018	2019	2020
\$ 4,184,415	\$ 3,547,629	\$ 3,257,540	\$ 4,164,439	\$ 3,261,068	\$ 3,344,174
15,715,097	15,793,509	17,209,532	17,919,547	18,902,090	17,282,752
4,235,342	4,618,881	4,428,701	6,693,599	4,590,846	3,879,162
3,724,636	2,241,469	4,060,385	2,941,441	2,945,596	5,295,646
3,620,474	3,371,917	3,561,080	3,528,252	4,693,340	4,278,685
3,213,278	3,374,173	4,103,845	5,030,394	5,948,219	5,326,874
505,575	647,356	365,594	917,168	973,293	557,062
35,198,817	33,594,934	36,986,677	41,194,840	41,314,452	39,964,355
13,662,335	14,916,454	15,494,774	17,248,002	17,895,448	19,387,215
-	-	-	372,144	1,124,364	924,675
13,662,335	14,916,454	15,494,774	17,620,146	19,019,812	20,311,890
48,861,152	48,511,388	52,481,451	58,814,986	60,334,264	60,276,245
302,688	309,090	421,844	83,897	119,189	70,089
381,999	423,512	557,288	386,306	419,291	376,336
1,219,735	139,597	152,081	-	218,045	70,128
-	-	7,955	15,402	25,410	7,905
3,244,483	3,250,079	3,308,449	3,253,077	3,265,796	4,049,875
1,831,393	743,631	733,313	951,021	1,232,744	1,058,688
3,735,555	3,905,483	-	27,031	27,377	27,353
193,725	184,025	258,484	1,108,563	326,333	299,045
1,389,397	1,320,074	1,933,703	1,467,623	1,055,851	1,310,490
31,739	31,253	743,600	688,955	546,205	982,431
-	-	1,259,527	440,014	263,111	2,497,458
854,358	448,774	-	-	99,197	-
-	-	-	105,852	-	-
-	-	-	-	272,160	4,274,200
7,137,148	3,317,775	-	-	-	-
-	-	-	138,813	137,393	55,000
20,322,220	14,073,293	9,376,244	8,666,554	8,008,102	15,078,998

City of Goldsboro
Change in Net Position
Last Ten Fiscal Years

	2011	2012	2013	2014
Program revenues				
Business-type activities:				
Charges for services	\$ 14,362,215	\$ 15,957,295	\$ 14,952,610	\$ 15,813,626
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	235,203	291,331	-
Total program revenues - business-type activities	14,362,215	16,192,498	15,243,941	15,813,626
Total program revenues - primary government	25,063,260	27,603,787	25,415,186	26,493,416
Net revenue (expense)				
Governmental activities	(22,627,327)	(20,595,058)	(32,509,614)	(26,955,987)
Business-type activities	1,226,815	2,586,175	645,294	1,691,824
Total primary government	(21,400,512)	(18,008,883)	(31,864,320)	(25,264,163)
General revenues and transfers				
Governmental activities:				
Ad valorem taxes	13,554,554	14,726,183	14,501,826	15,194,387
Other taxes	1,056,807	1,266,059	1,230,159	1,261,863
Unrestricted intergovernmental	5,743,051	6,350,223	6,466,342	6,484,745
Investment earnings	23,079	12,661	20,605	5,323
Miscellaneous revenue	560,261	433,269	702,929	633,779
Special item	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	20,937,752	22,788,395	22,921,861	23,580,097
Business-type activities:				
Investment earnings	21,748	14,654	16,778	8,025
Miscellaneous revenue	-	-	-	-
Extraordinary item	-	(1,734,382)	-	-
Transfers	-	-	-	-
Total business-type activities	21,748	(1,719,728)	16,778	8,025
Total primary government	20,959,500	21,068,667	22,938,639	23,588,122
Change in net position				
Governmental activities	(1,689,575)	2,193,337	(9,587,753)	(3,375,890)
Business-type activities	1,248,563	866,447	662,072	1,699,849
Total primary government	\$ (441,012)	\$ 3,059,784	\$ (8,925,681)	\$ (1,676,041)

Note: Financial information was prepared on the accrual basis of accounting.

Table 2
(2 pages)

2015	2016	2017	2018	2019	2020
\$ 15,691,832	\$ 16,175,654	\$ 15,965,714	\$ 17,101,516	\$ 17,893,916	\$ 19,117,212
-	-	-	136,914	507,885	-
-	-	-	-	-	336,324
15,691,832	16,175,654	15,965,714	17,238,430	18,401,801	19,453,536
36,014,052	30,248,947	25,341,958	25,904,984	26,409,903	34,532,534
(14,876,597)	(19,521,641)	(27,610,433)	(32,528,286)	(33,306,350)	(24,885,357)
2,029,497	1,259,200	470,940	(381,716)	(618,011)	(858,354)
(12,847,100)	(18,262,441)	(27,139,493)	(32,910,002)	(33,924,361)	(25,743,711)
15,420,547	15,056,921	15,679,927	16,052,594	15,664,078	16,534,709
785,616	889,751	966,303	1,287,326	1,416,068	1,304,724
7,214,633	7,625,338	11,712,038	12,586,998	13,519,564	11,652,463
6,848	28,027	46,006	119,896	326,850	153,374
416,502	745,492	624,985	551,233	238,255	309,017
-	(1,479,880)	-	-	-	-
-	-	-	(250,000)	1,773,265	346,000
23,844,146	22,865,649	29,029,259	30,348,047	32,938,080	30,300,287
6,612	13,075	44,115	104,850	180,115	61,710
-	-	480,802	447,054	556,724	1,214,388
-	-	-	-	-	-
-	-	-	250,000	(1,773,265)	(346,000)
6,612	13,075	524,917	801,904	(1,036,426)	930,098
23,850,758	22,878,724	29,554,176	31,149,951	31,901,654	31,230,385
8,967,549	3,344,008	1,418,826	(2,180,239)	(368,270)	5,414,930
2,036,109	1,272,275	995,857	420,188	(1,654,437)	71,744
\$ 11,003,658	\$ 4,616,283	\$ 2,414,683	\$ (1,760,051)	\$ (2,022,707)	\$ 5,486,674

City of Goldsboro
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Designated	N/A	N/A	N/A	N/A
Unreserved, undesignated	N/A	N/A	N/A	N/A
Nonspendable	\$ 185,985	\$ 258,178	\$ 214,187	\$ 337,269
Restricted	4,240,257	2,353,408	3,151,398	4,572,888
Committed	-	-	-	-
Assigned	-	67,869	-	-
Unassigned	4,246,716	6,902,667	4,710,346	645,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total General Fund	<u>\$ 8,672,958</u>	<u>\$ 9,582,122</u>	<u>\$ 8,075,931</u>	<u>\$ 5,556,062</u>
 Other governmental funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, reported in:				
Special revenue funds	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	3,206,228	2,899,947	426,930	-
Committed:				
Downtown Development	112,727	133,293	108,793	131,647
Economic Development	2,105,108	1,356,549	1,022,456	593,611
Cultural and Recreational	-	-	-	-
Assigned:				
Subsequent year's expenditures	262,421	276,892	346,828	180,485
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other governmental funds	<u>\$ 5,686,484</u>	<u>\$ 4,666,681</u>	<u>\$ 1,905,007</u>	<u>\$ 905,743</u>

Note: Financial information was prepared on the modified accrual basis of accounting.

*N/A - The presentation of fund balance changed in 2011 with the implementation of GASB 54.
As such, N/A marks the categories of fund balance that are no longer applicable.*

Table 3

2015	2016	2017	2018	2019	2020
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 651,278	\$ 589,493	\$ 564,291	\$ 606,124	\$ 187,925	\$ 257,212
8,952,468	2,808,546	5,270,374	4,998,215	6,313,654	5,357,362
-	-	-	-	374,346	2,146,511
-	-	-	-	778,842	12,964
6,625,432	7,587,797	7,811,928	6,670,426	3,132,854	1,310,509
<u>\$ 16,229,178</u>	<u>\$ 10,985,836</u>	<u>\$ 13,646,593</u>	<u>\$ 12,274,765</u>	<u>\$ 10,787,621</u>	<u>\$ 9,084,558</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	236,958	2,690,689	234,493	5,489,659	3,557,159
130,665	66,512	82,896	95,311	-	-
1,976,464	1,921,156	1,357,357	852,722	-	-
-	-	5,885,915	62,593	-	-
24,850	-	-	-	24,000	-
-	-	-	-	(57,024)	-
<u>\$ 2,131,979</u>	<u>\$ 2,224,626</u>	<u>\$ 10,016,857</u>	<u>\$ 1,245,119</u>	<u>\$ 5,456,635</u>	<u>\$ 3,557,159</u>

City of Goldsboro
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014
Revenues				
Ad valorem taxes	\$ 13,566,023	\$ 15,031,078	\$ 14,686,221	\$ 15,491,073
Other taxes and licenses	966,446	1,169,941	1,132,323	1,157,562
Unrestricted intergovernmental	8,698,740	9,649,152	10,023,938	10,245,080
Restricted intergovernmental	3,043,940	3,445,825	2,064,100	2,102,416
Permits and fees	417,718	384,271	409,622	343,392
Sales and services	4,265,434	4,255,076	4,124,519	4,421,279
Investment earnings	23,079	17,619	20,605	5,323
Miscellaneous	578,525	455,499	718,339	686,147
Total revenues	<u>31,559,905</u>	<u>34,408,461</u>	<u>33,179,667</u>	<u>34,452,272</u>
Expenditures				
Current:				
General government	2,547,526	2,890,900	2,883,603	3,252,104
Public safety	15,491,380	15,395,376	16,701,484	18,682,381
Transportation	3,199,589	3,317,544	2,741,812	3,129,332
Economic and physical development	3,327,523	4,986,741	5,447,114	3,675,907
Environmental protection	3,243,693	3,231,770	3,308,479	3,383,876
Cultural and recreational	2,362,242	2,624,684	2,900,990	3,049,440
Capital outlay	1,603,788	1,254,821	1,724,736	442,064
Debt service:				
Principal	1,688,055	1,597,654	1,817,581	1,990,185
Interest and other charges	690,706	724,774	671,960	489,199
Total expenditures	<u>34,154,502</u>	<u>36,024,264</u>	<u>38,197,759</u>	<u>38,094,488</u>
Revenues under expenditures	<u>(2,594,597)</u>	<u>(1,615,803)</u>	<u>(5,018,092)</u>	<u>(3,642,216)</u>
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Issuance of debt	-	4,762,365	1,539,819	-
Premium on the issuance of debt	-	-	-	-
Debt refundings	-	(3,216,667)	(745,600)	-
Other financing sources (uses), net	<u>-</u>	<u>1,545,698</u>	<u>794,219</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,594,597)</u>	<u>\$ (70,105)</u>	<u>\$ (4,223,873)</u>	<u>\$ (3,642,216)</u>
Debt service as a percentage of noncapital expenditures	<u>7.31%</u>	<u>6.68%</u>	<u>6.83%</u>	<u>6.58%</u>

Note: Financial information was prepared on the modified accrual basis of accounting.

Table 4

2015	2016	2017	2018	2019	2020
\$ 15,483,368	\$ 15,373,561	\$ 15,679,928	\$ 15,747,628	\$ 15,935,610	\$ 16,600,626
785,616	889,751	1,056,487	1,287,326	1,416,068	1,304,724
11,172,014	11,854,168	11,712,038	12,586,998	12,632,314	12,814,943
10,256,791	5,387,555	4,354,537	3,976,851	2,514,427	9,349,644
359,599	420,115	525,738	386,306	415,087	373,171
4,243,671	4,296,235	4,273,510	4,303,397	4,666,133	5,260,516
6,848	28,027	46,006	119,896	326,850	153,374
1,944,958	-	750,571	551,233	650,710	404,684
44,252,865	38,249,412	38,398,815	38,959,635	38,557,199	46,261,682
3,790,187	3,180,045	3,481,672	3,554,876	3,238,210	2,740,767
15,524,494	15,704,769	16,910,403	19,047,197	22,786,647	15,532,071
3,164,379	3,102,998	3,261,299	6,054,853	2,644,769	2,066,549
3,712,003	1,385,332	4,402,069	2,927,772	3,075,334	5,207,444
3,322,699	2,743,280	3,179,650	3,158,528	4,748,127	3,866,411
3,014,588	2,797,524	4,181,318	11,195,202	5,678,455	4,117,378
12,975,831	12,975,831	-	-	2,513,809	10,569,413
2,552,236	3,362,270	3,409,903	4,237,705	4,579,171	4,968,807
406,507	665,728	655,308	859,103	785,799	628,292
48,462,924	45,917,777	39,481,622	51,035,236	50,050,321	49,697,132
(4,210,059)	(7,668,365)	(1,082,807)	(12,075,601)	(11,493,122)	(3,435,450)
-	-	-	7,342	2,342,353	1,800,430
-	-	-	(257,342)	(569,088)	(2,148,958)
-	-	110,040	252,509	169,080	65,931
20,686,842	2,106,326	12,608,664	2,328,000	11,513,233	105,000
-	-	684,211	-	242,923	-
(4,551,214)	-	(1,885,664)	-	-	-
16,135,628	2,106,326	11,517,251	2,330,509	13,698,501	(177,597)
\$ 11,925,569	\$ (5,562,039)	\$ 10,434,444	\$ (9,745,092)	\$ 2,205,379	\$ (3,613,047)
8.34%	12.23%	10.30%	12.32%	11.29%	14.30%

City of Goldsboro
Tax Revenues by Source - Governmental Activities
Last Ten Fiscal Years

Table 5

Fiscal Year	Property Tax	Occupancy Tax	Privilege License Tax	Other	Total
2011	\$ 13,406,434	\$ 548,007	\$ 348,402	\$ 44,290	\$ 14,347,133
2012	14,862,383	656,984	435,399	52,294	16,007,060
2013	14,517,335	594,404	470,191	45,120	15,627,050
2014	15,311,560	559,596	526,390	51,542	16,449,088
2015	15,409,895	608,514	93,101	61,361	16,172,871
2016	15,056,921	743,626	25,593	60,362	15,886,502
2017	15,679,927	964,375	1,823	66,737	16,712,862
2018	16,052,594	993,506	2,210	59,960	17,108,270
2019	15,664,078	1,104,829	3,026	72,973	16,844,906
2020	16,534,709	995,009	3,405	69,810	17,602,933

Note: Financial information was prepared on the accrual basis of accounting.

City of Goldsboro
Tax Revenues by Source - Governmental Funds (Modified Accrual Basis)
Last Ten Fiscal Years

Table 6

Fiscal Year	Property Tax	Occupancy Tax	Privilege License Tax	Other	Total
2011	\$ 13,475,662	\$ 548,007	\$ 348,402	\$ 44,290	\$ 14,416,361
2012	14,934,960	656,984	435,399	52,294	16,079,637
2013	14,588,386	594,404	470,191	45,120	15,698,101
2014	15,386,772	559,596	526,390	51,542	16,524,300
2015	15,486,368	608,514	93,101	61,361	16,249,344
2016	15,373,561	743,626	25,593	60,362	16,203,142
2017	15,679,928	964,375	1,823	66,737	16,712,863
2018	15,747,628	993,506	2,210	59,960	16,803,304
2019	15,935,610	1,104,829	3,026	72,973	17,116,438
2020	16,600,626	995,009	3,405	69,810	17,668,850

City of Goldsboro
Assessed Values of Taxable Property
Last Ten Fiscal Years

Table 7

Fiscal Year	(1) Real Property	(1) Personal Property	(1) Corporate Excess	(1) Total Taxable Assessed Value	Total Direct Tax Rate per \$100
2011	\$ 1,819,591,480	\$ 214,689,304	\$ 48,247,524	\$ 2,082,528,308	\$ 0.65
2012	2,053,210,019	212,513,475	54,808,968	2,320,532,462	0.65
2013	1,983,506,780	211,298,675	55,905,159	2,250,710,614	0.65
2014	2,071,199,242	204,156,845	52,971,759	2,328,327,846	0.65
2015	2,057,232,730	231,037,274	52,652,660	2,340,922,664	0.65
2016	2,054,356,827	230,001,759	62,084,900	2,346,443,486	0.65
2017	2,099,079,754	233,064,083	66,627,156	2,398,770,993	0.65
2018	1,855,763,343	460,281,742	70,855,530	2,386,900,615	0.65
2019	1,871,422,440	473,053,814	75,519,544	2,419,995,798	0.65
2020	1,973,661,667	489,833,501	79,103,601	2,542,598,769	0.65

Note: Note: Property in the county is reassessed once every eight years on average. The last county-wide revaluation occurred January 1, 2019. The county assesses property at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

(1) Source - Wayne County Tax Administrator/Collector.

City of Goldsboro
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Table 8

Fiscal Year Ended June 30	City Direct Rates			Overlapping Rates (1) County Rate	Total Direct and Overlapping Rates
	General Fund Rate	Total Direct Rate	Downtown Service District Rate		
2011	\$ 0.650	\$ 0.650	\$ 0.250	\$ 0.7640	\$ 1.6640
2012	0.650	0.650	0.235	0.7025	1.5875
2013	0.650	0.650	0.235	0.7025	1.5875
2014	0.650	0.650	0.235	0.6650	1.5500
2015	0.650	0.635	0.235	0.6650	1.5350
2016	0.650	0.650	0.235	0.6650	1.5500
2017	0.650	0.650	0.235	0.6635	1.5485
2018	0.650	0.650	0.235	0.6635	1.5485
2019	0.650	0.650	0.235	0.6635	1.5485
2020	0.650	0.650	0.235	0.6635	1.5485

Note: There is a NC statutory tax rate limit of \$1.50 per hundred dollars valuation for operating expenses, but no limitation on the rate of tax which may be levied for debt service.

Note: Tax rates are established on a per \$100 of assessed value.

(1) Wayne County Comprehensive Annual Financial Report.

City of Goldsboro
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 9

(1) Taxpayer	(1) Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		(1) Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	(1) Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress Inc	Public Utility	\$ 26,734,529	1	1.05%	\$ 19,813,267	3	0.95%
Wal-Mart Stores	Retail Department Store	23,642,912	2	0.93%	41,950,761	1	2.01%
Franklin Baking Co.	Bread Manufacturing	23,559,650	3	0.93%	18,208,435	4	0.87%
Berkeley Mall LLC	Mall Shopping Center	21,671,918	4	0.85%	22,597,120	2	1.08%
Goldsboro Apartments Investors LLC	Real Estate	21,528,020	5	0.85%			
Piedmont Natural Gas Company Inc	Public Utility	21,318,083	6	0.84%	11,060,993	10	0.53%
Time Warner Cable Southeast LLC	Public Utility	21,004,780	7	0.83%	13,780,976	7	0.66%
Berkeley Place Apartments LLC	Real Estate	19,160,403	8	0.75%	17,030,624	6	0.82%
Gruma Corporation	Real Estate	15,069,502	9	0.59%			
Berkeley Realty Associates LLC	Real Estate	13,576,190	10	0.53%			
BRC Goldsboro LLC	Real Estate	-		-	17,926,724	5	0.86%
Cooper Standard, Inc.	Rubber & Plastic Auto Parts	-		-	11,656,603	8	0.56%
Anorth LLC & Vsouth LLC	Exhaust Products	-		-	11,257,100	9	0.54%
Totals		<u>\$ 207,265,987</u>		<u>8.15%</u>	<u>\$ 185,282,603</u>		<u>8.88%</u>
Total assessed valuation		<u>\$ 2,542,598,769</u>		<u>100.00%</u>	<u>\$ 2,082,528,308</u>		<u>100.00%</u>

(1) Source - Wayne County Tax Administrator/Collector.

City of Goldsboro
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 10

Fiscal Year	(1) Taxes Levied for the		(1) Total Adjusted Levy	Collected within the		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year (Original Levy)	(1) Adjustments		Fiscal Year of the Levy			Amount	Percentage of Adjusted Levy
				Amount	Percentage of Original Levy			
2011	\$ 13,668,297	\$ (131,863)	\$ 13,536,434	\$ 13,443,427	99.31%	\$ 42,806	\$ 13,486,233	99.63%
2012	15,307,418	(223,957)	15,083,461	14,446,765	95.78%	585,967	15,032,732	99.66%
2013	14,958,097	(328,503)	14,629,594	14,003,582	95.72%	573,353	14,576,935	99.64%
2014	14,270,650	(199,560)	14,071,090	13,728,356	97.56%	292,939	14,021,295	99.65%
2015	13,651,130	(54,376)	13,596,754	13,375,305	98.37%	188,195	13,563,500	99.76%
2016	13,364,789	430,577	13,795,366	13,493,702	97.81%	262,590	13,756,292	99.72%
2017	14,115,765	(51,837)	14,063,928	13,780,916	97.99%	234,713	14,015,629	99.66%
2018	15,109,733	427,959	15,537,692	15,283,969	98.37%	192,032	15,476,001	99.60%
2019	15,771,272	(41,299)	15,729,973	15,485,233	98.19%	140,762	15,625,995	99.34%
2020	16,526,892	33,535	16,560,427	16,285,619	98.54%	-	16,285,619	98.34%

(1) Source - Wayne County Tax Collector.

City of Goldsboro
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 11

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Per Capita	Percentage of Actual Property Values	Percentage of Personal Income
	General Obligation Bonds	Installment Loans	Capital Leases	General Obligation Bonds	Installment Loans				
2011	\$ 4,783,535	\$ 11,286,892	\$ -	\$ 21,372,849	\$ 17,094,643	\$ 54,537,919	\$ 1,497	2.62%	1.459%
2012	4,414,177	11,045,130	559,165	19,162,643	18,820,517	54,001,632	1,510	2.33%	1.414%
2013	4,130,120	9,927,456	937,534	17,633,879	16,941,884	49,570,873	1,392	2.20%	1.242%
2014	3,754,297	11,215,108	735,521	15,445,703	14,927,446	46,078,075	1,298	1.98%	1.094%
2015	5,135,723	21,154,145	529,330	13,628,277	12,922,295	53,369,770	1,506	2.28%	1.267%
2016	4,644,007	19,790,472	1,128,775	11,921,993	11,278,198	48,763,445	1,395	2.08%	1.114%
2017	10,389,178	22,035,072	1,104,573	10,729,816	17,818,945	62,077,584	1,784	2.59%	1.353%
2018	9,573,697	20,603,028	1,579,505	9,832,509	16,586,250	58,174,989	1,727	2.44%	1.262%
2019	13,642,377	23,947,101	1,285,357	8,664,963	16,870,664	64,410,462	1,915	2.66%	1.358%
2020	12,433,805	19,826,854	985,315	7,806,600	18,796,484	59,849,058	1,778	2.35%	1.126%

City of Goldsboro
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	(1) General Obligation Bonds	(2) Assessed Value	Percentage of Actual Taxable Value of Property	(3) Population	(4) Per Capita
2011	\$ 26,156,384	\$ 2,082,528,308	1.26%	36,437	\$ 718
2012	23,576,820	2,320,532,462	1.02%	35,768	659
2013	21,763,999	2,250,710,614	0.97%	35,609	611
2014	19,200,000	2,328,327,846	0.82%	35,489	541
2015	18,764,000	2,340,922,664	0.80%	35,436	530
2016	16,566,000	2,346,443,486	0.71%	34,959	474
2017	21,118,994	2,398,770,993	0.88%	34,793	607
2018	19,406,206	2,386,900,615	0.81%	33,685	576
2019	22,307,340	2,419,995,798	0.92%	33,636	663
2020	18,883,000	2,542,598,769	0.74%	33,657	561

(1) Source - Debt amortization schedules for the City of Goldsboro.

(2) Source - Wayne County Tax Administrator/Collector.

(3) Source - U.S. Department of Commerce, Bureau of Economic Analysis.

(4) Source - Employment Security Commission of North Carolina.

City of Goldsboro
Legal Debt Margin Information
Last Ten Fiscal Years

	2011	2012	2013	2014
Debt limit (8% of assessed value)	\$ 166,602,265	\$ 185,642,597	\$ 180,056,849	\$ 186,266,228
Total debt applicable to limit	<u>16,070,427</u>	<u>16,018,472</u>	<u>14,995,110</u>	<u>15,704,926</u>
Legal debt margin	<u>\$ 150,531,838</u>	<u>\$ 169,624,125</u>	<u>\$ 165,061,739</u>	<u>\$ 170,561,302</u>
Total debt applicable to limit as a percentage of debt limit	<u>10.68%</u>	<u>9.44%</u>	<u>9.08%</u>	<u>9.21%</u>

Note: North Carolina General Statute 159-55 limits the City's outstanding debt to 8% of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit, and represents the City's legal borrowing authority.

Table 13

2015	2016	2017	2018	2019	2020
\$ 187,273,813	\$ 187,715,479	\$ 191,901,679	\$ 190,952,049	\$ 193,599,664	\$ 203,407,902
26,819,198	25,563,254	33,528,823	31,756,230	38,874,835	33,245,974
<u>\$ 160,454,615</u>	<u>\$ 162,152,225</u>	<u>\$ 158,372,856</u>	<u>\$ 159,195,819</u>	<u>\$ 154,724,829</u>	<u>\$ 170,161,928</u>
<u>16.71%</u>	<u>15.76%</u>	<u>21.17%</u>	<u>19.95%</u>	<u>25.13%</u>	<u>19.54%</u>

**Legal Debt Margin Calculation
for Fiscal Year 2020**

Assessed value	<u>\$ 2,542,598,769</u>
Debt limit (8% of assessed value)	203,407,902
Debt applicable to limit:	
General obligation bonds	12,433,805
Other debt	<u>20,812,169</u>
Legal debt margin	<u>\$ 170,161,928</u>



This page was intentionally left blank.

City of Goldsboro
Direct and Overlapping Debt - Governmental Activities
June 30, 2020

Table 14

<u>Governmental Unit</u>	<u>(1) Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
Wayne County General Obligation Debt	\$ 19,720,000	29.02%	\$ 5,722,744
Other debt:			
Wayne County Installment Purchase Loans	43,837	29.02%	12,721
Subtotal, overlapping debt			5,735,465
Total direct debt			33,245,974
Total direct and overlapping debt			\$ 38,981,439

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt of each overlapping government.

(1) Source - Wayne County Comprehensive Annual Financial Report.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

City of Goldsboro
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 15

Fiscal Year	(1) Population	(2) Personal Income (000's)	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(4) Unemployment Rate Percentage
2011	36,437	\$ 3,738,982	\$ 31,673	36.1	20,407	9.10%
2012	35,768	3,818,391	29,893	36.8	19,458	8.60%
2013	35,609	3,992,263	31,245	36.7	19,355	8.00%
2014	35,489	4,210,623	33,620	37.6	19,256	7.30%
2015	35,436	4,212,734	33,815	36.0	19,444	6.40%
2016	34,959	4,378,472	35,181	34.4	19,221	5.60%
2017	34,793	4,587,326	36,950	33.3	19,249	5.10%
2018	33,685	4,610,060	37,126	33.0	18,955	3.80%
2019	33,636	4,741,631	38,472	38.0	17,374	4.67%
2020	33,657	5,315,916	42,882	38.0	17,997	7.10%

Note: Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

(1) Source - North Carolina Office of State Budget and Management - State Demographer

(2) Source - U.S. Department of Commerce, Bureau of Economic Analysis and North Carolina Department of Con

(3) Source - Wayne County Board of Education

(4) Source - U.S. Department of Labor and Employment Security Commission of North Carolina

City of Goldsboro
Principal Employers
Current Year and Nine Years Ago

Table 16

Employer	2020			2011		
	Employees	Rank	(1) Percentage of Total MSA Employment	Employees	Rank	(1) Percentage of Total MSA Employment
Seymour Johnson Air Force Base	7,456	1	14.32%	12,278	1	25.63%
Wayne County Board of Education	3,064	2	5.89%	3,000	2	6.26%
Wayne UNC Healthcare	1,606	3	3.09%			
Wal-Mart	1,182	4	2.28%	650	8	1.23%
Wayne County	1,150	5	2.21%	1,143	5	2.38%
Case Farms	1,100	6	2.11%	2,500	3	5.21%
Cherry Hospital	1,076	7	2.07%	928	7	1.93%
Goldsboro Milling	875	8	1.68%			
O'Berry Center	649	9	1.25%	958	6	2.00%
City of Goldsboro	596	10	1.15%	498	9	1.04%
Cooper Standard Automotive				407	10	0.85%
Franklin Baking Company, LLC						
Wayne Memorial Hospital				1,800	4	3.76%
Total	18,754		36.05%	24,162		50.29%

(1) Source - Employment Security Commission of North Carolina for the Goldsboro Metropolitan Statistical Area.

City of Goldsboro
Full-Time Equivalent City Employees by Function/Program (1)
Last Ten Fiscal Years

Function	2011	2012	2013	2014
General government	30.0	32.0	32.0	32.0
Transportation:				
Streets and highways	27.0	27.0	24.0	21.0
Garage	12.0	12.0	11.0	10.0
Economic and physical development	19.0	19.0	18.0	16.0
Public safety:				
Police:				
Officers	115.0	115.0	112.0	108.0
Civilians	10.0	10.0	10.0	10.0
Fire:				
Firefighters and officers	82.0	82.0	82.0	81.0
Civilians	1.0	1.0	1.0	1.0
Other	32.0	33.0	33.0	29.0
Environmental protection	56.0	55.0	53.0	48.0
Cultural and recreational	39.0	39.0	37.0	35.0
Stormwater	-	-	-	-
Maintenance	25.0	25.0	26.0	24.0
Water	11.0	11.0	11.0	11.0
Sewer	24.0	24.0	24.0	24.0
Total	483.0	485.0	474.0	450.0

Source - City of Goldsboro's Budget Document

Table 17

2015	2016	2017	2018	2019	2020
33.0	34.0	35.0	36.0	36.0	38.0
21.0	24.0	24.0	22.0	12.5	12.5
10.0	10.0	10.0	11.0	11.0	11.0
15.0	14.0	15.0	14.0	15.0	15.0
110.0	110.0	110.0	110.0	110.0	110.0
10.0	11.0	10.0	11.0	11.0	11.0
81.0	81.0	81.0	81.0	82.0	82.0
1.0	1.0	1.0	2.0	2.0	2.0
30.0	29.0	29.0	29.0	33.0	33.0
47.0	39.0	39.0	39.0	39.0	40.0
37.0	35.0	40.0	44.0	45.0	45.0
-	-	-	4.0	10.5	10.5
24.0	26.0	28.0	28.0	28.0	28.0
11.0	11.0	11.0	11.0	11.0	11.0
24.0	24.0	24.0	24.0	25.0	25.0
454.0	449.0	457.0	466.0	471.0	474.0

City of Goldsboro
Operating Indicators by Function (1)
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
Police:				
Physical arrests	3,137	3,406	3,212	2,962
Traffic violations	13,201	9,916	8,636	7,205
Fire:				
Number of calls answered	2,210	2,083	2,026	2,040
Inspections	744	364	944	1,213
Building inspections:				
New construction permits	117	120	107	96
Highways and streets:				
Street resurfacing (miles)	-	-	3	3.18
Potholes repaired	874	258	540	622
Sanitation:				
Refuse collected (tons per day)	46.50	68.10	57.01	50.30
Recyclables collected (tons per day)	3.90	5.49	5.45	5.60
Cultural and recreational:				
Athletic field permits issued	8	9	14	10
Community center admissions	119,114	136,480	106,513	132,364
Water:				
New connections	27	28	29	17
Water mains breaks	26	26	20	40
Average daily consumption (millions of gallons)	5.3	5.4	5.4	5.2
Number of customers	13,590	13,793	13,606	13,755
Waste water:				
New connections	42	53	32	35
Average daily sewage treatment (millions of gallons)	8.3	7.0	7.0	8.8
Number of customers	11,670	10,755	11,572	10,640

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

(1) Sources - Various departments of the City of Goldsboro.

Table 18

2015	2016	2017	2018	2019	2020
2,833	2,657	2,462	2,193	2,070	1,840
7,964	6,367	4,959	3,690	5,581	6,116
2,475	2,767	2,827	2,387	2,623	2,296
1,161	1,005	901	995	1,228	1,387
77	58	67	73	58	81
3.06	3.30	-	11	9.60	0.31
488	835	654	601	452	423
55.00	54.00	51.20	49.73	53.09	32.45
6.03	5.60	5.30	5.28	3.60	2.96
68	85	203	432	434	409
128,073	144,414	116,316	168,525	358,062	51,565
60	17	28	33	27	24
29	68	56	71	359	273
4.7	4.8	5.1	5.9	6.5	6.5
13,556	13,626	13,530	13,651	13,836	13,874
37	29	41	31	37	26
9.5	9.6	9.4	8.3	11.5	9.0
10,611	10,750	10,755	10,685	11,214	11,311

City of Goldsboro
Capital Asset Statistics by Function (1)
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
Public safety:				
Police:				
Stations	1	1	1	1
Patrol units	62	65	62	59
Fire stations	5	5	5	5
Sanitation:				
Collection trucks	11	11	11	11
Highways and streets:				
Streets (miles)	166	169	163	163
Streetlights	3,035	3,036	2,915	2,926
Cultural and recreational:				
Parks acreage	402	402	403	403
Parks	13	13	13	13
Swimming pools	2	2	2	2
Tennis courts	18	18	18	18
Community centers	2	2	2	2
Water:				
Water mains (miles)	270	270	298	270
Maximum daily capacity (millions of gallons)	12.0	12.0	12.0	12.0
Sewer:				
Sanitary sewers (miles)	239	239	239	241
Maximum daily treatment capacity (millions of gallons)	14.2	14.2	14.2	14.2

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

(1) Sources - Various departments of the City of Goldsboro.

Table 19

2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
59	70	60	64	64	64
5	5	5	5	5	5
7	8	8	8	8	8
163	163	163	163	163	163
2,805	2,836	2,905	2,924	2,924	2,924
403	403	403	403	403	403
13	13	13	13	13	13
2	2	2	2	2	2
18	18	18	18	18	18
2	2	2	2	2	2
270	270	274	274	274	274
12.0	12.0	12.0	12.0	12.0	12.0
241	241	243	243	243	243
14.2	14.2	14.2	14.2	14.2	14.2



This page was intentionally left blank.

COMPLIANCE SECTION

This section of the City of Goldsboro's (the "City") comprehensive annual financial report presents various schedules in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Information Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the *State Single Audit Implementation Act*. It also contains the independent auditors' reports on compliance and controls as required by the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the independent auditors' reports on compliance and controls as required by the Uniform Guidance, and the independent auditors' reports on compliance and controls as required by the *State Single Audit Implementation Act*.



Independent Auditors' 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 Goldsboro, NC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Goldsboro (the "City"), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprises the City's basic financial statements, and have issued our report thereon dated March 7, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of the City's 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 were not identified. We have identified a deficiency in internal control over financial reporting that we consider to be a material weakness. The material weakness is identified in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-001.

***Compliance and Other Matters***

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

The City's Response to the Findings

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

Purpose of this Report

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

Dixon Hughes Goodman LLP

High Point, NC
March 7, 2022



Independent Auditors' Report on Compliance for Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

Honorable Mayor and
Members of the City Council
City of Goldsboro, NC

Report on Compliance for the Major Federal Program

We have audited the City of Goldsboro's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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



Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-002. Our opinion on the major program is not modified with respect to this matter.

The City's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did identify a deficiency in internal control over compliance that we consider to be a material weakness. The material weakness is identified in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-002.

The City's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on it.



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

Dixon Hughes Goodman LLP

High Point, NC
March 7, 2022



Independent Auditors' Report on Compliance for Each Major State Program and Internal Control over Compliance in Accordance with Applicable Sections of OMB Uniform Guidance and the State Single Audit Implementation Act

Honorable Mayor and
Members of the City Council
City of Goldsboro, NC

Report on Compliance for the Major State Program

We have audited the City of Goldsboro's (the "City") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina* ("State"), issued by the Local Government Commission, which could have a direct and material effect on its major State program for the year ended June 30, 2020. The City's major State program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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



Opinion on the Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Dixon Hughes Goodman LLP

High Point, NC
March 7, 2022

Schedule of Findings and Questioned Costs

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported
- Noncompliance material to federal awards? X Yes No

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X Yes No

Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

20.933

National Infrastructure Investments

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000

Auditee qualified as low-risk auditee?

 Yes X No

State Awards

Internal control over major state programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to state awards? _____ Yes X No

Type of auditors' report issued on compliance for major state programs:

Unmodified

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

_____ Yes X No

Identification of major state programs:

Program Names

Powell Bill

2. Financial Statement Findings

Finding 2020-001: Internal Controls over Financial Reporting

MATERIAL WEAKNESS

Criteria: The objective of effective internal controls over financial reporting is to detect and correct material misstatements (caused by error or fraud) in a timely manner and permit the timely preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Condition: During the audit for the year ended June 30, 2020, errors were identified from prior years requiring restatement. In addition, the financial and compliance audits for the year ended June 30, 2020 were not completed until March 2022.

Effect: Correction of the errors resulted in restatement of beginning net position and fund balance as follows: Business-type Activities - \$1,146,126, Utility Fund - \$1,068,446 and Stormwater Fund - \$77,680.

The financial and compliance audits for the year ended June 30, 2020 were not completed until March 2022 causing the City to miss several deadlines for financial information.

Cause: During the year ended June 30, 2019, the City experienced turnover in the finance director position which significantly impaired the City's internal controls over financial reporting. In addition, Hurricane Florence caused a disruption in the City's services.

Repeat finding:	This is a repeat finding.
Context:	The new finance director had to perform extensive account analysis and make numerous adjusting journal entries after commencement of fieldwork for the fiscal year 2019 audit, which was not completed until April 2021. As a result, the fiscal year 2020 audit did not begin until well after its statutory due date. The completion of the audit was further delayed due scheduling conflicts. Several improvements were made to the City's financial records; however, an error related to accounting for unbilled accounts receivable at year-end was not detected in the fiscal year 2019 financial statements, and was corrected during the fiscal year 2020 audit, resulting in a restatement of beginning net position in the enterprise funds.
Recommendation:	The new Finance Director has established written procedures to ensure annual reporting requirements are completed in a timely manner. In addition, we recommend the City consider implementing a cross training plan where certain qualified individuals are trained to perform key functions in the event unexpected turnover or other events that would not allow members of management to perform their duties. In addition, cross-training strengthens existing controls by having other individuals fill in for a person while they are on vacation or out of the office for an extended period of time.
Management response:	Management agrees with this finding. See Corrective Action Plan.

3. Federal Awards Findings and Questioned Costs

Finding 2020-002: Compliance Reporting

MATERIAL WEAKNESS

MATERIAL NON-COMPLIANCE

Criteria:	<p>Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> ("Uniform Guidance"), section 200.512 requires the audit to be completed and the related reporting package submitted to the federal government within the earlier of 30 days after the receipt of the auditors' report or nine months after the end of the entity's fiscal year end.</p> <p>On March 19, 2020, the Office of Management and Budget ("OMB") issued memorandum M-20-17, <i>Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly impacted by the Novel Coronavirus</i> ("COVID-19"). The memorandum provides temporary relief for federal award recipients and subrecipients impacted by the COVID-19 pandemic. The memorandum summarizes 13 areas of administrative relief including an extension of time to submit financial reporting packages to the Federal Audit Clearinghouse in accordance with the Uniform Guidance.</p>
Condition:	The financial and compliance audits for the year ended June 30, 2020 were not completed within the extended deadline.
Effect:	The federal government could impose sanctions under 2 CFR 200.505.

Cause:	During the year, the City experienced turnover in the finance director position which significantly impaired the City's internal controls over financial reporting. In addition, Hurricane Florence caused a disruption in the City's services.
Repeat finding:	This is a repeat finding.
Context:	The filing deadline for the fiscal year ended June 30, 2020 was March 31, 2021 and extended to September 30, 2021 by OMB Memorandum M-20-17. The financial reporting package is expected to be uploaded on the Federal Audit Clearinghouse's website before March 31, 2022.
Recommendation:	The new Finance Director has established written procedures to ensure annual reporting requirements are completed in a timely manner. In addition, we recommend the City consider implementing a cross training plan where certain qualified individuals are trained to perform key functions in the event members of management become incapacitated and are unable to perform their duties. In addition, cross-training strengthens existing controls by having other individuals fill in for a person while they are on vacation or out of the office for an extended period of time.
Management Response:	Management agrees with this finding. See Corrective Action Plan.

4. State Awards Findings and Questioned Costs

None reported.



Corrective Action Plan

Finding 2020-001: Internal Control over Financial Reporting

Name of Contact Person: Catherine Gwynn, Finance Director

Corrective Action: The lateness of the financial audit was caused by a number of factors being the retirement of two key management personnel in the Finance Department (director and deputy director), deficiency in succession planning, lack of sufficient staffing in the Finance department, insufficient delegation of duties, lack of cross training, and inadequate written procedures. A contributing factor was also Hurricane Florence in September 2018, and Coronavirus Pandemic in March 2020 to present which further strained finance personnel resources. The issues were handled as follows:

Staffing - City management hired an experienced and credentialed professional to help bridge the gap between the retiring finance director. The new director hired an experienced professional to serve as the deputy director. Upon assessment of the financial accounting system, structure and processes, the director began implementing critical improvements to the system to ensure accountability and adherence to federal, state and local laws, policy and procedures. Training and counseling continues to be an ongoing process with all City staff related to finance matters. In January 2020, the Director requested and was granted the use of contract professional accounting assistance to help with reconstructing and reconciling the fiscal 2018 books to determine the various errors and misstatements, and reconciling the 2019 records. In March 2020, the Director requested and was granted one full time professional position in fiscal year 2020, which was filled in fiscal year 2021. In the fiscal year 2021, budget the Director requested four full time positions in fiscal year 2021 for the critical functions of purchasing and inventory, accounts receivable and accounts payable, and 2 positions for purchasing and inventory were approved. Director requested and was granted part-time staff to assist with providing backups to critical functions such as payroll and accounts payable in fiscal 2021, and these positions were filled mid-year fiscal 2021. In the fiscal year 2022 budget, the Director requested and was granted permanent part-time positions, and the part-time personnel that were hired were converted to permanent part-time effective July 1, 2021. However, COVID concerns and lack of full-time employment lead to vacancies in the positions shortly after being filled. Due to the lack of qualified candidates to fill the permanent part-time positions, the Director requested Council approve the reclassification of permanent part-time to full time positions for the payroll, accounts payable, accounts receivable, and office assistant technical positions, and on September 20, 2021, Council approved the addition of 4 full-time employees for Finance. Economic conditions in our area as well as the ongoing COVID-19 pandemic have hampered the efforts to fill the full-time positions with qualified candidates. The Director has requested and has been granted a pay study for the Finance Department to determine an equitable baseline for salaries, which will in turn allow for recruiting of qualified applicants to fill the jobs.

Delegation of duties - With the addition of personnel, it is possible now to have at least one backup for the critical functions of payroll, accounts payable, accounts receivable, purchasing, inventory, and records management. It is now possible for the director and deputy director to delegate those inherited tasks that are more suitable for subordinate staff. With the addition of staffing it allows director and deputy director to provide direction and oversight, as well as cross train on duties so that there is sufficient coverage to meet critical deadlines. The implementation of delegation of duties and



cross training has occurred for the 4 positions filled, and will continue when the remaining 3 positions are filled.

Written procedures - Director has implemented written procedures to assist staff in performing their tasks to include proper review and approval of transactions. Director requires that the Department Head review and approve transactions affecting the budgets managed, and if warranted approval by the City Manager. The Director has required all staff to provide sufficient data backup and authorization for all transactions entered into the City's accounting system. The transactions are monitored by the Finance staff assigned to the various accounting functions

Proposed Completion Date: Due to the number of reconciling issues encountered, the above measures were taken from July 2019 through April 2021. The staffing component is approximately 60% complete as of March 2022. It is anticipated that the remaining 3 full-time staff will be onboarded by April 2022, and the training and delegation of duties will take place in order to correct the finding. The audit for fiscal year 2021 is delayed due to resolving the issues with fiscal year 2018 and 2019, which caused the 2020 audit to be late as well. Management expects to have the audit for fiscal year 2021 completed by June 30, 2022.

Finding 2020-002: Compliance Reporting

Name of Contact Person: Catherine Gwynn, Finance Director

Corrective Action: The lateness of the financial audit was caused by a number of factors being the retirement of two key management personnel in the Finance Department (director and deputy director), deficiency in succession planning, lack of sufficient staffing in the Finance department, insufficient delegation of duties, lack of cross training, and inadequate written procedures. A contributing factor was also Hurricane Florence in September 2018, and Coronavirus Pandemic in March 2020 to present which further strained finance personnel resources. The issues were handled as follows:

Staffing - City management hired an experienced and credentialed professional to help bridge the gap between the retiring finance director. The new director hired an experienced professional to serve as the deputy director. Upon assessment of the financial accounting system, structure and processes, the director began implementing critical improvements to the system to ensure accountability and adherence to federal, state and local laws, policy and procedures. Training and counseling continues to be an ongoing process with all City staff related to finance matters. In January 2020, the Director requested and was granted the use of contract professional accounting assistance to help with reconstructing and reconciling the fiscal 2018 books to determine the various errors and misstatements, and reconciling the 2019 records. In March 2020, the Director requested and was granted one full time professional position in fiscal year 2020, which was filled in fiscal year 2021. In the fiscal year 2021, budget the Director requested four full time positions in fiscal year 2021 for the critical functions of purchasing and inventory, accounts receivable and accounts payable, and 2 positions for purchasing and inventory were approved. Director requested and was granted part-time staff to assist with providing backups to critical functions such as payroll and accounts payable in fiscal 2021, and these positions were filled mid-year fiscal 2021. In the fiscal year 2022 budget, the Director requested and was granted permanent part-time positions, and the part-time personnel that were hired were converted to permanent part-time effective July 1, 2021. However, COVID concerns and lack of full-time employment lead to vacancies in the positions shortly after being filled. Due to the lack of qualified candidates to fill the permanent part-time positions, the Director requested Council approve the reclassification of permanent part-time to full time positions for the payroll, accounts payable, accounts receivable, and office assistant technical positions, and Council approved the addition of 4 full-time employees for Finance. Economic conditions in our area as well



City of Goldsboro
P.O. Drawer A
North Carolina
27533-9701

(919) 580-4362

(3 pages)

as the ongoing COVID-19 pandemic have hampered the efforts to fill the full-time positions with qualified candidates. The Director has requested and has been granted a pay study for the Finance Department to determine an equitable baseline for salaries, which will in turn allow for recruiting of qualified applicants to fill the jobs.

Delegation of duties – With the addition of personnel, it is possible now to have at least one backup for the critical functions of payroll, accounts payable, accounts receivable, purchasing, inventory, and records management. It is now possible for the director and deputy director to delegate those inherited tasks that are more suitable for subordinate staff. With the addition of staffing it allows director and deputy director to provide direction and oversight, as well as cross train on duties so that there is sufficient coverage to meet critical deadlines. The implementation of delegation of duties and cross training has occurred for the 4 positions filled, and will continue when the remaining 3 positions are filled.

Written procedures - Director has implemented written procedures to assist staff in performing their tasks to include proper review and approval of transactions. Director requires that the Department Head review and approve transactions affecting the budgets managed, and if warranted approval by the City Manager. The Director has required all staff to provide sufficient data backup and authorization for all transactions entered into the City's accounting system. The transactions are monitored by the Finance staff assigned to the various accounting functions.

Proposed Completion Date: Due to the number of reconciling issues encountered, the above measures were taken from July 2019 through April 2021. The staffing component is approximately 60% complete as of March 2022. It is anticipated that the remaining 3 full-time staff will be onboarded by April 2022, and the training and delegation of duties will take place in order to correct the finding. The audit for fiscal year 2021 is delayed due to resolving the issues with fiscal year 2018 and 2019, which caused the 2020 audit to be late as well. Management expects to have the audit for fiscal year 2021 completed by June 30, 2022.



City of Goldsboro
P.O. Drawer A
North Carolina
27533-9701

(919) 580-4362

Summary Schedule of Prior Audit Findings

Finding 2019-001: Internal Controls over Financial Reporting

Status: Management has addressed staffing levels and is currently filling positions.
Policy and procedures are being developed, written and implemented.

Finding 2019-002: Contractual Violation

Status: Corrected.

Finding 2019-003: Compliance Reporting

Status: Management has addressed staffing levels and is currently filling positions.
Policy and procedures are being developed, written and implemented.

City of Goldsboro
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2020

(3 pages)

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures
Federal awards:				
Cash programs:				
<u>U.S. Department of Housing and Urban Development ("HUD")</u>				
Direct:				
Office of Community Planning and Development:				
Community Development Block Grant - Entitlement Grants:				
FY19- FY20	14.218	B-19-ML-37-0019	\$ 277,393	\$ -
Home Investment Partnership Program:				
FY19- FY20	14.239	M-19-MC-370209	45,688	-
Total HUD			323,081	-
<u>U.S. Department of Justice ("DOJ")</u>				
<u>Passed through NC Department of Public Safety:</u>				
Edward Byrne Memorial Justice Assistance Grant Program:				
FY19- FY20	16.738	2019-DJ-BX-0708	5,983	-
FY18- FY19	16.738	2018-DJ-BX-0075	23,460	-
FY17- FY18	16.738	2017-DJ-BX-0129	27,898	-
Total DOJ			57,341	-
<u>U.S. Department of Transportation ("DOT")</u>				
Direct:				
Federal Transit Administration:				
FY 2016 TIGER VIII	20.933	7244-2017-1	4,622,000	-
<u>Passed through NC Department of Transportation:</u>				
Highway Planning and Construction ("HPC") Cluster:				
Union Station Roof	20.205-2	42538.1.1	72,000	9,000
104(f) Funds	20.205-5	48269 1.8	193,561	-
104(f) Funds	20.205-5	47615 1.9	85,171	-
5303 Funds	20-205	36230.13.19.6	21,746	2,718
Total HPC Cluster			372,478	11,718
Total DOT			4,994,478	11,718

City of Goldsboro
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2020

(3 pages)

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of the Treasury ("Treasury")</u>				
Passed through Wayne County:				
COVID-19 - Coronavirus Relief Fund				
Coronavirus Aid Relief & Economic				
Recovery Act (CARES)				
	21.019	02-93	258,024	-
Total Treasury			258,024	-
<u>U.S. Environmental Protection Agency ("EPA")</u>				
Passed through N.C. Department of				
Environmental Quality:				
Division of Water Infrastructure:				
Capitalization Grants for Clean Water				
State Revolving Funds:				
Phase 4 Sewer Collection				
Rehabilitation Project				
	66.458	E-SRF-T-17-0453	3,503,851	-
Sewer Rehabilitation Project				
	66.458	E-SRP-W-17-0110	122,616	-
Waterline Replacement and				
Booster Pump Station Install				
	66.458	WIF1938	195,216	-
Plate Settlers				
	66.458	WIF1942	149,617	-
Total EPA			3,971,300	-
<u>U.S. Department of Homeland Security</u>				
<u>("DHS")</u>				
Federal Emergency Management Agency:				
Passed through NC Department of Public				
Safety:				
Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)				
	97.036	FEMA-4393-DR-NC	341,762	113,921
Total DHS			341,762	113,921
State awards:				
Cash programs:				
<u>N.C. Department of Transportation ("NCDOT")</u>				
Powell Bill				
	N/A	DOT-4	-	919,975
State Maintenance Assistance for Urban				
and Small Urban Program:				
Union Station Roof				
	N/A	DOT-18	-	17,135
Total NCDOT			-	937,110
<u>N.C. Housing Finance Agency ("NCHFA"):</u>				
Essential Single Family Rehab Loan				
Pool Program				
	N/A	ESFRLPDR 01	-	30,125
Total NCHFA			-	30,125

See accompanying notes.

City of Goldsboro
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2020

(3 pages)

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Commerce ("NCDOC")</u>				
Rural Housing Recovery Infrastructure Grant Program:				
Keller Way Extension for Adair Place	N/A	2019-133-3215-2545	-	307,033
Rural Infrastructure Program:				
TIGER 8 - Hub/Stage/Splash Pad	N/A	2019-104-1257-1534	-	237,864
Total NCDOC			-	544,897
<u>GoldenLEAF Foundation ("GoldenLEAF")</u>				
Disaster Recovery Grant Program				
Hurricane Matthew Infrastructure Recovery	N/A	17-175-4041	-	446,328
Total GoldenLEAF			-	446,328
Total expenditures of federal and state awards			<u><u>\$ 9,945,986</u></u>	<u><u>\$ 2,084,099</u></u>

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards ("SEFSA") includes the federal and state grant activity of the City of Goldsboro (the "City") under the programs of the federal government and the State of North Carolina (the "State") for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and the State Single Audit Implementation Act. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. Summary of Significant Accounting Policies

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

3. Indirect Costs

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

4. Loan and Loan Guarantee Balances Outstanding

The City has outstanding loan balances at June 30, 2020 relating to the Clean Water State Revolving Fund. The State has not imposed continuing compliance requirements other than repayment of the loan. As prescribed by the Uniform Guidance, the City shall consider current year amounts expended under this loan for inclusion within the SEFSA. Therefore, the amount reported on the SEFSA represents current year expenditures whereas the following table consists of the loans outstanding at June 30, 2020:

<u>Loan Description</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
Clean Water State Revolving Loan - CS370482-06	66.458	\$ 2,857,452
Clean Water State Revolving Loan - CS370482-07	66.458	<u>4,634,969</u>
Total outstanding loan balances		<u>\$ 7,492,421</u>

5. Program Clusters

Federal programs with different Catalog of Federal Domestic Assistance (CFDA) numbers that are closely related because they share common compliance requirements are defined as a cluster by the Uniform Guidance. The Highway Planning and Construction Cluster is separately identified in the SEFSA as a program cluster.

6. Sub-Recipients

The City did not pass through any federal or State funds to sub-recipients during the year ended June 30, 2020.

7. Contingencies

Grant moneys received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requires for reimbursement due to disallowed expenditures. Based upon experience, the City does not believe that such disallowance, if any, would have a material effect on the SEFSA.

8. Subsequent Events

On March 19, 2020, the Office of Management and Budget ("OMB") issued memorandum M-20-17, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly impacted by the Novel Coronavirus* ("COVID-19"). The memorandum provides temporary relief for federal award recipients and subrecipients impacted by the COVID-19 pandemic. The memorandum summarizes 13 areas of administrative relief including an extension of time to submit financial reporting packages to the Federal Audit Clearinghouse in accordance with the Uniform Guidance.

As noted in Finding 2020-002, the City failed to submit the financial reporting package by the extended deadline. The City has addressed the finding with a Corrective Action Plan that will be included with the financial reporting package.