

CITY OF GOLDSBORO
GOLDSBORO, NORTH CAROLINA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

CITY OF GOLDSBORO, NORTH CAROLINA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



Prepared by the Finance Department



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Table of Contents

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's 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 Net Position - Proprietary Funds	23
8	Statement of Cash Flows - Proprietary Funds	24
	Notes to Financial Statements	26

Schedule Required Supplementary Financial Data

	Other Post-Employment Benefits:	
RSI-1	Schedules of Changes in the Total OPEB Liability and Related Ratios	60
	Local Government Employees' Retirement System:	
RSI-2	Schedules of Proportionate Share of Net Pension Liability (Asset) and City Contributions	61
	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	62

Supplementary Information:

Schedule **Major Funds**

Combined General Fund:

A-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	63
A-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Hurricane Florence FEMA 4393 DR-NC Grant Project.....	69
A-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Edward Byrne Memorial Justice Assistance Grant Fund.....	70
A-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Police Other Restricted Revenue Fund	71
A-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Parks and Recreation Revenue Fund	72
A-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Relations Revenue Fund.....	73

Major Enterprise Funds:

B-1	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Utility Fund.....	74
B-2	Schedule of Revenues and Expenditures - Budget and Actual - Phase IV Sewer Collection Rehabilitation Capital Project	77
B-3	Schedule of Revenues and Expenditures - Budget and Actual - 2010A Sanitary Sewer Improvements Capital Project.....	78
B-4	Schedule of Revenues and Expenditures - Budget and Actual - Sewer Rehabilitation Capital Project.....	79
B-5	Schedule of Revenues and Expenditures - Budget and Actual - Water Line Replacement and Booster Pump Station Capital Project.....	80
B-6	Schedule of Revenues and Expenditures - Budget and Actual - Plate Settlers Capital Project.....	81
B-7	Schedule of Revenues and Expenditures - Budget and Actual - Golden LEAF Stormwater and Sewer Infrastructure Capital Project	82
B-8	Schedule of Revenues and Expenditures - Budget and Actual - Little Cherry Big Cherry Pump Station Relocation Capital Project	83
B-9	Schedule of Revenues and Expenditures - Galvanized Water Lines Capital Project.....	84
B-10	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Storm Water Fund.....	85
B-11	Schedule of Revenues and Expenditures - Budget and Actual - Storm Water Capital Project Fund	87

Nonmajor Governmental Funds

Combining Statements:

C-1	Combining Balance Sheet - Other Governmental Funds.....	88
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds	89

Nonmajor Special Revenue Funds:

D-1	Combining Balance Sheet - Nonmajor Special Revenue Funds	90
D-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds.....	91
D-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual - Community Development Fund	92

Nonmajor Governmental Funds (Continued)

Schedule Nonmajor Special Revenue Funds (Continued):

D-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Downtown District Fund	94
D-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Occupancy Tax Fund	95
D-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Federal and State Drug Forfeiture Fund.....	96
D-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – CARES Act Special Revenue Fund.....	97
D-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - CARES Act Miscellaneous Revenue Fund	98
D-9	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – BJA FY20 Coronavirus Emergency Supplemental Funding Grants Fund	99

Nonmajor Capital Projects Funds:

E-1	Combining Balance Sheet - Nonmajor Capital Projects Funds	100
E-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	101
E-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Parks and Recreation FY 2019-2024 Capital Projects Fund.....	102
E-4	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Street Improvements Capital Projects Fund.....	103
E-5	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Police/Fire Expansion Capital Projects Fund	104
E-6	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Herman Park Recreation Center Capital Projects Fund	105
E-7	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 1919 LaFrance Fire Truck Restoration Capital Projects Fund.....	106
E-8	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – FY 2016 TIGER Discretionary Grant Capital Projects Fund	107
E-9	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – FEMA Assistance to Firefighters Grant Capital Projects Fund	108

Other Financial Information

Additional Financial Data:

F-1	Schedule of Ad Valorem Taxes Receivable	109
F-2	Analysis of Current Tax Levy	111

STATISTICAL SECTION

Table

Financial Trends:

1	Net Position by Component.....	112
2	Changes in Net Position... ..	114
3	Fund Balances - Governmental Funds	118
4	Changes in Fund Balances - Governmental Funds	120

STATISTICAL SECTION (CONTINUED)

Table	Revenue Capacity:	
5	Tax Revenues by Source - Governmental Activities	122
6	Tax Revenues by Source - Governmental Funds (Modified Accrual Basis)	123
7	Assessed Values of Taxable Property	124
8	Direct and Overlapping Property Tax Rates	125
9	Principal Property Taxpayers	126
10	Property Tax Levies and Collections	127
	Debt Capacity:	
11	Ratios of Outstanding Debt by Type	128
12	Ratios of General Bonded Debt Outstanding	129
13	Legal Debt Margin Information	130
14	Direct and Overlapping Debt - Governmental Activities	132
	Demographic and Economic Information:	
15	Demographic and Economic Statistics	133
16	Principal Employers	134
17	Full-Time Equivalent City Employees by Function/Program	135
	Operating Information:	
18	Operating Indicators by Function	137
19	Capital Asset Statistics by Function	139

COMPLIANCE SECTION

Compliance Reports:

	Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	141
	Independent Auditor’s 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	143
	Independent Auditor’s 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	146
	<i>Compliance Schedules</i>	
	Schedule of Findings and Questioned Costs	148
	Corrective Action Plan	151
	Summary Schedule of Prior Audit Findings	153
	Schedule of Expenditures of Federal and State Awards.....	154
	Notes to Schedule of Expenditures of Federal and State Awards.....	157

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

February 23, 2023

Honorable Mayor, Members of City Council,
and Citizens of the City of Goldsboro, North Carolina

The Annual Comprehensive Financial Report (ACFR) of the City of Goldsboro for the fiscal year ended June 30, 2021 (FY21) is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the ACFR, 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 FORVIS, 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 auditor's report.

GOVERNMENT PROFILE



The City of Goldsboro, incorporated in 1847, is 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 33,657 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 Council selects the Mayor Pro-Tempore. The Mayor and Councilmembers make appointments to various advisory boards and commissions 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, efficiently, and safely 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 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. The June 2021 Goldsboro unemployment rate was 5.2 percent, which was slightly higher than the statewide rate of 4.9 percent and lower than the national rate of 5.9 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 \$706 million (M) to the economy in FY21. 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: 4,453 active duty military personnel; 905 civilian personnel; and 892 reservists. The base has an

estimated local employment impact of over \$468M, creating 8,236 jobs with expenditures of over \$58M for construction, utilities, 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 467 people supporting 4,342 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 local manufacturing firms. Some of the larger companies the City provides services to include: Case Farms; Goldsboro Milling; Franklin Baking; Mission Foods; and Southco Distributing.

This fiscal year, the City Inspections Department issued approximately \$111M for commercial and residential building and miscellaneous permits to include: Take 5 Oil Change; Precision Tune Auto; Eastern Pain Specialists; JB Rhodes Crematorium; St James Church of Christ Educational Building; Ram Rent All; Circle K; Ample Storage; and 57 new single family dwellings.



Downtown statistics for this FY include: 8 building renovations; 32 new jobs (22 net); 9 new businesses (2 net) and 11 façade improvements accounting for ~\$11.9M of private investment. Since the 2013 TIGER V award, downtown has realized: 171 building renovations; 512 new jobs (394 net); 117 new businesses (60 net) and 9 business expansions. The City’s investment of \$9M has attracted \$25.5M in state and federal funding and \$43.9M in private investment. We expect private investment to continue in the

downtown and municipal service district well into the future.

Domestic and international visitors to Wayne County spent an estimated \$172.4M in 2021; an increase of 21.6% from 2020. Goldsboro-Wayne County bounced back after the easing of COVID restrictions by hosting sports events, and events at venues such as The Hub downtown, the Bryan Multi-Sports Complex, and the Maxwell Center.

MAJOR INITIATIVES

Wastewater. The City has undertaken an extensive sewer collection system rehabilitation program to reduce the inflow and infiltration (I&I) which significantly impacts the Water Reclamation Facility (WRF) treatment capacity and future economic growth. Phase 1, Phase 2, and Phase 4 are complete; Phase 3 is 90% designed (~\$8.5M), is pending NC State approval of American Rescue Plan Act (ARPA) funding.

Drinking Water. The Water Treatment Plant (WTP) Plate Settler Project (\$1.4M) was completed this FY and expanded the plant capacity from 12 millions of gallons per day (MGD) to 14 MGD, thereby

enabling future growth while reducing water treatment costs. A waterline replacement project (~\$6M) has been submitted to NC State for ARPA funding.

Roads. Several North Carolina Department of Transportation improvement projects are 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 from US-70 to US-70 Bypass is under construction. 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.

American Rescue Plan Act (ARPA). The City applied for and received its first tranche of federal funds (\$4.4M of \$8.8M) in May of 2021 and will utilize this funding for employee pay expenses.

Coronavirus Aid, Relief, and Economic Security (CARES) Act. Federal funding (\$963K) was utilized to help pay for employee pay and sick leave, public health measures, and small business grants.

Downtown HUB. This project was completed in September 2020 as a transportation hub and venue for community events.

Maxwell Center Hotel. The City Council agreed to provide the property for a hotel near the Maxwell Center that will provide additional meeting room space, a small restaurant, and additional parking for future conferences.

LONG-TERM FINANCIAL PLANNING

City staff updated the City's strategic plan 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 grow in the next five to ten years due to the stability provided by SJAFB and local government institutions, growing industry, new businesses, and housing market economic drivers. Goldsboro's excellent location and access between the NC Research Triangle and eastern shore position the City well for growth. Federal, state, and local government investments in the Downtown streetscape, Bryan Multi-Sports Complex, Maxwell Center, Park East Industrial Park, and Goldsboro Business 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.

Recent studies forecasting potential expenditures with debt and affordability analysis necessary for sustainable government include: utility systems and rates; tourism; and employee pay. The further 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; expanding and 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. This FY debt service expenditures were 13.76% of total fund expenditures and the aggregate 10-year principal payout ratio was 80.42%. 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 or greater than 15% of the General Fund Operating Budget. At the end of this fiscal year, available fund balance is 13.12%. In future budget cycles, reduced spending and/or increased taxes may 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.

ACKNOWLEDGEMENT

The preparation of this report was made possible by the dedicated efforts of the City Finance Department and other key staff; the independent certified public accountant auditors, FORVIS; and the support and resources provided by the City Mayor and Councilmembers. We sincerely appreciate and thank all involved.

Respectfully submitted,



Timothy M. Salmon
City Manager



Catherine F. Gwynn
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

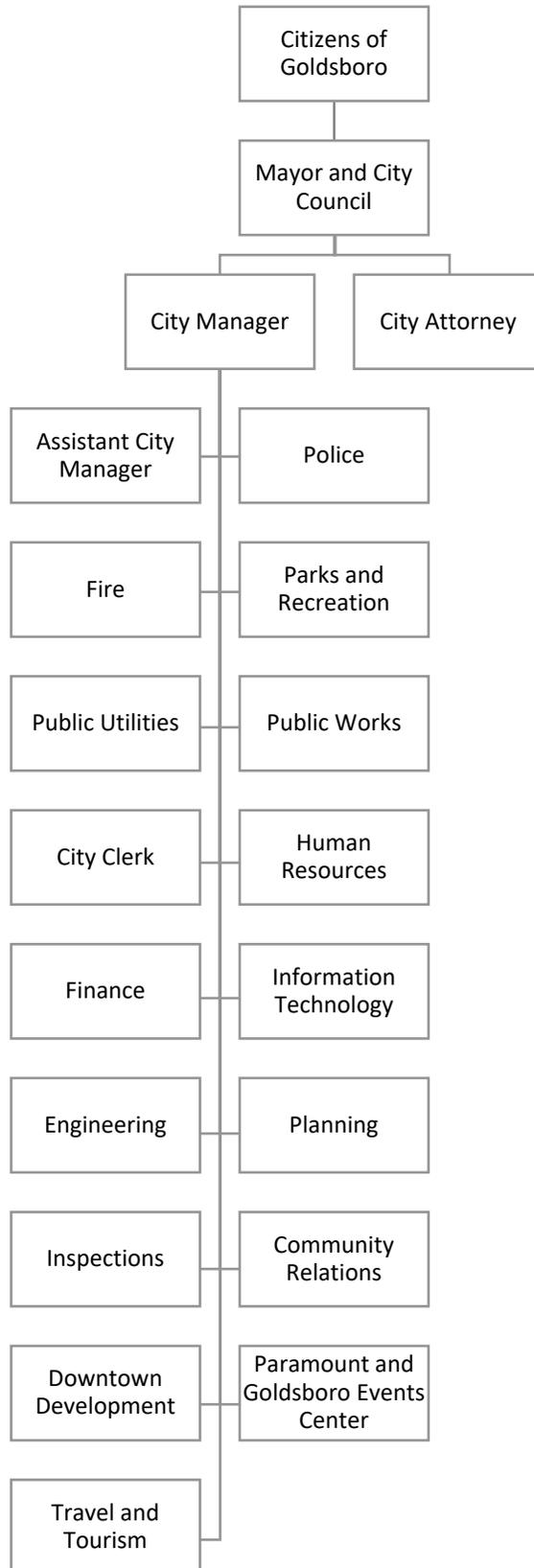
City Manager
Tim Salmon

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 Auditor's Report. In addition, the financial section contains supplemental and other information including budget comparison schedules, required combining statements and other financial information.

Independent Auditor's 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, 2021, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, 2021, 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.

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 60, the Local Government Employees' Retirement Systems' Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on page 61 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 62 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.

FORVIS

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, 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.

FORVIS, LLP

**High Point, NC
February 23, 2023**

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, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the recent fiscal year by \$115,966,511 (net position). Of this amount, (\$4,288,730) 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 \$5,841,801 consisting of an increase in governmental activities of \$1,265,703 and an increase in business-type activities of \$4,576,098. The change consisted of an increase of \$2,603,452 in unrestricted net position of governmental activities and a \$3,200,248 increase in unrestricted net position of business-type activities. The increase in unrestricted net position for governmental activities was due to an increase in deferred outflows of resources. The increase in unrestricted net position for business-type activities was due to an increase in current assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,823,189, an increase of \$1,181,472 in comparison with the prior year. Approximately 64.6 percent of this total, or \$8,927,989, is non-spendable or restricted.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$4,454,057 or 12.32 percent of total General Fund expenditures for the fiscal year. The portion of total fund balance that was available for appropriation was \$4,745,200 or 13.12 percent of total General Fund expenditures.
- The City's total debt decreased by \$5,933,371 (9.86%) 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

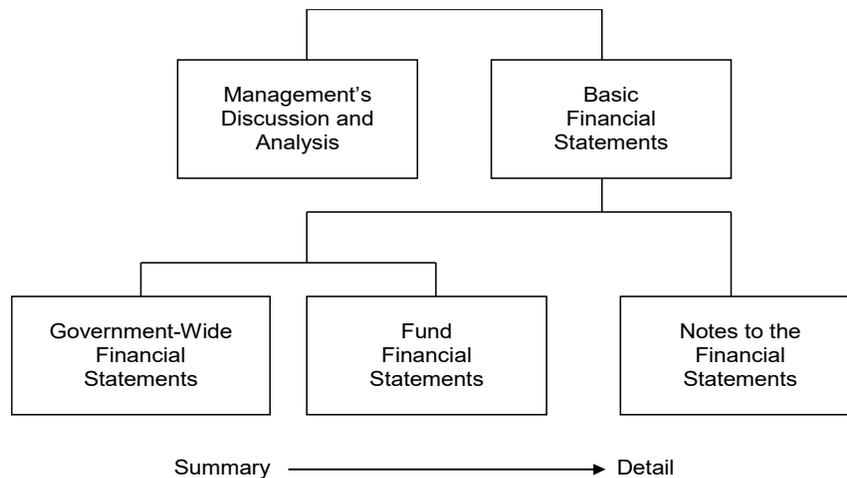
Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components (see Figure 1). They are as follows:

- 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,

**City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2021**

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, 2021**

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 26-59 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 60-62 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
ASSETS						
Current assets	\$ 18,211,523	\$ 17,942,083	\$ 16,289,259	\$ 12,819,219	\$ 34,500,782	\$ 30,761,302
Capital assets	<u>85,607,126</u>	<u>87,441,565</u>	<u>76,604,470</u>	<u>76,829,534</u>	<u>162,211,596</u>	<u>164,271,099</u>
Total	103,818,649	105,383,648	92,893,729	89,648,753	196,712,378	195,032,401
DEFERRED OUTFLOWS OF RESOURCES	<u>7,848,703</u>	<u>5,479,031</u>	<u>1,405,881</u>	<u>1,122,758</u>	<u>9,254,584</u>	<u>6,601,789</u>
Total assets and deferred outflows	<u>111,667,352</u>	<u>110,862,679</u>	<u>94,299,610</u>	<u>90,771,511</u>	<u>205,966,962</u>	<u>201,634,190</u>
LIABILITIES						
Current liabilities	3,693,704	8,921,879	2,793,839	5,554,419	6,487,543	14,476,298
Long-term liabilities	<u>52,269,491</u>	<u>47,186,345</u>	<u>28,734,208</u>	<u>26,966,276</u>	<u>81,003,699</u>	<u>74,152,621</u>
Total	55,963,195	56,108,224	31,528,047	32,520,695	87,491,242	88,628,919
DEFERRED INFLOWS OF RESOURCES	<u>2,101,767</u>	<u>2,417,768</u>	<u>407,442</u>	<u>462,793</u>	<u>2,509,209</u>	<u>2,880,561</u>
Total liabilities and deferred inflows	<u>58,064,962</u>	<u>58,525,992</u>	<u>31,935,489</u>	<u>32,983,488</u>	<u>90,000,451</u>	<u>91,509,480</u>
NET POSITION						
Net investment in capital assets	58,574,492	59,410,166	52,153,982	50,776,484	110,728,474	110,186,650
Restricted	8,470,337	8,972,412	1,056,430	1,058,078	9,526,767	10,030,490
Unrestricted (deficit)	<u>(13,442,439)</u>	<u>(16,045,891)</u>	<u>9,153,709</u>	<u>5,953,461</u>	<u>(4,288,730)</u>	<u>(10,092,430)</u>
Net position	<u>\$ 53,602,390</u>	<u>\$ 52,336,687</u>	<u>\$ 62,364,121</u>	<u>\$ 57,788,023</u>	<u>\$ 115,966,511</u>	<u>\$ 110,124,710</u>

**City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2021**

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 \$115,966,511 as of June 30, 2021. The City's net position increased by \$5,841,801 for the fiscal year ended June 30, 2021. The largest portion of net position (95.48%) 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 (8.22%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$4,288,730 (-3.70%) 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,**

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES						
Program revenues:						
Charges for services	\$ 5,728,620	\$ 20,375,257	\$ 26,103,877	\$ 5,633,021	\$ 19,117,212	\$ 24,750,233
Operating grants and contributions	3,113,053	-	3,113,053	5,116,777	-	5,116,777
Capital grants and contributions	266,288	268,854	535,142	4,329,200	336,324	4,665,524
General revenues:-						
Property taxes	16,902,783	-	16,902,783	16,534,709	-	16,534,709
Other taxes	1,376,911	-	1,376,911	1,304,724	-	1,304,724
Grants and contributions not restricted to specific programs	14,150,649	-	14,150,649	11,652,463	-	11,652,463
Unrestricted investment earnings	11,466	10,229	21,695	153,374	61,710	215,084
Miscellaneous	978,927	736,714	1,715,641	309,017	1,214,388	1,523,405
Total revenues	42,528,697	21,391,054	63,919,751	45,033,285	20,729,634	65,762,919
EXPENSES						
Governmental activities:						
General government	4,382,157	-	4,382,157	3,344,174	-	3,344,174
Public safety	18,900,022	-	18,900,022	17,282,752	-	17,282,752
Transportation	4,213,913	-	4,213,913	3,879,162	-	3,879,162
Economic and physical development	2,820,014	-	2,820,014	5,295,646	-	5,295,646
Environmental protection	3,708,748	-	3,708,748	4,278,685	-	4,278,685
Cultural and recreation	5,304,795	-	5,304,795	5,326,874	-	5,326,874
Interest on long-term debt	930,163	-	930,163	557,062	-	557,062
Business-type activities:						
Utilities	-	16,744,862	16,744,862	-	19,387,215	19,387,215
Storm Water	-	1,073,276	1,073,276	-	924,675	924,675
Total expenses	40,259,812	17,818,138	58,077,950	39,964,355	20,311,890	60,276,245
TRANSFERS	(1,003,182)	1,003,182	-	346,000	(346,000)	-
Net change	1,265,703	4,576,098	5,841,801	5,414,930	71,744	5,486,674
NET POSITION						
Beginning balances	52,336,687	57,788,023	110,124,710	46,921,757	57,716,279	104,638,036
Ending balances	\$ 53,602,390	\$ 62,364,121	\$ 115,966,511	\$ 52,336,687	\$ 57,788,023	\$ 110,124,710

**City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2021**

Overall, the City's net position increased by \$5,841,801 during the current fiscal year. There are various factors that influenced this increase, both positively and negatively. Some key factors of the increase in governmental activities were increases in unrestricted grants and contributions, and lapsed expenditures primarily due to vacant positions. These amounts were offset in part by the recognition of additional pension liabilities and other post-employment benefits, and a decline in investment income and restricted grants and contributions. 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 continued to be 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. There was also some increase due to the lifting of restrictions in utility cutoffs imposed by the State due to the COVID-19 pandemic. There were several capital projects in the utility fund that did not commence due to supply chain issues which reduced the amount of expenditures.

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 \$1,265,703. Key elements of this increase are as follows:

- Property tax revenues increased \$368,074 (2.23 percent) over the prior year due to modest growth.
- Investment earnings decreased \$141,908 for governmental activities due to lower market rates.
- Operating grants and contributions decreased \$2,003,724 due to the FEMA reimbursements for Hurricane Florence and Matthew received in the prior year.
- Capital grants and contributions decreased \$4,062,912 primarily due to the Federal Transportation Administration TIGER VIII Streetscape project funding completed in the prior year.

Business-type activities: Business-type activities increased the City's net position by \$4,576,098. Key elements of this increase are as follows:

- The charges for services increased \$1,258,045 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 \$51,481 for business activities due to lower market rates.
- Decreases in operating and maintenance costs of \$2,493,752 in the utility fund due to supply chain issues where large projects could not be undertaken.

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.

**City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2021**

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 \$4,454,057, while total fund balance was \$10,611,159. 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 12.32% percent of total General Fund expenditures, while fund balance available for appropriation represents 13.12% of the same amount.

At June 30, 2021, the governmental funds of the City reported a combined fund balance of \$13,823,189 a 9.35% increase over last year, primarily due to new unexpended loan proceeds on capital project expenditures, increases in capital assets such as construction in progress, 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 an increase in fund balance of \$57,948, due in part to lapsed appropriations for capital outlay. The Occupancy Tax Fund decreased by \$76,516 due to planned use of fund balance for debt repayment and additional advertising costs to recover from 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 for capital projects.
- Funding several workers' compensation settlements negotiated.
- Funding various expenditures related to insurance claims and overtime for Public Safety.

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

- Ad valorem taxes exceeded the budgeted amount by approximately \$83 thousand dollars.
- Local option sales and use taxes exceeded the budgeted amount by approximately \$830 thousand dollars, and utility franchise taxes fell short of the budgeted amount by \$241 thousand dollars.
- Other grants fell short of the budgeted amounts by approximately \$132 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 \$9,153,709. The total increase in net position for the funds was \$4,576,098. 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, 2021, totals \$162,211,596 (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 \$1,629,026 overall. The Herman Park Center, TIGER VIII Streetscape, and the 2018 Street Bonds project increased construction in progress by \$1,609,058. Work in process related to information technology items and police vehicles and other rolling stock placed in service decreased \$284,793.
- Equipment and vehicles totaling \$1,161,115 with the more significant purchases as follows:
 - Police department eleven vehicles placed in service \$271,912
 - Engineering signal bucket truck \$144,164
 - Fire department truck \$37,417
 - Solid Waste Kenworth road tractor \$144,834
 - Streets department Freightliner and dump bodies \$234,999, and Case backhoe purchased for \$113,988
- Buildings and improvements totaling \$284,793 were placed in service relating to the H.V. Brown Park restroom construction.
- Land acquired through foreclosure resulted in the City obtaining 4 parcels of land at \$4,371

**City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2021**

Business-Type Activities

- The Plate Settlers project and the Goldenleaf infrastructure project were placed in service and reduced construction in progress by \$2,089,889. Construction in progress increased \$1,537,245 overall. Construction in progress increased \$1,264,125 for the Phase IV Sewer Rehabilitation, and for several other small capital projects.
- Vehicles and motor equipment totaling \$565,501, with the more significant purchases as follows:
 - Stormwater division Global street sweeper \$280,633
 - Compost division Hyundai loader \$155,663
- Plant, buildings and improvements totaling \$489,757, related to the long term maintenance contract on the four water tanks
- Distribution system improvements of \$4,026,543 with the more significant investments as follows:
 - Center and Holly Street tank improvements \$1,161,469
 - Neuse River Sec 1135 Weir \$668,000
 - Goldenleaf grant infrastructure improvements at Glenwood \$596,216
 - Plate Settlers project improvements at the water plant \$1,493,673

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	
	2021	2020	2021	2020	2021	2020
Assets not depreciated:						
Land	\$ 7,488,292	\$ 7,483,921	\$ 1,443,282	\$ 1,443,282	\$ 8,931,574	\$ 8,927,203
Construction-in-progress	16,383,799	16,664,949	9,228,493	9,689,545	25,612,292	26,354,494
Assets depreciated, net:						
Buildings	20,495,380	21,340,914	-	-	20,495,380	21,340,914
Plant and distribution systems	-	-	57,684,339	56,792,995	57,684,339	56,792,995
Furniture and equipment	2,417,014	1,524,455	6,323,101	7,178,444	8,740,115	8,702,899
Vehicles and motor equipment	4,593,648	4,470,099	1,925,255	1,725,268	6,518,903	6,195,367
Infrastructure	<u>34,228,993</u>	<u>35,957,227</u>	<u>-</u>	<u>-</u>	<u>34,228,993</u>	<u>35,957,227</u>
Total	<u>\$ 85,607,126</u>	<u>\$ 87,441,565</u>	<u>\$ 76,604,470</u>	<u>\$ 76,829,534</u>	<u>\$ 162,211,596</u>	<u>\$ 164,271,099</u>

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, 2021, the City had total capital related debt outstanding of \$54,270,587. General obligation bonds in the amount of \$16,948,000 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.

**City of Goldsboro, North Carolina
Management's Discussion and Analysis
Year Ended June 30, 2021**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 10,621,168	\$ 11,590,488	\$ 6,326,832	\$ 7,292,512	\$ 16,948,000	\$ 18,883,000
Premium on bonds	772,791	843,317	462,680	514,088	1,235,471	1,357,405
Capitalized leases	649,399	985,315	-	-	649,399	985,315
Notes payable	<u>16,907,015</u>	<u>19,826,854</u>	<u>18,530,702</u>	<u>19,151,384</u>	<u>35,437,717</u>	<u>38,978,238</u>
Total	<u>\$ 28,950,373</u>	<u>\$ 33,245,974</u>	<u>\$ 25,320,214</u>	<u>\$ 26,957,984</u>	<u>\$ 54,270,587</u>	<u>\$ 60,203,958</u>

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 \$178,628,000.

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 48-54 of this report.

Economic factors and next year's budgets and rates

The average unemployment rate for Goldsboro is currently 5.69 percent. The statewide and the national average unemployment rates for fiscal year 2021 is 5.3 percent.

Budget highlights for the fiscal year ending June 30, 2022

Governmental activities: The City's adopted budget for 2022 included an increase to the tax rate of 65 cents per \$100 valuation to 68 cents per \$100 valuation. Revenues from shared state revenues and property taxes remain flat. The retirement contribution rate increased from 10.21% to 11.41% for general employees, and from 10.84% to 12.04% for law enforcement. There were no cost of living or merit raises included with the adopted budget.

Business-type activities: Water and sewer usage are expected to remain constant in FY 2021-2022 despite the COVID-19 pandemic. There was no increase for water and sewer rates and classes, and there were increases in surcharges and laboratory fees with all other utility service rates and charges remaining 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, 2021

Exhibit 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 9,550,334	\$ 9,937,790	\$ 19,488,124
Receivables, net	1,768,376	3,538,682	5,307,058
Due from other governments	4,536,357	78,434	4,614,791
Inventories and prepaids	255,407	938,792	1,194,199
Restricted assets:			
Cash and investments	1,801,049	1,795,561	3,596,610
Notes receivable	300,000	-	300,000
Capital assets, net:			
Assets not being depreciated	23,872,091	10,671,775	34,543,866
Other capital assets, net of depreciation	61,735,035	65,932,695	127,667,730
Total assets	103,818,649	92,893,729	196,712,378
DEFERRED OUTFLOWS OF RESOURCES	7,848,703	1,405,881	9,254,584
LIABILITIES			
Accounts payable and accrued liabilities	2,794,373	1,437,392	4,231,765
Estimated claims payable	553,008	-	553,008
Accrued interest payable	335,902	101,882	437,784
Customer deposits	10,421	1,244,075	1,254,496
Unearned revenue	-	10,490	10,490
Long-term liabilities:			
Due within one year	4,268,980	2,976,131	7,245,111
Due in more than one year	48,000,511	25,758,077	73,758,588
Total liabilities	55,963,195	31,528,047	87,491,242
DEFERRED INFLOWS OF RESOURCES	2,101,767	407,442	2,509,209
NET POSITION			
Net investment in capital assets	58,574,492	52,153,982	110,728,474
Restricted for:			
Stabilization by State Statute	5,283,211	-	5,283,211
Public safety	452,738	-	452,738
Capital outlay	2,382,019	-	2,382,019
Cemetery maintenance	294,478	-	294,478
Receivables held in abeyance	57,891	1,056,430	1,114,321
Unrestricted	(13,442,439)	9,153,709	(4,288,730)
Total net position	\$ 53,602,390	\$ 62,364,121	\$ 115,966,511

City of Goldsboro
Statement of Activities
Year Ended June 30, 2021

Exhibit 2
(2 pages)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,382,157	\$ 84,878	\$ 26,451	\$ -
Public safety	18,900,022	530,494	293,501	-
Transportation	4,213,913	390,219	1,005,312	187,172
Economic and physical development	2,820,014	62,457	1,483,052	-
Environmental protection	3,708,748	3,713,661	279,557	-
Cultural and recreation	5,304,795	946,911	25,180	79,116
Interest on long-term debt	930,163	-	-	-
Total governmental activities	40,259,812	5,728,620	3,113,053	266,288
Business-type activities				
Utilities	16,744,862	18,764,995	-	268,854
Stormwater	1,073,276	1,610,262	-	-
Total business-type activities	17,818,138	20,375,257	-	268,854
Total primary government	\$ 58,077,950	\$ 26,103,877	\$ 3,113,053	\$ 535,142

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Governmental activities			
General government	\$ (4,270,828)	\$ -	\$ (4,270,828)
Public safety	(18,076,027)	-	(18,076,027)
Transportation	(2,631,210)	-	(2,631,210)
Economic and physical development	(1,274,505)	-	(1,274,505)
Environmental protection	284,470	-	284,470
Cultural and recreation	(4,253,588)	-	(4,253,588)
Interest on long-term debt	(930,163)	-	(930,163)
Total governmental activities	<u>(31,151,851)</u>	<u>-</u>	<u>(31,151,851)</u>
Business-type activities			
Utilities	-	2,288,987	2,288,987
Stormwater	-	536,986	536,986
Total business-type activities	<u>-</u>	<u>2,825,973</u>	<u>2,825,973</u>
Total primary government	<u>(31,151,851)</u>	<u>2,825,973</u>	<u>(28,325,878)</u>
General revenues			
Taxes:			
Property taxes, levied for general purpose	16,902,783	-	16,902,783
Other taxes and licenses	1,376,911	-	1,376,911
Grants and contributions not restricted to specific programs	14,150,649	-	14,150,649
Unrestricted investment earnings	11,466	10,229	21,695
Gain on disposal of capital assets	135,392	-	135,392
Miscellaneous	843,535	736,714	1,580,249
Total general revenues	33,420,736	746,943	34,167,679
Transfers	<u>(1,003,182)</u>	<u>1,003,182</u>	<u>-</u>
Total general revenues and transfers and transfers	<u>32,417,554</u>	<u>1,750,125</u>	<u>34,167,679</u>
Change in net position	1,265,703	4,576,098	5,841,801
Net position			
Beginning balances	<u>52,336,687</u>	<u>57,788,023</u>	<u>110,124,710</u>
Ending balances	<u>\$ 53,602,390</u>	<u>\$ 62,364,121</u>	<u>\$ 115,966,511</u>

**City of Goldsboro
Balance Sheet
Governmental Funds
June 30, 2021**

**Exhibit 3
(2 pages)**

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 7,543,076	\$ 2,007,258	\$ 9,550,334
Receivables (net):			
Property taxes receivable	478,919	5,736	484,655
Accounts receivable	1,146,222	-	1,146,222
Interest receivable	-	48,000	48,000
Due from other governments	4,265,613	270,744	4,536,357
Due from other funds	358,679	-	358,679
Inventories and prepaids	255,407	-	255,407
Restricted assets:			
Cash and investments	10,421	1,790,628	1,801,049
Notes receivable	-	300,000	300,000
	<u>10,421</u>	<u>1,790,628</u>	<u>1,801,049</u>
	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total assets	<u>\$ 14,058,337</u>	<u>\$ 4,422,366</u>	<u>\$ 18,480,703</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,375,866	\$ 489,761	\$ 1,865,627
Accrued compensation payable	920,586	8,160	928,746
Due to other funds	-	358,679	358,679
Customer deposits	10,421	-	10,421
	<u>10,421</u>	<u>-</u>	<u>10,421</u>
Total liabilities	<u>2,306,873</u>	<u>856,600</u>	<u>3,163,473</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,140,305</u>	<u>353,736</u>	<u>1,494,041</u>
FUND BALANCES			
Nonspendable:			
Inventories and prepaids	255,407	-	255,407
Restricted:			
Stabilization by state statute	5,281,780	1,431	5,283,211
General government	-	260,136	260,136
Public safety	34,294	-	34,294
Transportation	-	1,847,840	1,847,840
Cemetery maintenance	294,478	-	294,478
Economic and physical development	-	535,757	535,757
Public safety	-	418,444	418,444
Cultural and recreational	-	(1,578)	(1,578)
Committed:			
Environmental protection	277,862	-	277,862
Cultural and recreational	11,752	-	11,752
Economic and physical development	1,529	-	1,529
Assigned:			
Subsequent year's expenditures	-	150,000	150,000
Unassigned	4,454,057	-	4,454,057
	<u>4,454,057</u>	<u>-</u>	<u>4,454,057</u>
Total fund balances	<u>10,611,159</u>	<u>3,212,030</u>	<u>13,823,189</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,058,337</u>	<u>\$ 4,422,366</u>	<u>\$ 18,480,703</u>

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

**City of Goldsboro
Balance Sheet
Governmental Funds
June 30, 2021**

**Exhibit 3
(2 pages)**

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

Total fund balances	\$ 13,823,189
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	23,872,091
Assets subject to depreciation	<u>132,300,368</u>
Total cost	156,172,459
Less:	
Accumulated depreciation	<u>(70,565,333)</u>
Capital assets, net of accumulated depreciation	85,607,126
Deferred outflows of resources are not financial resources; therefore, the amounts are not reported in the funds:	
Local Government Employees' Retirement System ("LGERS")	5,210,355
Law Enforcement Officers' Special Separation Allowance ("LEO")	1,549,770
Other post employment benefits ("OPEB")	961,467
Deferred loss on sale of refunding bonds	127,111
Certain assets are not available to pay for current period expenditures; therefore, the balances are deferred in the funds:	
Property taxes receivable	484,655
Other receivables that are not available	1,009,386
Accrued interest receivable on unpaid property taxes	89,499
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	(10,621,168)
Premium on bonds payable	(772,791)
Notes payable	(17,556,414)
Compensated absences payable	(1,898,796)
Net pension liability - LGERS	(9,682,593)
Total pension liability - LEO	(4,679,631)
Total OPEB liability	(7,058,098)
Deferred inflows of resources do not require financial resources; therefore, the amounts are not reported in the funds:	
LGERS	(121,662)
LEO	(89,782)
OPEB	(1,890,323)
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)	(553,008)
Interest payable	<u>(335,902)</u>
Net position of governmental activities	<u>\$ 53,602,390</u>

City of Goldsboro
Statement of Revenues and Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

Exhibit 4
(2 pages)

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
REVENUES			
Ad valorem taxes	\$ 16,903,968	\$ 95,002	\$ 16,998,970
Other taxes and licenses	342,736	1,034,175	1,376,911
Unrestricted intergovernmental	14,075,736	-	14,075,736
Restricted intergovernmental	1,855,245	1,657,477	3,512,722
Permits and fees	512,777	-	512,777
Sales and services	4,788,516	2,649	4,791,165
Investment earnings	6,739	4,727	11,466
Donations and sponsorships	18,213	279,116	297,329
Miscellaneous	639,613	197,889	837,502
Total revenues	<u>39,143,543</u>	<u>3,271,035</u>	<u>42,414,578</u>
EXPENDITURES			
Current:			
General government	2,851,896	816,805	3,668,701
Public safety	17,052,309	72,280	17,124,589
Transportation	2,469,206	1,251,058	3,720,264
Economic and physical development	1,681,757	1,061,250	2,743,007
Environmental protection	3,324,912	-	3,324,912
Cultural and recreational	4,121,880	422,935	4,544,815
Debt service:			
Principal retirement	3,715,053	510,022	4,225,075
Interest and other charges	946,850	77,381	1,024,231
Total expenditures	<u>36,163,863</u>	<u>4,211,731</u>	<u>40,375,594</u>
Revenues over (under) expenditures	<u>2,979,680</u>	<u>(940,696)</u>	<u>2,038,984</u>
OTHER FINANCING SOURCES (USES)			
Transfer from other funds	-	590,871	590,871
Transfer to other funds	(1,594,053)	-	(1,594,053)
Sale of capital assets	130,696	4,696	135,392
Other financing sources (uses), net	<u>(1,463,357)</u>	<u>595,567</u>	<u>(867,790)</u>
Net change in fund balances	1,516,323	(345,129)	1,171,194
FUND BALANCES			
Beginning balances	9,084,558	3,557,159	12,641,717
Change in reserve for inventories	10,278	-	10,278
Ending balances	<u>\$ 10,611,159</u>	<u>\$ 3,212,030</u>	<u>\$ 13,823,189</u>

City of Goldsboro
Statement of Revenues and Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

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		\$	1,171,194
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	\$	2,215,260	
Depreciation expense		<u>(4,049,700)</u>	(1,834,440)
Inventories are a use of current financial resources and therefore reported as an expenditure in the governmental funds.			10,278
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		822,665	
LEO		963,001	
OPEB		602,739	
Deferred loss on debt refunding		<u>(18,733)</u>	2,369,672
Revenues not recognized in the fund statements because they are not considered available and do not provide current financial resources.			
Proceeds received from the sale of capital assets		(135,392)	
Gain on disposal of capital assets		135,392	
Net change in property taxes receivable		(61,103)	
Net change in accrued interest on unpaid property taxes		(35,084)	
Net change in other deferred balances		<u>74,913</u>	(21,274)
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		(199,562)	
Net change in interest payable		42,275	
Net change in estimated claims payable		(86,233)	
Pension expense - LGERS		(2,214,529)	
Pension expense - LEO		(1,218,938)	
OPEB expense		<u>(1,048,341)</u>	(4,725,328)
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.			
Principal retirement		4,225,075	
Amortization of bond premiums		<u>70,526</u>	<u>4,295,601</u>
Total changes in net position of governmental activities			<u>\$</u> <u>1,265,703</u>

City of Goldsboro
Statement of Revenues and Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2021

Exhibit 5

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 16,815,330	\$ 16,815,330	\$ 16,903,968	\$ 88,638
Other taxes and licenses	319,075	319,075	342,736	23,661
Unrestricted intergovernmental	13,412,586	13,503,585	14,075,736	572,151
Restricted intergovernmental	1,559,348	1,880,589	1,748,777	(131,812)
Permits and fees	400,350	555,150	512,777	(42,373)
Sales and services	4,871,581	4,723,679	4,788,516	64,837
Investment earnings	84,100	84,100	6,718	(77,382)
Miscellaneous	625,100	938,239	633,967	(304,272)
Total revenues	<u>38,087,470</u>	<u>38,819,747</u>	<u>39,013,195</u>	<u>193,448</u>
EXPENDITURES				
Current:				
General government	4,602,830	3,476,541	2,851,896	624,645
Transportation	1,657,001	2,553,848	2,469,206	84,642
Economic and physical development	2,376,000	2,128,741	1,680,691	448,050
Public safety	17,414,581	18,646,007	17,036,295	1,609,712
Environmental protection	3,962,734	4,090,123	3,324,912	765,211
Cultural and recreational	4,501,590	4,601,566	4,113,914	487,652
Debt service:				
Principal retirement	4,436,935	3,925,332	3,715,053	210,279
Interest and other charges	421,357	946,850	946,850	-
Total expenditures	<u>39,373,028</u>	<u>40,369,008</u>	<u>36,138,817</u>	<u>4,230,191</u>
Revenues under expenditures	<u>(1,285,558)</u>	<u>(1,549,261)</u>	<u>2,874,378</u>	<u>4,423,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(5,236)	(211,107)	(205,871)	5,236
Transfer from other funds	-	-	563,410	563,410
Sale of capital assets	85,000	116,878	130,696	13,818
Issuance of debt	1,192,830	1,192,830	-	(1,192,830)
Other financing sources (uses), net	<u>1,272,594</u>	<u>1,098,601</u>	<u>488,235</u>	<u>(610,366)</u>
Fund balance appropriated	<u>12,964</u>	<u>450,660</u>	<u>-</u>	<u>(450,660)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,362,613</u>	<u>\$ 3,362,613</u>
FUND BALANCE				
Beginning balance			6,912,816	
Change in reserve for inventories			10,278	
Ending balance			10,285,707	
LEGALLY BUDGETED FUNDS THAT ARE CONSOLIDATED INTO THE GENERAL FUND FOR REPORTING PURPOSES:				
Hurricane Florence FEMA 4393 DR-NC Grant Project:				
Beginning fund balance			2,135,411	
Revenues			94,043	
Transfers from other funds			(1,951,592)	
Other public safety projects:				
Beginning fund balance			25,231	
Revenues			25,092	
Expenditures			(16,014)	
Other cultural and recreational projects:				
Beginning fund balance			10,260	
Revenues			9,458	
Expenditures			(7,966)	
Other economic and physical development projects:				
Beginning fund balance			840	
Revenues			1,755	
Expenditures			(1,066)	
General Fund ending balance (Exhibit 4)			<u>\$ 10,611,159</u>	

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

City of Goldsboro
Statement of Net Position
Proprietary Funds
June 30, 2021

Exhibit 6

	<u>Utility Fund</u>	<u>Storm Water Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 8,561,268	\$ 1,376,522	\$ 9,937,790
Accounts receivable, net	3,332,381	206,301	3,538,682
Due from other governments	78,434	-	78,434
Inventories	938,792	-	938,792
Restricted assets:			
Cash and investments	1,795,561	-	1,795,561
Total current assets	<u>14,706,436</u>	<u>1,582,823</u>	<u>16,289,259</u>
Noncurrent assets:			
Capital assets:			
Land and construction-in-progress	10,671,775	-	10,671,775
Other capital assets, net	65,086,101	846,594	65,932,695
Total noncurrent assets	<u>75,757,876</u>	<u>846,594</u>	<u>76,604,470</u>
Total assets	<u>90,464,312</u>	<u>2,429,417</u>	<u>92,893,729</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,273,804</u>	<u>132,077</u>	<u>1,405,881</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,406,490	30,902	1,437,392
Accrued interest payable	99,663	2,219	101,882
Customer deposits	1,244,075	-	1,244,075
Unearned revenue	10,490	-	10,490
Current portion of:			
Compensated absences payable	81,400	2,400	83,800
Notes payable	1,756,934	118,300	1,875,234
Bonds payable	1,017,097	-	1,017,097
Total current liabilities	<u>5,616,149</u>	<u>153,821</u>	<u>5,769,970</u>
Noncurrent liabilities:			
Net pension liability	1,484,578	206,329	1,690,907
Total OPEB liability	1,271,217	170,760	1,441,977
Compensated absences payable	180,616	16,694	197,310
Notes payable	16,533,788	121,680	16,655,468
Bonds payable	5,772,415	-	5,772,415
Total noncurrent liabilities	<u>25,242,614</u>	<u>515,463</u>	<u>25,758,077</u>
Total liabilities	<u>30,858,763</u>	<u>669,284</u>	<u>31,528,047</u>
DEFERRED INFLOWS OF RESOURCES	<u>359,115</u>	<u>48,327</u>	<u>407,442</u>
NET POSITION			
Net investment in capital assets	51,547,368	606,614	52,153,982
Restricted - accounts receivable held in abeyance	1,056,430	-	1,056,430
Unrestricted	7,916,440	1,237,269	9,153,709
Total net position	<u>\$ 60,520,238</u>	<u>\$ 1,843,883</u>	<u>\$ 62,364,121</u>

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

City of Goldsboro
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

Exhibit 7

	<u>Utility Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Operating revenues			
Charges for service	\$ 18,689,371	\$ 1,610,262	\$ 20,299,633
Assessments	9,723	-	9,723
Water and sewer taps	35,150	-	35,150
Other operating revenues	30,751	-	30,751
	<u>18,764,995</u>	<u>1,610,262</u>	<u>20,375,257</u>
Operating expenses			
Salaries and employee benefits	4,016,289	634,328	4,650,617
Operating expenses	7,379,732	339,638	7,719,370
Depreciation	4,831,804	90,474	4,922,278
	<u>16,227,825</u>	<u>1,064,440</u>	<u>17,292,265</u>
Total operating revenues	<u>18,764,995</u>	<u>1,610,262</u>	<u>20,375,257</u>
Total operating expenses	<u>16,227,825</u>	<u>1,064,440</u>	<u>17,292,265</u>
Operating income	<u>2,537,170</u>	<u>545,822</u>	<u>3,082,992</u>
Nonoperating revenues (expenses)			
Other revenues	728,053	8,661	736,714
Investment earnings	9,255	974	10,229
Debt issuance costs	(13,182)	-	(13,182)
Interest expense	(503,855)	(8,836)	(512,691)
	<u>220,271</u>	<u>799</u>	<u>221,070</u>
Nonoperating revenues (expenses), net	<u>220,271</u>	<u>799</u>	<u>221,070</u>
Net income before contributions and transfers	2,757,441	546,621	3,304,062
Capital contributions	268,854	-	268,854
Transfers from other funds	1,388,182	-	1,388,182
Transfers to other funds	(200,000)	(185,000)	(385,000)
	<u>4,214,477</u>	<u>361,621</u>	<u>4,576,098</u>
Change in net position	<u>4,214,477</u>	<u>361,621</u>	<u>4,576,098</u>
Net position			
Beginning balance	56,305,761	1,482,262	57,788,023
Ending balance	<u>\$ 60,520,238</u>	<u>\$ 1,843,883</u>	<u>\$ 62,364,121</u>

**City of Goldsboro
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021**

**Exhibit 8
(2 pages)**

	<u>Utility Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 18,621,209	\$ 1,615,691	\$ 20,236,900
Cash paid for goods and services	(7,387,738)	(340,085)	(7,727,823)
Cash paid to employees for services	(3,780,624)	(590,932)	(4,371,556)
Other nonoperating revenue	728,053	-	728,053
	<u>8,180,900</u>	<u>684,674</u>	<u>8,865,574</u>
Net cash provided by operating activities			
Cash flows from noncapital financing activities:			
Cash received from governmental agencies	-	8,661	8,661
Transfers from other funds, net	1,188,182	(185,000)	1,003,182
	<u>1,188,182</u>	<u>(176,339)</u>	<u>1,011,843</u>
Net cash provided (used) by noncapital financing activities			
Cash flows from capital and related financing activities:			
Proceeds from the issuance of long-term debt	3,275,641	-	3,275,641
Principal paid on long-term debt	(2,755,203)	(114,920)	(2,870,123)
Interest and fees paid on long-term debt	(533,434)	(9,899)	(543,333)
Debt issuance costs paid	(13,182)	-	(13,182)
Acquisition and construction of capital assets	(4,851,712)	(290,592)	(5,142,304)
Capital contributions - federal and state grants	268,854	-	268,854
	<u>(4,609,036)</u>	<u>(415,411)</u>	<u>(5,024,447)</u>
Net cash used for capital and related financing activities			
Cash flows from investing activities:			
Interest on investments	9,255	974	10,229
	<u>9,255</u>	<u>974</u>	<u>10,229</u>
Net cash provided by investing activities			
Net increase in cash and cash equivalents	4,769,301	93,898	4,863,199
Cash and cash equivalents:			
Beginning balances	5,587,528	1,282,624	6,870,152
	<u>\$ 10,356,829</u>	<u>\$ 1,376,522</u>	<u>\$ 11,733,351</u>
Ending balances			
Cash and cash equivalents:			
Unrestricted	\$ 8,561,268	\$ 1,376,522	\$ 9,937,790
Restricted	1,795,561	-	1,795,561
	<u>\$ 10,356,829</u>	<u>\$ 1,376,522</u>	<u>\$ 11,733,351</u>
Total cash and cash equivalents			

City of Goldsboro
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

Exhibit 8
(2 pages)

	<u>Utility Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 2,537,170	\$ 545,822	\$ 3,082,992
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,831,804	90,474	4,922,278
Other nonoperating revenue	728,053	-	728,053
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(193,404)	5,429	(187,975)
Increase in due from other governments	(52,526)	-	(52,526)
Increase in inventories	(358,220)	-	(358,220)
Increase in:			
Deferred outflows of resources for pensions	(130,634)	-	(130,634)
Deferred outflows of resources for OPEB	(140,362)	(47,487)	(187,849)
Increase in accounts payable and accrued liabilities	405,589	1,292	406,881
Increase in customer deposits	52,993	-	52,993
Decrease in unearned revenues	(3,374)	-	(3,374)
Increase (decrease) in compensated absences	(32,327)	1,181	(31,146)
Increase in net pension liability	347,780	62,426	410,206
Increase in total OPEB liability	237,363	31,884	269,247
Increase (decrease) in:			
Deferred inflows of resources for pensions	(456)	174	(282)
Deferred inflows of resources for OPEB	(48,549)	(6,521)	(55,070)
Net cash provided by operating activities	<u>\$ 8,180,900</u>	<u>\$ 684,674</u>	<u>\$ 8,865,574</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.

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*, the *Golden LEAF Stormwater & Sewer Infrastructure Capital Project*, the *Little Cherry Big Cherry Pump Station Relocation Capital Project*, and the *Galvanized Water Lines 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. This fund also covers construction and rehabilitation of stormwater infrastructure which is accounted for in the *Storm Water Capital Project Fund*, which is combined with the Storm Water 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*, the *Federal & State Drug Forfeiture Fund*, the *CARES Act Special Revenue Fund*, the *CARES Act Miscellaneous Grants Fund*, and the *BJA FY20 Coronavirus Emergency Supplemental Funding Grants 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*, the *Police/Fire Expansion Capital Project Fund*, the *FY 2016 TIGER Discretionary Grant Capital Project Fund*, the *Herman Park Recreation Center Capital Projects Fund*, the *1919 LaFrance Fire Truck Restoration Capital Project Fund*, and the *FEMA Assistance to Firefighters Grant Capital Project Fund*.

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.

City of Goldsboro
Notes to Financial Statements

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.

City of Goldsboro
Notes to Financial Statements

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. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is 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:			
Street bonds	Unexpended debt proceeds	\$	1,790,628
Customer deposits			<u>10,421</u>
Total governmental activities		\$	<u>1,801,049</u>
Business-type activities:			
Utility Fund:			
NCCMT - sewer	Unexpended bond proceeds	\$	551,486
Customer deposits			<u>1,244,075</u>
Total business-type activities		\$	<u>1,795,561</u>

City of Goldsboro
Notes to Financial Statements

(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, 2020.

(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 2021 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

City of Goldsboro
Notes to Financial Statements

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.

City of Goldsboro
Notes to Financial Statements

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. general government, 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 14 months after the required due date of December 1, 2021. The City intends to complete the FY 2022 audit by June 30, 2023, and to complete the FY 2023 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 \$16,371,023 and a bank balance of \$16,887,906 on June 30, 2021. The portion of the bank balance covered by federal depository insurance was \$500,000 and the remainder of the bank balance was covered by collateral held under the Pooling Method. The City's cash on hand was \$3,155 at June 30, 2021.

(2) Investments

The City's investment balances as of June 30, 2021 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	\$ 6,710,556	\$ 6,710,556	\$ -	AAAm
Total investments		\$ 6,710,556	\$ 6,710,556	\$ -	

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.

City of Goldsboro
Notes to Financial Statements

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, 2021.

(3) Receivables - allowances for doubtful accounts

The City’s receivable balances as of June 30, 2021, 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	\$ 640,965	\$ 5,933	\$ 646,898
Accounts receivable	2,812,523	-	2,812,523
Interest receivable	224,061	48,000	272,061
Allowance for doubtful accounts	<u>(1,962,909)</u>	<u>(197)</u>	<u>(1,963,106)</u>
Net governmental activities	<u>\$ 1,714,640</u>	<u>\$ 53,736</u>	<u>\$ 1,768,376</u>
	<u>Utility Fund</u>	<u>Storm Water Fund</u>	<u>Total</u>
<u>Business-Type Activities</u>			
Accounts receivable	\$ 5,144,495	\$ 298,019	\$ 5,442,514
Allowance for uncollectible	<u>(1,812,114)</u>	<u>(91,718)</u>	<u>(1,903,832)</u>
Net business-type activities	<u>\$ 3,332,381</u>	<u>\$ 206,301</u>	<u>\$ 3,538,682</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
North Carolina Department of Revenue:		
Local option sales tax	\$ 2,879,994	\$ -
Refund of sales and use taxes	558,542	78,434
Franchise and other taxes	644,866	-
North Carolina Department of Transportation:		
Grants	79,258	-
Federal government:		
Grants	52,970	-
Wayne County:		
Property taxes	206,879	-
Other	<u>113,848</u>	<u>-</u>
Total due from other governments	<u>\$ 4,536,357</u>	<u>\$ 78,434</u>

City of Goldsboro
Notes to Financial Statements

(4) Capital assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,483,921	\$ 4,371	\$ -	\$ 7,488,292
Construction-in-progress	<u>16,664,949</u>	<u>1,695,612</u>	<u>(1,976,762)</u>	<u>16,383,799</u>
Total	<u>24,148,870</u>	<u>1,699,983</u>	<u>(1,976,762)</u>	<u>23,872,091</u>
Capital assets being depreciated:				
Buildings	31,760,535	284,794	-	32,045,329
Equipment	4,687,255	1,279,469	-	5,966,724
Streets and improvements	77,448,340	39,802	-	77,488,142
Vehicles and motor equipment	<u>16,273,380</u>	<u>887,975</u>	<u>(361,182)</u>	<u>16,800,173</u>
Total	<u>130,169,510</u>	<u>2,492,040</u>	<u>(361,182)</u>	<u>132,300,368</u>
Less accumulated depreciation:				
Buildings	10,419,621	1,130,328	-	11,549,949
Equipment	3,162,800	386,910	-	3,549,710
Streets and improvements	41,491,113	1,768,036	-	43,259,149
Vehicles and motor equipment	<u>11,803,281</u>	<u>764,426</u>	<u>(361,182)</u>	<u>12,206,525</u>
Total	<u>66,876,815</u>	<u>4,049,700</u>	<u>(361,182)</u>	<u>70,565,333</u>
Depreciable assets, net	<u>63,292,695</u>	<u>(1,557,660)</u>	<u>-</u>	<u>61,735,035</u>
Capital assets, net	<u>\$ 87,441,565</u>	<u>\$ 142,323</u>	<u>\$ (1,976,762)</u>	<u>\$ 85,607,126</u>

A breakdown of depreciation expense by function at June 30, 2021 is as follows:

Depreciation expense:	
General government	\$ 454,984
Public safety	592,148
Transportation	1,680,877
Economic and physical development	21,863
Environmental protection	274,312
Cultural and recreational	<u>1,025,516</u>
Total depreciation expense	<u>\$ 4,049,700</u>

City of Goldsboro
Notes to Financial Statements

	<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	9,689,545	3,650,134	(4,111,186)	9,228,493
Total	<u>11,132,827</u>	<u>3,650,134</u>	<u>(4,111,186)</u>	<u>10,671,775</u>
Capital assets being depreciated:				
Plant and distribution systems	158,697,795	4,522,450	-	163,220,245
Furniture and maintenance equipment	9,351,745	60,456	-	9,412,201
Vehicles	3,650,749	284,768	(36,241)	3,899,276
Total	<u>171,700,289</u>	<u>4,867,674</u>	<u>(36,241)</u>	<u>176,531,722</u>
Less accumulated depreciation for:				
Plant and distribution systems	101,904,800	3,631,106	-	105,535,906
Furniture and maintenance-equipment	2,243,049	953,516	(36,241)	3,160,324
Vehicles	2,502,209	247,182	-	2,749,391
Total	<u>106,650,058</u>	<u>4,831,804</u>	<u>(36,241)</u>	<u>111,445,621</u>
Depreciable assets, net	<u>65,050,231</u>	<u>35,870</u>	<u>-</u>	<u>65,086,101</u>
Utility Fund capital assets, net	<u>76,183,058</u>	<u>3,686,004</u>	<u>(4,111,186)</u>	<u>75,757,876</u>
<u>Storm Water Fund:</u>				
Capital assets being depreciated:				
Vehicles	730,837	280,633	-	1,011,470
Furniture and maintenance-Equipment	75,584	9,959	-	85,543
Total	<u>806,421</u>	<u>290,592</u>	<u>-</u>	<u>1,097,013</u>
Less accumulated depreciation for:				
Vehicles	154,109	81,991	-	236,100
Furniture and maintenance Equipment	5,836	8,483	-	14,319
Total	<u>159,945</u>	<u>90,474</u>	<u>-</u>	<u>250,419</u>
Storm Water Fund capital assets, net	<u>646,476</u>	<u>200,118</u>	<u>-</u>	<u>846,594</u>
Business-type capital assets, net	<u>\$ 76,829,534</u>	<u>\$ 3,886,122</u>	<u>\$ (4,111,186)</u>	<u>\$ 76,604,470</u>

(5) Construction commitments

The City has active construction projects as of June 30, 2021. The projects include various water and sewer system projects and the ongoing projects in the General Fund. At June 30, 2021, 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	\$ 6,014,385	\$ 66,551
Street paving and resurfacing	3,263,685	54,388
FEMA Source Capture Exhaust System	-	202,083
GWTA Concourse	<u>33,230</u>	<u>31,559</u>
Total governmental activities	<u>9,311,300</u>	<u>354,581</u>

**City of Goldsboro
Notes to Financial Statements**

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Business-Type Activities:		
Phase IV Sewer Collection Rehabilitation Project	\$ 7,788,264	\$ 1,647,692
Sewer Line Rehabilitation	595,830	446,821
Water Line Replacement and Booster Pump Station	<u>265,413</u>	<u>17,261</u>
Total business-type activities	<u>8,649,507</u>	<u>2,111,774</u>
Total	<u>\$ 17,960,807</u>	<u>\$ 2,466,355</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.

City of Goldsboro
Notes to Financial Statements

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, 2021, was 10.84% of compensation for law enforcement officers and 10.21% 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 \$2,210,712 for the year ended June 30, 2021.

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

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

The City reported a liability of \$11,373,500 for its proportionate share of the net pension liability on June 30, 2021. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. The City's proportion as of June 30, 2020 was 0.3183%, which was a decrease of 0.0019% from its proportion measured as of June 30, 2019.

The City recognized pension expense of \$3,855,431 for the year ended June 30, 2021. 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	\$ 1,436,274	\$ -
Changes of assumptions	846,412	-
Net difference between projected and actual earnings on pension plan investments	1,600,516	-
Changes in proportion and differences between employee contributions and proportionate share of contributions	26,344	142,909
Employer contributions subsequent to the measurement date	<u>2,210,712</u>	<u>-</u>
Total	<u>\$ 6,120,258</u>	<u>\$ -</u>

\$2,210,712 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2022	\$ 1,065,633
2023	1,418,873
2024	808,461
2025	<u>473,670</u>
	<u>\$ 3,766,637</u>

City of Goldsboro
Notes to Financial Statements

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

Inflation	3.0 percent
Salary increases	3.5 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, 2019 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, 2020 (measurement date) 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	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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

City of Goldsboro
Notes to Financial Statements

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	\$ 23,075,593	\$ 11,373,500	\$ 1,648,238

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, 2019 consisted of:

Retirees receiving benefits	17
Active plan members	<u>102</u>
Total	<u><u>119</u></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.

City of Goldsboro
Notes to Financial Statements

3. Actuarial assumptions

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

Inflation	2.50 percent
Projected salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 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, 2019. Mortality rates are based on Pub-2010 amount-weighted tables with adjustments for mortality improvements based on Scale MP-2019.

4. Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the 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 \$253,485 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 \$4,679,631 at June 30, 2021. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions.

The City recognized pension expense of \$531,298 for the year ended June 30, 2021. Deferred outflows of resources and deferred inflows of resources related to the Separation Allowance were derived from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 202,462	\$ 16,230
Changes of assumptions	1,093,823	73,552
Benefit payments and plan administrative expense subsequent to the measurement date	<u>253,485</u>	<u>-</u>
Total	<u>\$ 1,549,770</u>	<u>\$ 89,782</u>

City of Goldsboro
Notes to Financial Statements

\$253,485 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2022	\$	255,670
2023		261,000
2024		247,106
2025		255,867
2026		<u>186,860</u>
Total	\$	<u>1,206,503</u>

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<u>1% Decrease (0.93%)</u>	<u>Discount Rate (1.93%)</u>	<u>1% Increase (2.93%)</u>
Total pension liability	\$ 5,120,454	\$ 4,679,631	\$ 4,279,375

	<u>2021</u>
Changes in the Separation Allowance Total Liability:	
Beginning balance	\$ 3,418,052
Service cost	169,091
Interest on the total pension liability	106,537
Differences between expected and actual experience	117,745
Changes of assumptions or other inputs	1,168,270
Benefit payments	<u>(300,064)</u>
Ending balance	<u>\$ 4,679,631</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, 2019 valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2019.

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 3,855,431	\$ 531,298	\$ 4,386,729
Pension liability	11,373,500	4,679,631	16,053,131
Proportionate share of the net pension liability	0.3183%	N/A	N/A

City of Goldsboro
Notes to Financial Statements

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 1,436,274	\$ 202,462	\$ 1,638,736
Changes of assumptions	846,412	1,093,823	1,940,235
Net difference between projected and actual earnings on plan investments	1,600,516	-	1,600,516
Changes in proportion and differences between contributions and proportionate share of contributions	26,344	-	26,344
Benefit payments and administrative costs paid subsequent to the measurement date	<u>2,210,712</u>	<u>253,485</u>	<u>2,464,197</u>
	<u>\$ 6,120,258</u>	<u>\$ 1,549,770</u>	<u>\$ 7,670,028</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 16,230	\$ 16,230
Changes of assumptions	-	73,552	73,552
Changes in proportion and differences between contributions and proportionate share of contributions	<u>142,909</u>	<u>-</u>	<u>142,909</u>
	<u>\$ 142,909</u>	<u>\$ 89,782</u>	<u>\$ 232,691</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 \$901,741 for the reporting year, which included \$233,864 for law enforcement officers and \$667,877 for general employees. Employee contributions to the plan were \$689,972. 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.

City of Goldsboro
Notes to Financial Statements

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>2021</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 \$8,500,075 was measured as of June 30, 2020 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	3.50%
Measurement Date	2.21%
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>2021</u>
Changes in the Total OPEB Liability:	
Beginning balance	\$ 6,912,933
Service cost	383,599
Interest on the total OPEB liability	253,520
Differences between expected and actual experience in the measurement of the total OPEB liability	(8,713)
Changes of assumptions or other inputs	1,065,878
Benefit payments	<u>(107,142)</u>
Ending balance	<u><u>\$ 8,500,075</u></u>

City of Goldsboro
Notes to Financial Statements

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

Mortality rates were based on the RP-2014 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:

	Discount Rate Sensitivity		
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 9,435,519	\$ 8,500,075	\$ 7,660,709

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:

	Healthcare Cost Trend Rate Sensitivity		
	1% Decrease (6.00%)	Current Cost Trend (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 7,329,542	\$ 8,500,075	\$ 9,911,239

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$431,132. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,819,834
Changes of assumptions or other inputs	1,047,719	456,684
Benefit payments and plan administrative expense subsequent to the measurement date	91,486	-
Total	<u>\$ 1,139,205</u>	<u>\$ 2,276,518</u>

\$91,486 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022.

City of Goldsboro
Notes to Financial Statements

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2022	\$ (205,987)
2023	(205,987)
2024	(205,987)
2025	(205,987)
2026	(205,987)
Thereafter	<u>(198,864)</u>
	<u>\$ (1,228,799)</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 \$7,257 for the year ended June 30, 2021. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.06% 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 \$16,270.

(3) Deferred outflows and inflows of resources

The City has deferred outflows of resources and deferred inflows of resources at June 30, 2021 which consist of the following:

	<u>Modified Accrual</u>	<u>Full Accrual</u>
Deferred Outflows of Resources:		
Governmental Activities:		
Pension - LGERS	\$ -	\$ 5,210,355
Pension - LEO Special Separation Allowance	-	1,549,770
OPEB - Healthcare benefits	-	961,467
Deferred loss on sale of refunding bonds	-	<u>127,111</u>
Total	<u>\$ -</u>	<u>\$ 7,848,703</u>

City of Goldsboro
Notes to Financial Statements

	<u>Modified Accrual</u>	<u>Full Accrual</u>
Business-Type Activities:		
Pension - LGERS	\$ -	\$ 909,903
OPEB - Healthcare benefits	-	177,738
Deferred loss on sale of refunding bonds	-	318,240
	<u>-</u>	<u>1,405,881</u>
Total	<u>\$ -</u>	<u>\$ 1,405,881</u>
Deferred Inflows of Resources:		
Governmental Activities:		
Property taxes receivable, net	\$ 474,655	\$ -
Notes receivable and related interest	348,000	-
Special assessments receivable	102,128	-
Receivables held in abeyance	57,891	-
Miscellaneous receivables	511,367	-
Pension - LGERS	-	121,662
Pension - LEO Special Separation Allowance	-	89,782
Healthcare benefits - OPEB	-	1,890,323
	<u>-</u>	<u>1,890,323</u>
Total	<u>\$ 1,494,041</u>	<u>\$ 2,101,767</u>
Business-Type Activities:		
Pension - LGERS	\$ -	\$ 21,247
Healthcare benefits - OPEB	-	386,195
	<u>-</u>	<u>407,442</u>
Total	<u>\$ -</u>	<u>\$ 407,442</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, 2021 was \$195,565.

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, 2021 was \$277,760.

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, 2021 was \$161,423.

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

City of Goldsboro
Notes to Financial Statements

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, 2021 was \$14,651.

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, 2021.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computer equipment	\$ 352,408	\$ 307,208	\$ 45,200
Computer equipment	1,738,838	14,490	1,724,348
Lighting system	515,000	103,000	412,000
Used golf turf equipment	<u>105,000</u>	<u>38,500</u>	<u>66,500</u>
	<u>\$ 2,711,246</u>	<u>\$ 463,198</u>	<u>\$ 2,248,048</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, 2021 were as follows:

Year Ending June 30:

2022	\$ 326,278
2023	256,168
2024	<u>98,593</u>
Total minimum lease payments	681,039
Less: amount representing interest	<u>(31,640)</u>
Present value of the minimum lease payments	<u>\$ 649,399</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, 2021 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.	\$ 680,000
\$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.	48,000

City of Goldsboro
Notes to Financial Statements

\$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.	\$ 293,168
\$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.	4,400,000
\$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.	1,150,000
\$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>4,050,000</u>
Total bonds payable - governmental activities	<u>\$ 10,621,168</u>

Serviced by the Utility Fund:

\$2,469,410 2013 Refunding Serial Bonds (Sewer Portion) due in varying annual principal installments and varying semi-annual interest installments through June 1, 2025, interest at 1.75 percent payable with each installment	\$ 874,832
\$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	192,000
\$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	<u>5,260,000</u>
Total bonds payable - business-type activities	<u>\$ 6,326,832</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>
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	665,000	246,631	605,000	107,700
2027-2031	2,825,000	807,806	2,380,000	195,300
2032-2036	2,500,000	371,969	-	-
2037-2041	<u>950,000</u>	<u>41,844</u>	-	-
	10,621,168	<u>\$ 2,822,903</u>	6,326,832	<u>\$ 1,005,807</u>

City of Goldsboro
Notes to Financial Statements

<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>
Unamortized premium on general obligation bonds	\$ 772,791		\$ 462,680	
Total carrying amount of debt	\$ 11,393,959		\$ 6,789,512	

(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, 2021 was \$250,000.

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, 2021 was \$701,000.

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, 2021 was \$2,962,000.

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, 2021 was \$4,336,000.

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 remaining balance of \$245,386 as of June 30, 2020 was repaid in full during the year ended June 30, 2021.

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, 2021 was \$2,200,000.

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, 2021 was \$400,000.

City of Goldsboro
Notes to Financial Statements

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, 2021 was \$539,948.

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, 2021 was \$4,593,000.

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, 2021 was \$407,068.

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, 2021 was \$488,000.

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 remaining balance of \$75,614 as of June 30, 2020 was repaid in full during the year ended June 30, 2021.

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, 2021 was \$45,000.

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, 2021 was \$3,695,639.

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, 2021 was \$1,765,118.

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, 2021 was \$4,149,000.

City of Goldsboro
Notes to Financial Statements

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, 2021 was \$2,689,366.

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, 2021 was \$129,220.

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, 2021 was \$318,932.

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, 2021, the City had drawn down \$4,253,173. The Project was substantially complete as of September 30, 2021.

On June 14, 2021, the City entered into a long-term loan agreement with the North Carolina Department of Environmental Quality for the water treatment enhancement plate settlers project. The loan agreement was executed for \$1,484,909 for this project. The terms of the agreement require 20 installments of \$74,245.45 plus interest at 1.82% per annum, commencing no earlier than 6 months after the schedule date of completion of the project. As of June 30, 2021, the City had drawn down \$1,245,273.

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, 2021 was \$239,980.

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>
2022	\$ 2,773,573	\$ 480,693	\$ 1,875,234	\$ 297,780
2023	1,907,829	411,822	1,557,517	248,187
2024	1,590,614	357,449	1,393,715	228,271
2025	1,327,000	313,636	1,292,330	203,932
2026	1,328,000	275,227	1,300,330	182,662
2027-2031	6,040,000	786,811	6,636,648	587,172
2032-2036	1,940,000	786,811	3,323,499	135,497
2032-2036	-	-	1,151,429	23,429
	<u>\$ 16,907,016</u>	<u>\$ 3,412,449</u>	<u>\$ 18,530,702</u>	<u>\$ 1,906,930</u>

City of Goldsboro
Notes to Financial Statements

(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	\$ 11,590,488	\$ -	\$ 969,320	\$ 10,621,168	\$ 961,312
Premium on bonds	843,317	-	70,526	772,791	70,526
Capitalized leases	985,315	-	335,916	649,399	307,319
Notes payable	19,826,854	-	2,919,839	16,907,015	2,773,573
Net pension liability (LGERS)	7,464,257	2,218,336	-	9,682,593	-
Total pension liability (LEO)	3,418,052	1,261,579	-	4,679,631	-
Total OPEB liability	5,740,203	1,317,895	-	7,058,098	-
Compensated absences	1,699,234	355,812	156,250	1,898,796	156,250
Total governmental activities	\$ 51,567,720	\$ 5,153,622	\$ 4,451,851	\$ 52,269,491	\$ 4,268,980
Business-type activities:					
<u>Utility Fund:</u>					
General obligation debt	\$ 7,292,512	\$ -	\$ 965,680	\$ 6,326,832	\$ 965,688
Premium on bonds	514,088	-	51,408	462,680	51,409
Notes payable	18,796,484	1,283,761	1,789,523	18,290,722	1,756,934
Net pension liability (LGERS)	1,136,798	347,780	-	1,484,578	-
Total OPEB liability	1,033,854	237,363	-	1,271,217	-
Compensated absences	294,343	49,099	81,426	262,016	81,400
Total Utility Fund	29,068,079	1,918,003	2,888,037	28,098,045	2,855,431
<u>Storm Water Fund:</u>					
Notes payable	\$ 354,900	\$ -	\$ 114,920	\$ 239,980	\$ 118,300
Net pension liability (LGERS)	143,903	62,426	-	206,329	-
Total OPEB liability	138,876	31,884	-	170,760	-
Compensated absences	17,913	3,577	2,396	19,094	2,400
Total Storm Water Fund	655,592	97,887	117,316	636,163	120,700
Total business-type activities	\$ 29,723,671	\$ 2,015,890	\$ 3,005,353	\$ 28,734,208	\$ 2,976,131

(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, 2021 was approximately \$207,579,000, providing a legal debt margin of approximately \$178,628,000.

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	Nonmajor capital projects funds	\$ 205,871
General Fund	Utility fund	1,388,182
Total transfers from the General Fund		\$ 1,594,053
Utility Fund	Nonmajor capital projects funds	\$ 200,000
Total transfers from the Utility Fund		\$ 200,000

City of Goldsboro
Notes to Financial Statements

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Storm Water Fund	Nonmajor capital projects funds	\$ 185,000
Total transfers from the Storm Water Fund		<u>\$ 185,000</u>

The transfers from the General Fund to the Utility Fund totaling \$1,388,182 were to return funds that the Utility Fund advanced to cover utility related Hurricane Florence costs until FEMA reimbursement received. The transfers from the Utility Fund and Storm Water Fund to nonmajor capital projects totaling \$385,000 were to fund the enterprise funds' portion of costs for the TIGER VIII Streetscape project, related to water, sewer and storm water utilities. The transfer from the General Fund to the nonmajor capital projects funds totaling \$205,871 were for street paving in the amount of \$187,500, and a FEMA Source Vent Capture project local match of \$18,371.

(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, 2021, consisted of the following:

<u>Paid From</u>	<u>Paid To</u>	<u>Amount</u>
Utility Fund	General Fund	\$ 2,938,105
Storm Water Fund	General Fund	108,852
Total administrative reimbursements		<u>\$ 3,046,957</u>

D. Net position/fund balances

(1) Net investment in capital assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net	\$ 85,607,126	\$ 76,604,470
Less:		
General obligation bonds	(10,621,168)	(6,326,832)
Notes payable	(17,556,414)	(18,530,702)
Unamortized premium on bonds	(772,791)	(462,680)
Add:		
Deferred loss on bond refunding	127,111	318,240
Unexpended debt proceeds	<u>1,790,628</u>	<u>551,486</u>
Net investment in capital assets	<u>\$ 58,574,492</u>	<u>\$ 52,153,982</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	\$ 1,184,674
Less:		
Unrestricted portion	<u>(102,128)</u>	<u>(128,244)</u>
Receivables held in abeyance	<u>\$ 57,891</u>	<u>\$ 1,056,430</u>

City of Goldsboro
Notes to Financial Statements

(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	\$ 10,611,159
Less:	
Inventories and prepaids	(255,407)
Restrictions for public safety	(34,294)
Restrictions for Cemetery maintenance	(294,478)
Stabilization by state statute	<u>(5,281,780)</u>
Fund balance available for appropriation	<u>\$ 4,745,200</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. Ten percent of the General Fund's operating budget for the current year was \$4,036,901.

(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, 2021 were \$172,652 and \$1,575,490 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, 2021:

	<u>2020</u>	<u>2021</u>
Beginning balance	\$ 492,342	\$ 466,775
Claims reported and IBNR	114,387	355,061
Less: claims paid	<u>(139,954)</u>	<u>(268,828)</u>
Ending balance	<u>\$ 466,775</u>	<u>\$ 553,008</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 \$200,000 to the Authority during fiscal year ended June 30, 2021. 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, 2021. 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 lightning 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, 2021. 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, 2021.

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 continued increase in economic uncertainty.

8. Subsequent Events

The City has evaluated subsequent events through February 23, 2023, 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 was received on August 8, 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.

City of Goldsboro
Notes to Financial Statements

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 February 23, 2023, the results of the audit are still pending.

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) and City Contributions
- Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of 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 Four Fiscal Years*

RSI-1

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 383,599	\$ 420,672	\$ 435,175	\$ 470,816
Interest on the total pension liability	253,520	325,810	289,035	242,438
Differences between expected and actual experience in the measurement of the total pension liability	(8,713)	(2,264,511)	(39,794)	(11,376)
Changes of assumptions or other inputs	1,065,878	122,299	(284,729)	(476,696)
Benefit payments	<u>(107,142)</u>	<u>(132,560)</u>	<u>(153,484)</u>	<u>(167,941)</u>
Net change in total OPEB liability	1,587,142	(1,528,290)	246,203	57,241
Total OPEB liability:				
Beginning balance	<u>6,912,933</u>	<u>8,441,223</u>	<u>8,195,020</u>	<u>8,137,779</u>
Ending balance	<u>\$ 8,500,075</u>	<u>\$ 6,912,933</u>	<u>\$ 8,441,223</u>	<u>\$ 8,195,020</u>
Covered payroll	<u>\$ 19,898,944</u>	<u>\$ 19,898,944</u>	<u>\$ 18,731,050</u>	<u>\$ 18,371,050</u>
Total OPEB liability as a percentage of covered payroll	<u>42.72%</u>	<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, 2021.
- 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:

	<u>Rate</u>
Fiscal year 2021	2.21%
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	3.50%
Measurement date	2.21%
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 Eight Fiscal Years*

RSI-2

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

	<u>2021</u>	<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)	0.3183%	0.3202%	0.32890%	0.31959%	0.31496%	0.34461%	0.34955%	0.35980%
City's proportion of the net pension liability (asset)	\$ 11,373,500	\$ 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	\$ 21,357,643	\$ 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	53.25%	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	88.61%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,210,712	\$ 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>2,210,712</u>	<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>							
City's covered payroll	\$ 21,366,411	\$ 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	10.35%	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 Five Fiscal Years*

RSI-3

Schedule of Changes in Total Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Changes:					
Service cost	\$ 169,091	\$ 145,016	\$ 152,324	\$ 119,831	\$ 130,775
Interest on the total pension liability	106,537	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	117,745	152,980	9,252	(53,754)	-
Changes of assumptions or other inputs	1,168,270	105,476	(125,356)	185,769	(71,786)
Benefit payments	<u>(300,064)</u>	<u>(221,198)</u>	<u>(214,702)</u>	<u>(225,061)</u>	<u>(225,677)</u>
Net change in total pension liability	1,261,579	292,035	(80,547)	140,781	(59,156)
Total pension liability:					
Beginning balance	<u>3,418,052</u>	<u>3,126,017</u>	<u>3,206,564</u>	<u>3,065,783</u>	<u>3,124,939</u>
Ending balance	<u>\$ 4,679,631</u>	<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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Total pension liability	<u>\$ 4,679,631</u>	<u>\$ 3,418,052</u>	<u>\$ 3,126,017</u>	<u>\$ 3,206,564</u>	<u>\$ 3,065,783</u>
Covered payroll	<u>\$ 5,247,836</u>	<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>89.17%</u>	<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 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

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2021

Schedule A-1
(6 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes	\$ 16,728,030	\$ 16,811,846	\$ 83,816
Penalties and interest	87,300	92,122	4,822
Total	<u>16,815,330</u>	<u>16,903,968</u>	<u>88,638</u>
Other taxes and licenses:			
Privilege licenses	2,500	2,961	461
Vehicle taxes - rental/leases	54,100	86,005	31,905
Vehicle tag fee	262,400	253,770	(8,630)
Penalties and interest	75	-	(75)
Total	<u>319,075</u>	<u>342,736</u>	<u>23,661</u>
Unrestricted intergovernmental:			
Local option sales taxes	9,813,576	10,643,638	830,062
Payment in lieu of taxes	101,700	135,713	34,013
Utility taxes	2,903,873	2,662,169	(241,704)
Cable franchise fees	255,500	204,705	(50,795)
Beer and wine tax	146,300	141,873	(4,427)
ABC revenues	93,000	93,060	60
Solid waste disposal tax	21,300	25,425	4,125
GWTA Garage reimbursement	168,336	169,153	817
Total	<u>13,503,585</u>	<u>14,075,736</u>	<u>572,151</u>
Restricted intergovernmental:			
Powell Bill allocation	909,163	868,303	(40,860)
Federal Emergency Management Agency	185,513	185,514	1
Controlled substance tax	3,300	-	(3,300)
Wayne County Schools Resource			
Officer reimbursement	111,963	111,963	-
PEG Channel support	27,400	26,451	(949)
Cherry Hospital reimbursement	76,800	58,249	(18,551)
Transportation Planning Grant	258,622	137,009	(121,613)
NCDOT signals reimbursement	257,600	286,342	28,742
East Carolina Housing Grant	31,000	41,905	10,905
Other grants	19,228	33,041	13,813
Total	<u>1,880,589</u>	<u>1,748,777</u>	<u>(131,812)</u>

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2021

Schedule A-1
(6 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Permits and fees:			
Building and inspection permits	\$ 116,055	\$ 122,324	\$ 6,269
Mechanical permits	69,200	68,353	(847)
Plumbing, gas and electric inspections	86,670	84,791	(1,879)
Stormwater Management Fee	14,200	-	(14,200)
Miscellaneous permits	269,025	237,309	(31,716)
Total	<u>555,150</u>	<u>512,777</u>	<u>(42,373)</u>
Sales and services:			
Recreation fees	171,500	129,840	(41,660)
Golf course revenue	523,094	590,597	67,503
Goldsboro events center	64,000	43,398	(20,602)
Paramount Theater	234,085	164,708	(69,377)
GWTA Rental	64,000	58,684	(5,316)
Recyclable materials sold	5,000	8,540	3,540
Cemetery services	61,700	54,017	(7,683)
Refuse services	3,574,200	3,713,661	139,461
Miscellaneous fees and services	26,100	25,071	(1,029)
Total	<u>4,723,679</u>	<u>4,788,516</u>	<u>64,837</u>
Investment earnings	<u>84,100</u>	<u>6,718</u>	<u>(77,382)</u>
Miscellaneous:			
Officers fees	15,500	14,967	(533)
Other miscellaneous	922,739	619,000	(303,739)
Total	<u>938,239</u>	<u>633,967</u>	<u>(304,272)</u>
Total revenues	<u>38,819,747</u>	<u>39,013,195</u>	<u>193,448</u>
Expenditures			
Current:			
General government:			
Governing body:			
Salaries and employee benefits	72,228	69,652	2,576
Operating expenditures	277,800	232,895	44,905
Total	<u>350,028</u>	<u>302,547</u>	<u>47,481</u>
Administration:			
Salaries and employee benefits	1,465,279	1,419,685	45,594
Operating expenditures	1,554,967	1,481,652	73,315
Capital outlay	388,678	33,894	354,784
Total	<u>3,408,924</u>	<u>2,935,231</u>	<u>473,693</u>

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - General Fund
 Year Ended June 30, 2021

Schedule A-1
 (6 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Finance:			
Salaries and employee benefits	\$ 1,037,485	\$ 1,027,617	\$ 9,868
Operating expenditures	<u>592,670</u>	<u>558,203</u>	<u>34,467</u>
Total	<u>1,630,155</u>	<u>1,585,820</u>	<u>44,335</u>
Human resources management:			
Salaries and employee benefits	455,068	460,775	(5,707)
Operating expenditures	<u>205,954</u>	<u>164,796</u>	<u>41,158</u>
Total	<u>661,022</u>	<u>625,571</u>	<u>35,451</u>
Public building and grounds:			
Salaries and employee benefits	291,640	268,934	22,706
Operating expenditures	<u>181,729</u>	<u>180,750</u>	<u>979</u>
Total	<u>473,369</u>	<u>449,684</u>	<u>23,685</u>
Administrative chargeout	<u>(3,046,957)</u>	<u>(3,046,957)</u>	<u>-</u>
Total general government	<u>3,476,541</u>	<u>2,851,896</u>	<u>624,645</u>
Transportation:			
Street and highways:			
Salaries and employee benefits	1,523,755	1,488,673	35,082
Street lights	490,000	470,638	19,362
Operating expenditures	166,163	262,287	(96,124)
Capital outlay	<u>173,930</u>	<u>47,608</u>	<u>126,322</u>
Total	<u>2,353,848</u>	<u>2,269,206</u>	<u>84,642</u>
Goldsboro/Wayne Transportation Authority	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total transportation	<u>2,553,848</u>	<u>2,469,206</u>	<u>84,642</u>
Economic and physical development:			
Planning and redevelopment:			
Salaries and employee benefits	650,162	609,159	41,003
Operating expenditures	768,222	408,391	359,831
Postage credits	(32,140)	(17,049)	(15,091)
Capital outlay	<u>203,810</u>	<u>197,782</u>	<u>6,028</u>
Total	<u>1,590,054</u>	<u>1,198,283</u>	<u>391,771</u>
Community affairs:			
Salaries and employee benefits	141,461	110,504	30,957
Operating expenditures	<u>40,776</u>	<u>15,151</u>	<u>25,625</u>
Total	<u>182,237</u>	<u>125,655</u>	<u>56,582</u>

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2021

Schedule A-1
(6 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Downtown development:			
Salaries and employee benefits	\$ 190,754	\$ 199,266	\$ (8,512)
Operating expenditures	63,296	49,234	14,062
Total	<u>254,050</u>	<u>248,500</u>	<u>5,550</u>
Other appropriations:			
Community in Schools	13,500	13,500	-
Mental Health Association	12,000	12,000	-
Wayne County Schools - PEG Channel	27,400	33,253	(5,853)
WAGES	18,000	18,000	-
WATCH	18,000	18,000	-
WISH	9,000	9,000	-
Alta Foods	4,500	4,500	-
Total	<u>102,400</u>	<u>108,253</u>	<u>(5,853)</u>
Total economic and physical development	<u>2,128,741</u>	<u>1,680,691</u>	<u>448,050</u>
Public safety:			
Building and grounds:			
Salaries and employee benefits	585,981	558,393	27,588
Operating expenditures	135,734	128,188	7,546
Capital outlay	9,800	9,800	-
Total	<u>731,515</u>	<u>696,381</u>	<u>35,134</u>
Engineering:			
Salaries and employee benefits	852,468	728,109	124,359
Operating expenditures	213,381	191,884	21,497
Capital outlay	144,264	144,164	100
Total	<u>1,210,113</u>	<u>1,064,157</u>	<u>145,956</u>
Fire:			
Salaries and employee benefits	5,683,772	5,547,663	136,109
Operating expenditures	659,003	593,932	65,071
Capital outlay	96,133	81,844	14,289
Total	<u>6,438,908</u>	<u>6,223,439</u>	<u>215,469</u>
Police:			
Salaries and employee benefits	8,080,591	7,134,324	946,267
Operating expenditures	1,507,879	1,331,935	175,944
Capital outlay	77,035	32,851	44,184
Total	<u>9,665,505</u>	<u>8,499,110</u>	<u>1,166,395</u>

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - General Fund
 Year Ended June 30, 2021

Schedule A-1
 (6 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Inspections:			
Salaries and employee benefits	\$ 538,104	\$ 521,939	\$ 16,165
Operating expenditures	61,862	31,269	30,593
Total	<u>599,966</u>	<u>553,208</u>	<u>46,758</u>
Total public safety	<u>18,646,007</u>	<u>17,036,295</u>	<u>1,609,712</u>
Environmental protection:			
Cemetery:			
Salaries and employee benefits	302,502	274,548	27,954
Operating expenditures	40,067	35,598	4,469
Capital outlay	12,964	12,182	782
Total	<u>355,533</u>	<u>322,328</u>	<u>33,205</u>
Sanitation:			
Salaries and employee benefits	2,028,479	1,836,994	191,485
Operating expenditures	1,346,111	1,165,590	180,521
Capital outlay	360,000	-	360,000
Total	<u>3,734,590</u>	<u>3,002,584</u>	<u>732,006</u>
Total environmental protection	<u>4,090,123</u>	<u>3,324,912</u>	<u>765,211</u>
Cultural and recreational:			
Parks and recreation:			
Salaries and employee benefits	2,575,858	2,322,878	252,980
Operating expenditures	613,538	558,921	54,617
Capital outlay	45,559	2,138	43,421
Total	<u>3,234,955</u>	<u>2,883,937</u>	<u>351,018</u>
Golf course:			
Salaries and employee benefits	314,112	300,786	13,326
Operating expenditures	248,265	225,783	22,482
Capital outlay	12,000	8,684	3,316
Total	<u>574,377</u>	<u>535,253</u>	<u>39,124</u>
Paramount Theatre:			
Salaries and employee benefits	295,506	275,236	20,270
Operating expenditures	311,030	235,156	75,874
Total	<u>606,536</u>	<u>510,392</u>	<u>96,144</u>

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2021

Schedule A-1
(6 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Goldsboro Event Center:			
Salaries and employee benefits	\$ 88,346	\$ 72,356	\$ 15,990
Operating expenditures	43,352	57,976	(14,624)
Total	<u>131,698</u>	<u>130,332</u>	<u>1,366</u>
Assistance to:			
Museum	13,500	13,500	-
Waynesboro Park	18,000	18,000	-
Art Council	22,500	22,500	-
Total	<u>54,000</u>	<u>54,000</u>	<u>-</u>
Total cultural and recreational	<u>4,601,566</u>	<u>4,113,914</u>	<u>487,652</u>
Debt service:			
Principal retirement	3,925,332	3,715,053	210,279
Interest and other charges	946,850	946,850	-
Total debt service	<u>4,872,182</u>	<u>4,661,903</u>	<u>210,279</u>
Total expenditures	<u>40,369,008</u>	<u>36,138,817</u>	<u>4,230,191</u>
Revenues under expenditures	<u>(1,549,261)</u>	<u>2,874,378</u>	<u>4,423,639</u>
Other financing sources (uses)			
Transfers to other funds:			
Capital projects funds	(210,107)	(205,871)	4,236
Special revenue funds	(1,000)	-	1,000
Transfers from other funds:			
Grant project funds	-	563,410	563,410
Sale of capital assets	116,878	130,696	13,818
Issuance of debt	1,192,830	-	(1,192,830)
Other financing sources (uses), net	<u>1,098,601</u>	<u>488,235</u>	<u>(610,366)</u>
Fund balance appropriated	<u>450,660</u>	<u>-</u>	<u>(450,660)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,362,613</u>	<u>\$ 3,362,613</u>
Fund balance			
Beginning balance		6,912,816	
Change in reserve for inventories		<u>10,278</u>	
Ending balance		<u>\$ 10,285,707</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, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 2,340,773	\$ 2,246,730	\$ 94,043	\$ 2,340,773	\$ -
Miscellaneous	99,758	99,758	-	99,758	-
Total revenues	<u>2,440,531</u>	<u>2,346,488</u>	<u>94,043</u>	<u>2,440,531</u>	<u>-</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		1,584,701	-	1,584,701	
Cemetery repairs		20,618	-	20,618	
Total expenditures	<u>2,652,484</u>	<u>2,227,654</u>	<u>-</u>	<u>2,227,654</u>	<u>424,830</u>
Revenues over (under) expenditures	<u>(211,953)</u>	<u>118,834</u>	<u>94,043</u>	<u>212,877</u>	<u>424,830</u>
Other financing sources (uses)					
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)
Transfers to other funds:					
General Fund	(563,410)	-	(563,410)	(563,410)	-
Utility Fund	<u>(1,388,182)</u>	<u>-</u>	<u>(1,388,182)</u>	<u>(1,388,182)</u>	<u>-</u>
Total other financing sources (uses)	<u>211,953</u>	<u>2,016,577</u>	<u>(1,951,592)</u>	<u>64,985</u>	<u>(146,968)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,135,411</u>	<u>(1,857,549)</u>	<u>\$ 277,862</u>	<u>\$ 277,862</u>
Fund balance					
Beginning balance			<u>2,135,411</u>		
Ending balance			<u>\$ 277,862</u>		

City of Goldsboro
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, 2021

Schedule A-3

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 197,770	\$ 125,743	\$ 12,425	\$ 138,168	\$ (59,602)
Investment earnings	<u>25</u>	<u>29</u>	<u>1</u>	<u>30</u>	<u>5</u>
Total revenues	<u>197,795</u>	<u>125,772</u>	<u>12,426</u>	<u>138,198</u>	<u>(59,597)</u>
Expenditures					
Current:					
Public safety:					
Capital Outlay	<u>197,795</u>	<u>123,256</u>	<u>12,647</u>	<u>135,903</u>	<u>61,892</u>
Total expenditures	<u>197,795</u>	<u>123,256</u>	<u>12,647</u>	<u>135,903</u>	<u>61,892</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,516</u>	<u>(221)</u>	<u>2,295</u>	<u>2,295</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,516</u>	<u>(221)</u>	<u>\$ 2,295</u>	<u>\$ 2,295</u>
Fund balance					
Beginning balance			<u>2,516</u>		
Ending balance			<u>\$ 2,295</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, 2021

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	\$ 16,346	\$ 9,346	\$ 7,000	\$ 16,346	\$ -
Miscellaneous	24,443	18,797	5,646	24,443	-
Investment earnings	135	128	20	148	13
Total revenues	<u>40,924</u>	<u>28,271</u>	<u>12,666</u>	<u>40,937</u>	<u>13</u>
Expenditures					
Current:					
Public safety:					
Operating expenditures	46,025	10,657	3,367	14,024	32,001
Total expenditures	<u>46,025</u>	<u>10,657</u>	<u>3,367</u>	<u>14,024</u>	<u>32,001</u>
Revenues over (under) expenditures	<u>(5,101)</u>	<u>17,614</u>	<u>9,299</u>	<u>26,913</u>	<u>32,014</u>
Other financing sources					
Sale of capital assets	5,101	5,101	-	5,101	-
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>\$ 22,715</u>	9,299	<u>\$ 32,014</u>	<u>\$ 32,014</u>
Fund balance					
Beginning balance			<u>22,715</u>		
Ending balance			<u>\$ 32,014</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, 2021

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	\$ 21,533	\$ 12,075	\$ 9,458	\$ 21,533	\$ -
Total revenues	<u>21,533</u>	<u>12,075</u>	<u>9,458</u>	<u>21,533</u>	<u>-</u>
Expenditures					
Cultural and recreational: Parks and recreation: Program expenditures	<u>30,164</u>	<u>10,446</u>	<u>7,966</u>	<u>18,412</u>	<u>11,752</u>
Total expenditures	<u>30,164</u>	<u>10,446</u>	<u>7,966</u>	<u>18,412</u>	<u>11,752</u>
Revenues over (under) expenditures	<u>(8,631)</u>	<u>1,629</u>	<u>1,492</u>	<u>3,121</u>	<u>11,752</u>
Other financing sources					
Transfer from other funds	<u>8,631</u>	<u>8,631</u>	<u>-</u>	<u>8,631</u>	<u>-</u>
Total other financing sources	<u>8,631</u>	<u>8,631</u>	<u>-</u>	<u>8,631</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,260</u>	<u>1,492</u>	<u>\$ 11,752</u>	<u>\$ 11,752</u>
Fund balance					
Beginning balance			<u>10,260</u>		
Ending balance			<u>\$ 11,752</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, 2021

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	\$ 13,509	\$ 11,673	\$ 1,755	\$ 13,428	\$ (81)
Total revenues	<u>13,509</u>	<u>11,673</u>	<u>1,755</u>	<u>13,428</u>	<u>(81)</u>
Expenditures					
Economic and physical development:					
Community affairs:					
Program expenditures	<u>15,858</u>	<u>13,182</u>	<u>1,066</u>	<u>14,248</u>	<u>1,610</u>
Total expenditures	<u>15,858</u>	<u>13,182</u>	<u>1,066</u>	<u>14,248</u>	<u>1,610</u>
Revenues under expenditures	<u>(2,349)</u>	<u>(1,509)</u>	<u>689</u>	<u>(820)</u>	<u>1,529</u>
Other financing sources					
Transfer from other funds	<u>2,349</u>	<u>2,349</u>	<u>-</u>	<u>2,349</u>	<u>-</u>
Total other financing sources	<u>2,349</u>	<u>2,349</u>	<u>-</u>	<u>2,349</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 840</u>	<u>689</u>	<u>\$ 1,529</u>	<u>\$ 1,529</u>
Fund balance					
Beginning balance			<u>840</u>		
Ending balance			<u>\$ 1,529</u>		

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
- Little Cherry Big Cherry Pump Station Relocation
- Galvanized Water Lines 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.

Combined Storm Water Fund:

- Storm Water Operating Fund
- Stormwater Capital Projects

City of Goldsboro
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)
Utility Fund
Year Ended June 30, 2021

Schedule B-1
(3 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues:			
Charges for services	\$ 17,908,116	\$ 18,901,240	\$ 993,124
Assessments	11,741	9,723	(2,018)
Water and sewer taps	35,794	35,150	(644)
Miscellaneous fees and services	124,908	30,751	(94,157)
Nonoperating revenues:			
Other revenues	361,343	728,053	366,710
Restricted federal grants	32,310	32,311	1
Restricted state grants	83,375	83,375	-
Investment earnings	20,802	9,104	(11,698)
Total revenues	18,578,389	19,829,707	1,251,318
Expenditures			
Distribution and Collections:			
Salaries and employee benefits	1,381,110	1,262,496	118,614
Travel	8,200	604	7,596
Supplies	524,603	446,074	78,529
Insurance	11,055	11,041	14
Repairs and maintenance	70,000	29,633	40,367
Other expenditures	223,163	163,032	60,131
	<u>2,218,131</u>	<u>1,912,880</u>	<u>305,251</u>
Water Plant:			
Salaries and employee benefits	788,148	721,629	66,519
Travel	6,995	2,525	4,470
Supplies	983,768	728,739	255,029
Insurance	71,798	72,121	(323)
Utilities	307,000	297,372	9,628
Repairs and maintenance	519,338	455,422	63,916
Other expenditures	306,384	182,992	123,392
	<u>2,983,431</u>	<u>2,460,800</u>	<u>522,631</u>
Waste Treatment Plant:			
Salaries and employee benefits	1,388,179	1,291,628	96,551
Travel	13,620	10,301	3,319
Supplies	297,859	230,641	67,218
Insurance	243,977	243,328	649
Utilities	655,000	517,743	137,257
Repairs and maintenance	807,097	586,449	220,648
Other expenditures	244,192	132,283	111,909
	<u>3,649,924</u>	<u>3,012,373</u>	<u>637,551</u>

City of Goldsboro
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)
Utility Fund
Year Ended June 30, 2021

Schedule B-1
(3 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Compost facility department:			
Salaries and employee benefits	\$ 281,865	\$ 281,985	\$ (120)
Supplies	24,500	16,704	7,796
Insurance	32,759	33,387	(628)
Repairs and maintenance	159,000	112,017	46,983
Other expenditures	172,899	132,129	40,770
	<u>671,023</u>	<u>576,222</u>	<u>94,801</u>
Billing and meter services:			
Salaries and employee benefits	\$ 326,532	\$ 225,733	\$ 100,799
Supplies	3,487	4,614	(1,127)
Insurance	1,015	1,173	(158)
Repairs and maintenance	1,500	3,139	(1,639)
Other expenditures	388,133	363,645	24,488
	<u>720,667</u>	<u>598,304</u>	<u>122,363</u>
Other:			
General operating expenditures	38,000	19,175	18,825
Shared service fees	2,938,105	2,938,105	-
Budgetary appropriations:			
Principal retirement - bonds payable	965,680	965,680	-
Principal retirement - notes payable	1,938,537	1,789,523	149,014
Interest and other charges	533,434	533,434	-
Capital outlay	1,116,676	783,051	333,625
	<u>17,773,608</u>	<u>15,589,547</u>	<u>2,184,061</u>
Total expenditures	<u>17,773,608</u>	<u>15,589,547</u>	<u>2,184,061</u>
Revenues over (under) expenditures	<u>804,781</u>	<u>4,240,160</u>	<u>3,435,379</u>
Other financing sources (uses)			
Transfer to FY 2016 TIGER Discretionary Grant			
Capital Project Fund	(200,000)	(200,000)	-
Transfer to Utility Capital Projects Funds	(545,000)	(545,000)	-
Transfer from Hurricane Florence FEMA			
4393 DR-NC Grant Project	-	1,388,182	1,388,182
	<u>(745,000)</u>	<u>643,182</u>	<u>1,388,182</u>
Other financing sources (uses), net	<u>(745,000)</u>	<u>643,182</u>	<u>1,388,182</u>
Fund balance appropriated	<u>(59,781)</u>	<u>-</u>	<u>59,781</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>\$ 4,883,342</u>	<u>\$ 4,883,342</u>

City of Goldsboro
Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)
Utility Fund
Year Ended June 30, 2021

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		\$ 4,883,342	
Reconciling items:			
Transfers to Utility Capital Projects Funds		545,000	
Debt issuance costs - Sewer Rehabilitation Capital Project		(13,182)	
Investment earnings - 2010A Sanitary Sewer Improvements Capital Project		151	
Restricted grant revenues - Golden LEAF Stormwater & Sewer Infrastructure Capital Project		153,168	
Capital asset additions		779,487	
Depreciation expense		(4,831,804)	
Net change in other deferred balances		(215,243)	
Increase in inventories		358,220	
Increase in deferred outflows of resources:			
Pensions		130,634	
OPEB		140,362	
Decrease in accrued interest payable		13,531	
Increase in unearned revenue		3,374	
Increase in compensated absences		32,327	
Increase in net pension liability		(347,780)	
Decrease in total OPEB liability		(237,363)	
Decrease in deferred inflows of resources:			
Pensions		453	
OPEB		48,549	
Principal retirement		2,755,203	
Amortization of bond premium		51,408	
Loss on bond refunding		(35,360)	
Change in net position		<u>\$ 4,214,477</u>	

City of Goldsboro
 Schedule of Revenues and Expenditures
 Budget and Actual - Phase IV Sewer Collection Rehabilitation Capital Project
 From Inception and for the Year Ended June 30, 2021

Schedule B-2

	<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	\$ 6,524,139	\$ 1,264,125	\$ 7,788,264	\$ 1,117,412
Debt service:					
Interest and other charges	178,114	178,114	-	178,114	-
Total expenditures	<u>9,083,790</u>	<u>6,702,253</u>	<u>1,264,125</u>	<u>7,966,378</u>	<u>1,117,412</u>
Revenues under expenditures	<u>(9,083,790)</u>	<u>(6,702,253)</u>	<u>(1,264,125)</u>	<u>(7,966,378)</u>	<u>1,117,412</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>4,634,969</u>	<u>38,488</u>	<u>4,673,457</u>	<u>(4,232,219)</u>
Total other financing sources	<u>9,083,790</u>	<u>4,813,083</u>	<u>38,488</u>	<u>4,851,571</u>	<u>(4,232,219)</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (1,889,170)</u>	<u>\$ (1,225,637)</u>	<u>\$ (3,114,807)</u>	<u>\$ (3,114,807)</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, 2021

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	\$ 89,993	\$ 151	\$ 90,144	\$ 10,981
Total revenues	79,163	89,993	151	90,144	10,981
Expenditures					
Water Lines:					
Construction - W1111	-	-	-	-	-
	-	-	-	-	-
Sewer Lines:					
Construction - S1104	8,684,163	-	301,777	301,777	8,382,386
	8,684,163	-	301,777	301,777	8,382,386
Waste Water Plant:					
Construction - #001-E	-	164,605	-	164,605	(164,605)
Construction - S1103	-	-	-	-	-
	-	164,605	-	164,605	(164,605)
Total expenditures	8,684,163	164,605	301,777	466,382	8,217,781
Revenues over (under) expenditures	(8,605,000)	(74,612)	(301,626)	(376,238)	8,228,762
Other financing sources					
Transfer from Utility Operating Fund	-	793,715	450,000	1,243,715	1,243,715
Issuance of debt	8,605,000	-	-	-	(8,605,000)
	8,605,000	793,715	450,000	1,243,715	(7,361,285)
Revenues and other financing sources over expenditures	\$ -	\$ 719,103	\$ 148,374	\$ 867,477	\$ 867,477

City of Goldsboro
 Schedule of Revenues and Expenditures
 Budget and Actual - Sewer Rehabilitation Capital Project
 From Inception and for the Year Ended June 30, 2021

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	\$ 157,172	\$ 473,214	\$ 630,386	\$ 604,714
Other fees	24,702	-	-	-	24,702
Debt service:					
Interest and other charges	-	-	13,182	13,182	(13,182)
Total expenditures	<u>1,259,802</u>	<u>157,172</u>	<u>486,396</u>	<u>643,568</u>	<u>616,234</u>
Revenues under expenditures	<u>(1,259,802)</u>	<u>(157,172)</u>	<u>(486,396)</u>	<u>(643,568)</u>	<u>616,234</u>
Other financing sources					
Transfer from Utility Operating Fund	24,702	34,556	-	34,556	9,854
Issuance of debt	1,235,100	-	-	-	(1,235,100)
	<u>1,259,802</u>	<u>34,556</u>	<u>-</u>	<u>34,556</u>	<u>(1,225,246)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (122,616)</u>	<u>\$ (486,396)</u>	<u>\$ (609,012)</u>	<u>\$ (609,012)</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, 2021

	<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	\$ 3,645,000	\$ 237,816	\$ 70,197	\$ 308,013	\$ 3,336,987
Debt service:					
Interest and other charges	<u>72,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,200</u>
 Total expenditures	<u>3,717,200</u>	<u>237,816</u>	<u>70,197</u>	<u>308,013</u>	<u>3,409,187</u>
 Revenues under expenditures	<u>(3,717,200)</u>	<u>(237,816)</u>	<u>(70,197)</u>	<u>(308,013)</u>	<u>3,409,187</u>
Other financing sources					
Transfer from Utility Operating Fund	107,200	42,600	35,000	77,600	(29,600)
Issuance of debt	<u>3,610,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,610,000)</u>
	<u>3,717,200</u>	<u>42,600</u>	<u>35,000</u>	<u>77,600</u>	<u>(3,639,600)</u>
 Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (195,216)</u>	<u>\$ (35,197)</u>	<u>\$ (230,413)</u>	<u>\$ (230,413)</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, 2021

Schedule B-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Water plant:					
Construction - W1112	\$ 2,078,360	\$ 114,989	\$ 1,367,934	\$ 1,482,923	\$ 595,437
Other fees	35,947	34,627	-	34,627	1,320
Total expenditures	2,114,307	149,616	1,367,934	1,517,550	596,757
Revenues under expenditures	(2,114,307)	(149,616)	(1,367,934)	(1,517,550)	596,757
Other financing sources					
Transfer from Utility Operating Fund	316,947	-	-	-	(316,947)
Issuance of debt	1,797,360	-	1,245,273	1,245,273	(552,087)
	2,114,307	-	1,245,273	1,245,273	(869,034)
Revenues and other financing sources over (under) expenditures	\$ -	\$ (149,616)	\$ (122,661)	\$ (272,277)	\$ (272,277)

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, 2021

	<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	\$ 153,168	\$ 489,492	\$ (471,815)
Total revenues	<u>961,307</u>	<u>336,324</u>	<u>153,168</u>	<u>489,492</u>	<u>(471,815)</u>
Expenditures					
Sewer Lines:					
Construction	<u>961,307</u>	<u>446,328</u>	<u>149,888</u>	<u>596,216</u>	<u>365,091</u>
Total expenditures	<u>961,307</u>	<u>446,328</u>	<u>149,888</u>	<u>596,216</u>	<u>365,091</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ (110,004)</u>	<u>\$ 3,280</u>	<u>\$ (106,724)</u>	<u>\$ (106,724)</u>

City of Goldsboro
Schedule of Revenues and Expenditures
Budget and Actual - Little Cherry Big Cherry Pump Station Relocation
From Inception and for the Year Ended June 30, 2021

	<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 - S1106	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Total expenditures	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Other financing sources					
Transfer from Utility Operating Fund	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

City of Goldsboro
Schedule of Revenues and Expenditures
Budget and Actual - Galvanized Water Lines Capital Project Fund
From Inception and for the Year Ended June 30, 2021

Schedule B-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Expenditures					
Water Lines:					
Construction	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Total expenditures	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Other financing sources					
Transfer from Utility Operating Fund	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

City of Goldsboro
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 Storm Water Fund
 Year Ended June 30, 2021

Schedule B-10
 (2 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues:			
Charges for services	\$ 1,500,000	\$ 1,610,262	\$ 110,262
Nonoperating revenues:			
Investment earnings	8,000	974	(7,026)
Miscellaneous	-	8,661	8,661
Total revenues	<u>1,508,000</u>	<u>1,619,897</u>	<u>111,897</u>
Expenditures			
Public Works - Storm Water:			
Salaries and employee benefits	685,560	592,671	92,889
Consultant fees	19,000	19,200	(200)
Vehicle maintenance	55,000	51,588	3,412
Landfill tipping fees	34,973	34,491	482
Utility service fee	108,852	108,852	-
Other expenses	173,768	125,507	48,261
	<u>1,077,153</u>	<u>932,309</u>	<u>144,844</u>
Budgetary appropriations:			
Principal retirement	114,920	114,920	-
Interest and other charges	9,899	9,899	-
Capital outlay	291,270	290,592	678
	<u>416,089</u>	<u>415,411</u>	<u>678</u>
Total expenditures	<u>1,493,242</u>	<u>1,347,720</u>	<u>145,522</u>
Revenues over (under) expenditures	14,758	272,177	257,419
Other financing sources (uses):			
Note payable proceeds	267,600	-	(267,600)
Transfers to Capital Project Funds	(435,000)	(435,000)	-
Total other financing sources (uses)	<u>(167,400)</u>	<u>(435,000)</u>	<u>(267,600)</u>
Revenues over (under) expenditures and other financing uses	<u>(152,642)</u>	<u>(162,823)</u>	<u>\$ (10,181)</u>
Fund balance appropriated	<u>152,642</u>	<u>-</u>	<u>(152,642)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>(162,823)</u>	<u>\$ (162,823)</u>

City of Goldsboro
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
Storm Water Fund
Year Ended June 30, 2021

Schedule B-10
(2 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Transfer to Stormwater Capital Projects Fund		250,000	
Capital outlay		290,592	
Depreciation expense		(90,474)	
Increase (decrease) in deferred outflows of resources:			
Pensions		26,439	
OPEB		21,048	
Decrease in accrued interest payable		1,063	
Decrease in compensated absences		(1,181)	
Increase in net pension liability		(62,426)	
Increase in OPEB liability		(31,884)	
Decrease in deferred inflows resources - pensions		(174)	
Decrease in deferred inflows resources - OPEB		6,521	
Principal retirement		114,920	
		<u>114,920</u>	
Change in net position		<u>\$ 361,621</u>	

City of Goldsboro
Schedule of Revenues and Expenditures
Budget and Actual - Storm Water Capital Project Fund
From Inception and for the Year Ended June 30, 2021

Schedule B-11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Expenditures					
Stormwater:					
Contingency	\$ 488,000	\$ -	\$ -	\$ -	\$ 488,000
Total expenditures	<u>488,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,000</u>
Other financing sources					
Transfer from Storm Water Fund	<u>488,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>(238,000)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ (238,000)</u>

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
- CARES Act Special Revenue Fund - Budget and Actual
- CARES Act Miscellaneous Grants Fund - Budget and Actual
- BJA FY20 Coronavirus Emergency Supplemental Funding Grants Fund - Budget and Actual

Nonmajor Capital Project Funds:

- Combining Balance Sheet
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- 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 - Budget and Actual
- FY 2016 TIGER Discretionary Grant Capital Project Fund - Budget and Actual
- Herman Park Recreation Center Capital Projects Fund - Budget and Actual
- 1919 LaFrance Fire Truck Restoration Capital Project Fund - Budget and Actual
- FEMA Assistance to Firefighters Grant Capital Project Fund - Budget and Actual

City of Goldsboro
Combining Balance Sheet
Other Governmental Funds
June 30, 2021

Schedule C-1

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
ASSETS			
Cash and investments	\$ 1,179,466	\$ 827,792	\$ 2,007,258
Receivables (net):			
Property taxes receivable	5,736	-	5,736
Interest receivable	48,000	-	48,000
Due from other governments	86,053	184,691	270,744
Restricted assets:			
Cash and investments	-	1,790,628	1,790,628
Notes receivable	300,000	-	300,000
	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total assets	<u>\$ 1,619,255</u>	<u>\$ 2,803,111</u>	<u>\$ 4,422,366</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 167,780	\$ 321,981	\$ 489,761
Accrued compensation payable	8,160	-	8,160
Due to other funds	679	358,000	358,679
	<u>679</u>	<u>358,000</u>	<u>358,679</u>
Total liabilities	<u>176,619</u>	<u>679,981</u>	<u>856,600</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	5,736	-	5,736
Interest receivable	48,000	-	48,000
Notes receivable	300,000	-	300,000
	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total deferred inflows of resources	<u>353,736</u>	<u>-</u>	<u>353,736</u>
FUND BALANCES			
Restricted:			
Stabilization by state statute	1,431	-	1,431
General government	260,136	-	260,136
Transportation	-	1,847,840	1,847,840
Economic and physical development	535,757	-	535,757
Public safety	141,576	276,868	418,444
Cultural and recreational	-	(1,578)	(1,578)
Assigned:			
Subsequent year's expenditures	150,000	-	150,000
	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total fund balances	<u>1,088,900</u>	<u>2,123,130</u>	<u>3,212,030</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,619,255</u>	<u>\$ 2,803,111</u>	<u>\$ 4,422,366</u>

City of Goldsboro
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Other Governmental Funds
Year Ended June 30, 2021

Schedule C-2

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues			
Ad valorem taxes	\$ 95,002	\$ -	\$ 95,002
Other taxes and licenses	1,034,175	-	1,034,175
Restricted intergovernmental	1,470,305	187,172	1,657,477
Sales and services	2,649	-	2,649
Investment earnings	523	4,204	4,727
Donations and sponsorships	-	279,116	279,116
Miscellaneous	42,889	155,000	197,889
	<u>2,645,543</u>	<u>625,492</u>	<u>3,271,035</u>
Expenditures			
Current:			
Transportation	-	1,251,058	1,251,058
General government	816,805	-	816,805
Economic and physical development	1,023,603	37,647	1,061,250
Public safety	72,280	-	72,280
Cultural and recreational	-	422,935	422,935
Debt service:			
Principal retirement	510,022	-	510,022
Interest and other charges	77,381	-	77,381
	<u>2,500,091</u>	<u>1,711,640</u>	<u>4,211,731</u>
Revenues over (under) expenditures	<u>145,452</u>	<u>(1,086,148)</u>	<u>(940,696)</u>
Other financing sources (uses)			
Transfers from other funds	-	590,871	590,871
Sale of fixed assets	4,696	-	4,696
	<u>4,696</u>	<u>590,871</u>	<u>595,567</u>
Other financing sources (uses), net	<u>4,696</u>	<u>590,871</u>	<u>595,567</u>
Net change in fund balances	150,148	(495,277)	(345,129)
Fund balances			
Beginning balances	<u>938,752</u>	<u>2,618,407</u>	<u>3,557,159</u>
Ending balances	<u>\$ 1,088,900</u>	<u>\$ 2,123,130</u>	<u>\$ 3,212,030</u>

City of Goldsboro
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

Schedule D-1

	Community Development Fund	Downtown District Fund	Occupancy Tax Fund	Federal and State Drug Forfeiture Fund	CARES Act Special Revenue Fund	CARES Act Miscellaneous Grants Fund	BJA FY20 Coronavirus Emergency Supplemental Funding	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and investments	\$ 163,530	\$ 102,047	\$ 512,202	\$ 141,576	\$ 260,111	\$ -	\$ -	\$ 1,179,466
Receivables (net):								
Property taxes receivable	-	5,736	-	-	-	-	-	5,736
Interest receivable	48,000	-	-	-	-	-	-	48,000
Due from other governments	83,918	1,384	47	-	25	679	-	86,053
Notes receivable	300,000	-	-	-	-	-	-	300,000
Total assets	\$ 595,448	\$ 109,167	\$ 512,249	\$ 141,576	\$ 260,136	\$ 679	\$ -	\$ 1,619,255
LIABILITIES								
Accounts payable and accrued liabilities	\$ 51,028	\$ 516	\$ 116,236	\$ -	\$ -	\$ -	\$ -	\$ 167,780
Accrued compensation payable	-	-	8,160	-	-	-	-	8,160
Due to other funds	-	-	-	-	-	679	-	679
Total liabilities	51,028	516	124,396	-	-	679	-	176,619
DEFERRED INFLOWS OF RESOURCES								
Property taxes receivable	-	5,736	-	-	-	-	-	5,736
Interest receivable	48,000	-	-	-	-	-	-	48,000
Notes receivable	300,000	-	-	-	-	-	-	300,000
Total deferred inflows of resources	348,000	5,736	-	-	-	-	-	353,736
FUND BALANCES								
Restricted:								
Stabilization by state statute	-	1,384	47	-	-	-	-	1,431
General government	-	-	-	-	260,136	-	-	260,136
Economic and physical development	196,420	101,531	237,806	-	-	-	-	535,757
Public safety	-	-	-	141,576	-	-	-	141,576
Assigned:								
Subsequent year's expenditures	-	-	150,000	-	-	-	-	150,000
Total fund balances	196,420	102,915	387,853	141,576	260,136	-	-	1,088,900
Total liabilities, deferred inflows of re- sources and fund balances	\$ 595,448	\$ 109,167	\$ 512,249	\$ 141,576	\$ 260,136	\$ 679	\$ -	\$ 1,619,255

City of Goldsboro
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2021

	Community Development Fund	Downtown District Fund	Occupancy Tax Fund	Federal and State Drug Forfeiture Fund	CARES Act Special Revenue Fund	CARES Act Miscellaneous Grants Fund	BJA FY20 Coronavirus Emergency Supplemental Funding	Total Nonmajor Special Revenue Funds
Revenues								
Ad valorem taxes	\$ -	\$ 95,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,002
Other taxes and licenses	-	-	1,034,175	-	-	-	-	1,034,175
Restricted intergovernmental:								
Community Development Block Grant	210,577	-	-	-	-	-	-	210,577
Community Development Block Grant - Coronavirus Relief Funds	31,056	-	-	-	-	-	-	31,056
Home Partnership Program	97,339	-	-	-	-	-	-	97,339
Urgent Repair Program	-	-	-	-	-	-	-	-
NCHFA ESFRLP - DisasterRecovery	-	-	4,534	-	-	-	-	4,534
Other grants	42,967	-	-	-	-	-	64,822	107,789
DEA funds	-	-	-	-	-	-	-	-
NC controlled substance tax	-	-	-	6,891	-	-	-	6,891
Coronavirus Relief Funds	-	-	-	-	966,688	45,431	-	1,012,119
Sales and services:								
Owner Income	2,649	-	-	-	-	-	-	2,649
Investment earnings	-	60	356	107	-	-	-	523
Miscellaneous	38,500	-	4,389	-	-	-	-	42,889
Total revenues	423,088	95,062	1,043,454	6,998	966,688	45,431	64,822	2,645,543
Expenditures								
Current:								
Economic and physical development	303,922	37,114	682,567	-	-	-	-	1,023,603
General government	-	-	-	-	706,552	45,431	64,822	816,805
Public safety	-	-	-	72,280	-	-	-	72,280
Debt service:								
Principal retirement	116,232	-	393,790	-	-	-	-	510,022
Interest and other charges	33,768	-	43,613	-	-	-	-	77,381
Total expenditures	453,922	37,114	1,119,970	72,280	706,552	45,431	64,822	2,500,091
Revenues over (under) expenditures	(30,834)	57,948	(76,516)	(65,282)	260,136	-	-	145,452
Other financing sources								
Sale of fixed assets	-	-	-	4,696	-	-	-	4,696
Total other financing sources (uses), net	-	-	-	4,696	-	-	-	4,696
Net change in fund balances	(30,834)	57,948	(76,516)	(60,586)	260,136	-	-	150,148
Fund balances								
Beginning balances	227,254	44,967	464,369	202,162	-	-	-	938,752
Ending balances	\$ 196,420	\$ 102,915	\$ 387,853	\$ 141,576	\$ 260,136	\$ -	\$ -	\$ 1,088,900

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, 2021

Schedule D-3
(2 pages)

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
Revenues					
Restricted intergovernmental:					
CDBG FY10-FY21	\$ 4,694,895	\$ 4,306,397	\$ 210,577	\$ 4,516,974	\$ (177,921)
CDBG CRF	206,554	-	31,056	31,056	(175,498)
HOME FY10-FY21	2,442,613	2,363,405	97,339	2,460,744	18,131
Urgent Repair Program	437,000	362,400	-	362,400	(74,600)
Essential Single Family Rehab					
Loan Pool Program (ESFRLP)	150,000	101,175	-	101,175	(48,825)
Other Grants	456,965	307,033	42,967	350,000	(106,965)
Owner Income:					
CDBG	162,024	258,967	180	259,147	97,123
HOME	48,691	5,812	2,469	8,281	(40,410)
Investment earnings	-	153	-	153	153
Miscellaneous	800	466,288	38,500	504,788	503,988
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	465,521	527,784	-	527,784	62,263
Owner income HOME	70,947	-	-	-	(70,947)
Other grants	47,622,877	29,476,219	-	29,476,219	(18,146,658)
Miscellaneous income	-	70,600	-	70,600	70,600
Total revenues	73,629,745	49,422,831	423,088	49,845,919	(23,783,826)
Expenditures					
Current:					
Economic and physical development:					
CDBG:					
Coronavirus Relief Fund	206,554	-	27,098	27,098	179,456
FY20-FY21	354,257	-	244,814	244,814	109,443
FY19-FY20	331,599	277,388	5,888	283,276	48,323
FY18-FY19	344,309	301,952	-	301,952	42,357
Prior years FY 96 - FY 18	16,082,654	12,495,602	-	12,495,602	3,587,052
HOME:					
FY20-FY21	241,124	-	72,376	72,376	168,748
FY19-FY20	218,780	45,693	23,750	69,443	149,337
FY18-FY19	317,616	20,283	-	20,283	297,333
Prior years FY 09 - FY 18	6,865,039	5,999,298	-	5,999,298	865,741
Urgent Repair Program	437,000	312,400	37,029	349,429	87,571
ESFRLP	150,000	110,775	-	110,775	39,225
Other Grants	456,965	307,033	42,967	350,000	106,965
FEMA and prior year grants	47,623,048	29,325,153	-	29,325,153	18,297,895
Total expenditures	73,628,945	49,195,577	453,922	49,649,499	23,979,446

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, 2021

Schedule D-3
(2 pages)

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	\$ 800	\$ 227,254	\$ (30,834)	\$ 196,420	\$ 195,620
Other financing sources (uses)					
Transfer to other funds	(800)	-	-	-	800
Total other financing uses	(800)	-	-	-	800
Change in fund balance	<u>\$ -</u>	<u>\$ 227,254</u>	(30,834)	<u>\$ 196,420</u>	<u>\$ 196,420</u>
Fund balance					
Beginning balance			<u>227,254</u>		
Ending balance			<u>\$ 196,420</u>		

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Downtown District Fund
 Year Ended June 30, 2021

Schedule D-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes	\$ 96,500	\$ 94,159	\$ (2,341)
Penalties and interest	575	843	268
Total	97,075	95,002	(2,073)
Investment earnings	823	60	(763)
Total revenues	97,898	95,062	(2,836)
Expenditures			
Current:			
Economic and physical development:			
Downtown revitalization	77,281	37,114	40,167
Salaries and employee benefits	3,617	-	3,617
Capital outlay	20,000	-	20,000
Total expenditures	100,898	37,114	63,784
Revenue over (under) expenditures	(3,000)	57,948	60,948
Other financing uses			
Transfer to other funds	(17,000)	-	17,000
Total other financing uses	(17,000)	-	17,000
Fund balance appropriated	20,000	-	(20,000)
Net change in fund balance	<u>\$ -</u>	57,948	<u>\$ 57,948</u>
Fund balance			
Beginning balance		44,967	
Ending balance		<u>\$ 102,915</u>	

City of Goldsboro
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Occupancy Tax Fund
Year Ended June 30, 2021

Schedule D-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other taxes and licenses	\$ 1,031,800	\$ 1,034,175	\$ 2,375
NC Tennis Association grant	4,534	4,534	-
Investment earnings	5,500	356	(5,144)
Miscellaneous	6,581	4,389	(2,192)
Total revenues	<u>1,048,415</u>	<u>1,043,454</u>	<u>(4,961)</u>
Expenditures			
Current:			
Economic and physical development:			
Salaries and employee benefits	188,645	165,321	23,324
Operating expenditures	224,392	173,326	51,066
Wayne County share of occupancy tax	344,720	343,920	800
	<u>757,757</u>	<u>682,567</u>	<u>75,190</u>
Debt Service:			
Principal retirement - notes	304,621	293,790	10,831
Principal retirement - bonds	100,000	100,000	-
Interest and other charges	42,000	43,613	(1,613)
	<u>446,621</u>	<u>437,403</u>	<u>9,218</u>
Total expenditures	<u>1,204,378</u>	<u>1,119,970</u>	<u>84,408</u>
Revenues under expenditures	(155,963)	(76,516)	79,447
Fund balance appropriated	<u>155,963</u>	<u>-</u>	<u>(155,963)</u>
Net change in fund balance	<u>\$ -</u>	<u>(76,516)</u>	<u>\$ (76,516)</u>
Fund balance			
Beginning balance		<u>464,369</u>	
Ending balance		<u>\$ 387,853</u>	

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Federal and State Drug Forfeiture Fund
 From Inception and for the Year Ended June 30, 2021

Schedule D-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental:					
DEA funds	\$ 188,813	\$ 15,396	\$ -	\$ 15,396	\$ (173,417)
NC controlled substance tax	6,091	6,120	6,891	13,011	6,920
Total	194,904	21,516	6,891	28,407	(166,497)
Investment earnings	1,215	1,138	107	1,245	30
Total revenues	196,119	22,654	6,998	29,652	(166,467)
Expenditures					
Current:					
Public safety:					
Federal operating expenditures	194,724	-	72,280	72,280	122,444
State operating expenditures	6,091	-	-	-	6,091
Total expenditures	200,815	-	72,280	72,280	128,535
Revenue over (under) expenditures	(4,696)	22,654	(65,282)	(42,628)	(37,932)
Other financing sources					
Transfer from general fund	-	179,508	-	179,508	179,508
Sale of fixed assets	4,696	-	4,696	4,696	-
Total other financing sources	4,696	179,508	4,696	184,204	179,508
Net change in fund balance	<u>\$ -</u>	<u>\$ 202,162</u>	(60,586)	<u>\$ 141,576</u>	<u>\$ 141,576</u>
Fund balance					
Beginning balance			202,162		
Ending balance			<u>\$ 141,576</u>		

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - CARES Act Special Revenue Fund
 From Inception and for the Year Ended June 30, 2021

Schedule D-7

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental:					
Coronavirus relief funds	\$ 966,688	\$ -	\$ 966,688	\$ 966,688	\$ -
Total revenues	<u>966,688</u>	<u>-</u>	<u>966,688</u>	<u>966,688</u>	<u>-</u>
Expenditures					
Current:					
General government:					
Public Health	45,991	-	30,346	30,346	15,645
Payroll expense	196,654	-	165,847	165,847	30,807
Public health measures	429,461	-	235,161	235,161	194,300
Small business grants	57,500	-	57,500	57,500	-
Environmental services	37,082	-	26,202	26,202	10,880
Nonprofit agency support	200,000	-	191,496	191,496	8,504
Total expenditures	<u>966,688</u>	<u>-</u>	<u>706,552</u>	<u>706,552</u>	<u>260,136</u>
Revenue over expenditures	<u>-</u>	<u>-</u>	<u>260,136</u>	<u>260,136</u>	<u>260,136</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>260,136</u>	<u>\$ 260,136</u>	<u>\$ 260,136</u>
Fund balance					
Beginning balance			<u>-</u>		
Ending balance			<u>\$ 260,136</u>		

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - CARES Act Miscellaneous Revenue Fund
 From Inception and for the Year Ended June 30, 2021

Schedule D-8

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental:					
Coronavirus relief funds	\$ 120,366	\$ -	\$ 45,431	\$ 45,431	\$ (74,935)
Total revenues	<u>120,366</u>	<u>-</u>	<u>45,431</u>	<u>45,431</u>	<u>(74,935)</u>
Expenditures					
Current:					
General government:					
Federal operating expenditures	120,366	-	45,431	45,431	74,935
Total expenditures	<u>120,366</u>	<u>-</u>	<u>45,431</u>	<u>45,431</u>	<u>74,935</u>
Revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>		

City of Goldsboro
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - BJA FY20 Coronavirus Emergency Supplemental Funding
 From Inception and for the Year Ended June 30, 2021

Schedule D-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental:					
Federal grants	\$ 108,628	\$ -	\$ 64,822	\$ 64,822	\$ (43,806)
Total revenues	<u>108,628</u>	<u>-</u>	<u>64,822</u>	<u>64,822</u>	<u>(43,806)</u>
Expenditures					
Current:					
General government:					
Federal operating expenditures	108,628	-	64,822	64,822	(43,806)
Total expenditures	<u>108,628</u>	<u>-</u>	<u>64,822</u>	<u>64,822</u>	<u>(43,806)</u>
Revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>		

City of Goldsboro
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2021

Schedule E-1

	Parks and Recreation FY 2019-2024 Capital Project Fund	Street Improvements Capital Project Fund	Police/Fire Expansion Capital Project Fund	FY 2016 TIGER Discretionary Grant Capital Project Fund	Herman Park Recreation Center Fund	1919 LaFrance Fire Truck Restoration Capital Project Fund	FEMA Assistance to Firefighters Fund	Total Nonmajor Capital Project Funds
ASSETS								
Cash and investments	\$ 355,941	\$ 138,232	\$ 191,042	\$ 100,090	\$ -	\$ 24,116	\$ 18,371	\$ 827,792
Due from other governments	481	47,224	43,339	93,647	-	-	-	184,691
Restricted cash and investments	-	1,790,628	-	-	-	-	-	1,790,628
Total assets	<u>\$ 356,422</u>	<u>\$ 1,976,084</u>	<u>\$ 234,381</u>	<u>\$ 193,737</u>	<u>\$ -</u>	<u>\$ 24,116</u>	<u>\$ 18,371</u>	<u>\$ 2,803,111</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ 301,494	\$ -	\$ 20,487	\$ -	\$ -	\$ -	\$ 321,981
Due to other funds	-	-	-	-	358,000	-	-	358,000
Total liabilities	-	301,494	-	20,487	358,000	-	-	679,981
FUND BALANCES								
Restricted:								
Transportation	-	1,674,590	-	173,250	-	-	-	1,847,840
Public safety	-	-	234,381	-	-	24,116	18,371	276,868
Cultural and recreational	356,422	-	-	-	(358,000)	-	-	(1,578)
Total fund balances	<u>356,422</u>	<u>1,674,590</u>	<u>234,381</u>	<u>173,250</u>	<u>(358,000)</u>	<u>24,116</u>	<u>18,371</u>	<u>2,123,130</u>
Total liabilities and fund balances	<u>\$ 356,422</u>	<u>\$ 1,976,084</u>	<u>\$ 234,381</u>	<u>\$ 193,737</u>	<u>\$ -</u>	<u>\$ 24,116</u>	<u>\$ 18,371</u>	<u>\$ 2,803,111</u>

City of Goldsboro
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2021

	Parks and Recreation FY 2020-2024 Capital Project Fund	Street Improvements Capital Project Fund	Police/Fire Expansion Capital Project Fund	FY 2016 TIGER Discretionary Grant Capital Project Fund	Herman Park Recreation Center Fund	1919 LaFrance Fire Truck Restoration Capital Project Fund	FEMA Assistance to Firefighters Fund	Total Nonmajor Capital Project Funds
Revenues								
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 187,172	\$ -	\$ -	\$ -	\$ 187,172
Donations and sponsorships	255,000	-	-	-	-	24,116	-	279,116
Investment earnings	-	589	3,615	-	-	-	-	4,204
Miscellaneous	-	-	155,000	-	-	-	-	155,000
Total revenues	<u>255,000</u>	<u>589</u>	<u>158,615</u>	<u>187,172</u>	<u>-</u>	<u>24,116</u>	<u>-</u>	<u>625,492</u>
Expenditures								
Current:								
Transportation	-	791,836	-	459,222	-	-	-	1,251,058
Public safety	-	-	37,647	-	-	-	-	37,647
Cultural and recreational	64,935	-	-	-	358,000	-	-	422,935
Total expenditures	<u>64,935</u>	<u>791,836</u>	<u>37,647</u>	<u>459,222</u>	<u>358,000</u>	<u>-</u>	<u>-</u>	<u>1,711,640</u>
Revenues over (under) expenditures	<u>190,065</u>	<u>(791,247)</u>	<u>120,968</u>	<u>(272,050)</u>	<u>(358,000)</u>	<u>24,116</u>	<u>-</u>	<u>(1,086,148)</u>
Other financing sources								
Transfer from other funds	-	187,500	-	385,000	-	-	18,371	590,871
Total other financing sources	<u>-</u>	<u>187,500</u>	<u>-</u>	<u>385,000</u>	<u>-</u>	<u>-</u>	<u>18,371</u>	<u>590,871</u>
Net change in fund balances	190,065	(603,747)	120,968	112,950	(358,000)	24,116	18,371	(495,277)
Fund balances								
Beginning balances	<u>166,357</u>	<u>2,278,337</u>	<u>113,413</u>	<u>60,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,618,407</u>
Ending balances	<u>\$ 356,422</u>	<u>\$ 1,674,590</u>	<u>\$ 234,381</u>	<u>\$ 173,250</u>	<u>\$ (358,000)</u>	<u>\$ 24,116</u>	<u>\$ 18,371</u>	<u>\$ 2,123,130</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Parks and Recreation FY 2019-2024 Capital Projects Fund

From Inception and for the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 56,893	\$ 6,893	\$ -	\$ 6,893	\$ (50,000)
Donations and sponsorships	<u>530,500</u>	<u>185,500</u>	<u>255,000</u>	<u>440,500</u>	<u>(90,000)</u>
Total revenues	<u>587,393</u>	<u>192,393</u>	<u>255,000</u>	<u>447,393</u>	<u>(140,000)</u>
Expenditures					
Current:					
Cultural and recreational:					
Multi Sports Complex:					
construction	330,500	26,234	64,935	91,169	239,331
GoWayneGo projects:					
construction	96,893	39,802	-	39,802	57,091
Southend Park:					
construction	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>627,393</u>	<u>66,036</u>	<u>64,935</u>	<u>130,971</u>	<u>496,422</u>
Revenues over (under) expenditures	<u>(40,000)</u>	<u>126,357</u>	<u>190,065</u>	<u>316,422</u>	<u>356,422</u>
Other financing sources					
Transfer from other funds	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 166,357</u>	<u>190,065</u>	<u>\$ 356,422</u>	<u>\$ 356,422</u>
Fund balance					
Beginning balance			<u>166,357</u>		
Ending balance			<u>\$ 356,422</u>		

**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, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ 118,201	\$ 115,520	\$ 589	\$ 116,109	\$ (2,092)
Expenditures					
Current:					
Transportation:					
Street resurfacing	4,940,266	2,471,849	791,836	3,263,685	1,676,581
Debt Service:					
Interest and other charges	108,257	108,257	-	108,257	-
Total expenditures	5,048,523	2,580,106	791,836	3,371,942	1,676,581
Revenues under expenditures	(4,930,322)	(2,464,586)	(791,247)	(3,255,833)	1,674,489
Other financing sources					
Transfer from general fund	187,500	-	187,500	187,500	-
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	4,930,322	4,742,923	187,500	4,930,423	101
Net change in fund balance	\$ -	\$ 2,278,337	(603,747)	\$ 1,674,590	\$ 1,674,590
Fund balance					
Beginning balance			2,278,337		
Ending balance			\$ 1,674,590		

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, 2021

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	\$ 115,662	\$ 115,545	\$ 3,615	\$ 119,160	\$ 3,498
Miscellaneous	195,000	40,000	155,000	195,000	-
Total revenues	<u>310,662</u>	<u>155,545</u>	<u>158,615</u>	<u>314,160</u>	<u>3,498</u>
Expenditures					
Current:					
Public safety:					
Construction	5,953,926	5,976,738	37,647	6,014,385	(60,459)
Professional fees	463,400	172,058	-	172,058	291,342
Total expenditures	<u>6,417,326</u>	<u>6,148,796</u>	<u>37,647</u>	<u>6,186,443</u>	<u>230,883</u>
Revenues over (under) expenditures	<u>(6,106,664)</u>	<u>(5,993,251)</u>	<u>120,968</u>	<u>(5,872,283)</u>	<u>234,381</u>
Other financing sources					
Transfer from other funds	806,664	806,664	-	806,664	-
Issuance of debt	5,300,000	5,300,000	-	5,300,000	-
Total other financing sources	<u>6,106,664</u>	<u>6,106,664</u>	<u>-</u>	<u>6,106,664</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 113,413</u>	<u>120,968</u>	<u>\$ 234,381</u>	<u>\$ 234,381</u>
Fund balance					
Beginning balance			<u>113,413</u>		
Ending balance			<u>\$ 234,381</u>		

**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, 2021**

	<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	-	358,000	358,000	10,655,000
Debt Service:					
Interest and other charges	137,000	-	-	-	137,000
Total expenditures	11,150,000	-	358,000	358,000	10,792,000
Revenues under expenditures	(11,150,000)	-	(358,000)	(358,000)	10,792,000
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	\$ -	\$ -	(358,000)	\$ (358,000)	\$ (358,000)
Fund balance (deficit)					
Beginning balance			-		
Ending balance (deficit)			\$ (358,000)		

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, 2021

	<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	\$ -	\$ 24,116	\$ 24,116	\$ (55,884)
Total revenues	<u>80,000</u>	<u>-</u>	<u>24,116</u>	<u>24,116</u>	<u>(55,884)</u>
EXPENDITURES					
Current:					
Public safety:					
Restoration	80,000	-	-	-	80,000
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>	24,116	<u>\$ 24,116</u>	<u>\$ 24,116</u>
FUND BALANCE					
Beginning balance			<u>-</u>		
Ending balance			<u>\$ 24,116</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, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 5,100,000	\$ 4,546,360	\$ 187,172	\$ 4,733,532	\$ (366,468)
Total revenues	<u>5,100,000</u>	<u>4,546,360</u>	<u>187,172</u>	<u>4,733,532</u>	<u>(366,468)</u>
Expenditures					
Current:					
Transportation:					
Design	980,000	477,375	-	477,375	502,625
Construction	5,748,642	5,307,501	281,699	5,589,200	159,442
Contingency	460,741	283,218	177,523	460,741	-
Debt Service:					
Interest and other charges	-	-	-	-	-
Total expenditures	<u>7,189,383</u>	<u>6,068,094</u>	<u>459,222</u>	<u>6,527,316</u>	<u>662,067</u>
Revenues under expenditures	<u>(2,089,383)</u>	<u>(1,521,734)</u>	<u>(272,050)</u>	<u>(1,793,784)</u>	<u>295,599</u>
Other financing sources					
Transfers from other funds	2,089,383	1,582,034	385,000	1,967,034	(122,349)
Issuance of debt	-	-	-	-	-
Total other financing sources	<u>2,089,383</u>	<u>1,582,034</u>	<u>385,000</u>	<u>1,967,034</u>	<u>(122,349)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 60,300</u>	112,950	<u>\$ 173,250</u>	<u>\$ 173,250</u>
Fund balance					
Beginning balance			<u>60,300</u>		
Ending balance			<u>\$ 173,250</u>		

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - FEMA Assistance to Firefighters Grant Capital Project Fund

From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 183,712	\$ -	\$ -	\$ -	\$ (183,712)
Total revenues	183,712	-	-	-	(183,712)
Expenditures					
Current:					
Public Safety:					
Construction	202,083	-	-	-	202,083
Total expenditures	202,083	-	-	-	202,083
Revenues under expenditures	(18,371)	-	-	-	18,371
Other financing sources					
Transfers from other funds	18,371	-	18,371	18,371	-
Total other financing sources	18,371	-	18,371	18,371	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	18,371	<u>\$ 18,371</u>	<u>\$ 18,371</u>
Fund balance					
Beginning balance			-		
Ending balance			<u>\$ 18,371</u>		

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, 2021

Schedule F-1
 (2 pages)

Downtown District Fund

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 93,486	\$ 91,438	\$ 2,048
2019-2020	3,184	-	1,447	1,737
2018-2019	1,153	-	686	467
2017-2018	734	-	220	514
2016-2017	716	-	216	500
2015-2016	529	-	85	444
2014-2015	107	-	42	65
2013-2014	122	-	9	113
2012-2013	56	-	11	45
2011-2012	64	-	64	-
2010-2011	-	-	-	-
	\$ 6,665	\$ 93,486	\$ 94,218	5,933
				(197)
				\$ 5,736
 Reconciliation with revenue:				
				95,002
				Ad valorem taxes - Downtown District Fund
				Reconciling items:
				Interest collected (843)
				Other adjustments 59
				Total collections and credits
				\$ 94,218

City of Goldsboro
Analysis of Current Tax Levy
Year Ended June 30, 2021

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	\$ 2,594,734,000	0.65	\$ 16,865,771	\$ 15,143,075	\$ 1,722,696
Penalties	-		9,833	9,833	-
Discoveries	10,586,154	0.65	68,810	68,810	-
Abatements	<u>(14,810,615)</u>	0.65	<u>(96,269)</u>	<u>(96,269)</u>	<u>-</u>
Total property valuation	<u>\$ 2,590,509,539</u>				
	Net levy		16,848,145	15,125,449	1,722,696
	Uncollected taxes at June 30, 2021		<u>(221,179)</u>	<u>(221,179)</u>	<u>-</u>
	Current year's taxes collected		<u>\$ 16,626,966</u>	<u>\$ 14,904,270</u>	<u>\$ 1,722,696</u>
	Current levy collection percentage		<u>98.69%</u>	<u>98.54%</u>	<u>100.00%</u>
Downtown District:					
Property taxed at current year's rate	\$ 39,755,319	0.235	\$ 93,425	\$ 86,762	\$ 6,663
Penalties	-		65	65	-
Abatements	<u>(1,702)</u>	0.235	<u>(4)</u>	<u>(4)</u>	<u>-</u>
Total property valuation	<u>\$ 39,753,617</u>				
	Net levy		93,486	86,823	6,663
	Uncollected taxes at June 30, 2021		<u>(2,048)</u>	<u>(2,048)</u>	<u>-</u>
	Current year's taxes collected		<u>\$ 91,438</u>	<u>\$ 84,775</u>	<u>\$ 6,663</u>
	Current levy collection percentage		<u>97.81%</u>	<u>97.64%</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investments in capital assets	\$ 42,700,984	\$ 37,507,996	\$ 38,335,957	\$ 42,803,884
Restricted	5,253,355	3,578,328	3,937,395	8,952,468
Unrestricted	8,087,596	5,367,859	804,941	(2,315,163)
	<u>56,041,935</u>	<u>46,454,183</u>	<u>43,078,293</u>	<u>49,441,189</u>
Total governmental activities	<u>\$ 56,041,935</u>	<u>\$ 46,454,183</u>	<u>\$ 43,078,293</u>	<u>\$ 49,441,189</u>
Business-type activities				
Net investments in capital assets	\$ 40,370,922	\$ 41,216,430	\$ 43,218,439	\$ 45,635,607
Restricted	-	-	-	-
Unrestricted	12,206,203	12,022,767	11,720,607	10,943,475
	<u>52,577,125</u>	<u>53,239,197</u>	<u>54,939,046</u>	<u>56,579,082</u>
Total business-type activities	<u>\$ 52,577,125</u>	<u>\$ 53,239,197</u>	<u>\$ 54,939,046</u>	<u>\$ 56,579,082</u>
Total primary government				
Net investments in capital assets	\$ 83,071,906	\$ 78,724,426	\$ 81,554,396	\$ 88,439,491
Restricted	5,253,355	3,578,328	3,937,395	8,952,468
Unrestricted	20,293,799	17,390,626	12,525,548	8,628,312
	<u>108,619,060</u>	<u>99,693,380</u>	<u>98,017,339</u>	<u>106,020,271</u>
Total primary government	<u>\$ 108,619,060</u>	<u>\$ 99,693,380</u>	<u>\$ 98,017,339</u>	<u>\$ 106,020,271</u>

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

Table 1

2016	2017	2018	2019	2020	2021
\$ 44,410,030	\$ 46,326,181	\$ 45,169,151	\$ 50,028,618	\$ 59,410,166	\$ 58,574,492
3,045,504	3,797,767	4,406,657	11,861,204	8,972,412	8,470,337
5,329,663	(653,682)	(2,285,781)	(14,968,065)	(16,045,891)	(13,442,439)
<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>	<u>\$ 53,602,390</u>
\$ 47,525,121	\$ 48,098,769	\$ 48,720,090	\$ 50,977,306	\$ 50,776,484	\$ 52,153,982
-	6,506,387	876,387	1,058,078	1,058,078	1,056,430
10,326,236	4,345,372	9,774,239	5,680,895	5,953,461	9,153,709
<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>	<u>\$ 62,364,121</u>
\$ 91,935,151	\$ 94,424,950	\$ 93,889,241	\$ 101,005,924	\$ 110,186,650	\$ 110,728,474
3,045,504	10,304,154	5,283,044	12,919,282	10,030,490	9,526,767
15,655,899	3,691,690	7,488,458	(9,287,170)	(10,092,430)	(4,288,730)
<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>	<u>\$ 115,966,511</u>

City of Goldsboro
Change in Net Position
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities:				
General government	\$ 2,822,577	\$ 3,570,115	\$ 3,564,525	\$ 4,184,415
Public safety	15,513,297	17,432,563	19,435,147	15,715,097
Transportation	2,395,299	9,176,022	3,656,128	4,235,342
Economic and physical development	5,048,592	5,502,759	3,696,955	3,724,636
Environmental protection	3,293,159	3,369,229	3,656,775	3,620,474
Cultural and recreational	2,208,649	2,958,211	3,137,048	3,213,278
Interest on long-term debt	724,774	671,960	489,199	505,575
	<u>32,006,347</u>	<u>42,680,859</u>	<u>37,635,777</u>	<u>35,198,817</u>
Total expenses - governmental activities				
Business-type activities:				
Utilities	13,606,323	14,598,647	14,121,802	13,662,335
Storm Water	-	-	-	-
	<u>13,606,323</u>	<u>14,598,647</u>	<u>14,121,802</u>	<u>13,662,335</u>
Total expenses - business-type activities				
Total expenses - primary government				
	<u>45,612,670</u>	<u>57,279,506</u>	<u>51,757,579</u>	<u>48,861,152</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	371,656	354,205	347,680	302,688
Public safety	411,691	435,183	358,876	381,999
Transportation	409,430	316,779	485,833	1,219,735
Economic and physical development	-	-	-	-
Environmental protection	3,261,733	3,197,586	3,382,985	3,244,483
Cultural and recreational	616,498	562,576	727,498	1,831,393
Operating grants and contributions:				
General government	2,742,032	3,159,698	3,151,217	3,735,555
Public safety	650,740	372,695	276,439	193,725
Transportation	1,257,218	1,179,871	1,406,886	1,389,397
Economic and physical development	31,812	33,139	31,685	31,739
Environmental protection	534,600	32,356	166,913	-
Cultural and recreational	1,123,879	527,157	343,778	854,358
Capital grants and contributions:				
General government	-	-	-	-
Transportation	-	-	-	-
Economic and physical development	-	-	-	7,137,148
Cultural and recreational	-	-	-	-
	<u>11,411,289</u>	<u>10,171,245</u>	<u>10,679,790</u>	<u>20,322,220</u>
Total program revenues - governmental activities				

Table 2
(2 pages)

2016	2017	2018	2019	2020	2021
\$ 3,547,629	\$ 3,257,540	\$ 4,164,439	\$ 3,261,068	\$ 3,344,174	\$ 4,382,157
15,793,509	17,209,532	17,919,547	18,902,090	17,282,752	18,900,022
4,618,881	4,428,701	6,693,599	4,590,846	3,879,162	4,213,913
2,241,469	4,060,385	2,941,441	2,945,596	5,295,646	2,820,014
3,371,917	3,561,080	3,528,252	4,693,340	4,278,685	3,708,748
3,374,173	4,103,845	5,030,394	5,948,219	5,326,874	5,304,795
647,356	365,594	917,168	973,293	557,062	930,163
33,594,934	36,986,677	41,194,840	41,314,452	39,964,355	40,259,812
14,916,454	15,494,774	17,248,002	17,895,448	19,387,215	16,744,862
-	-	372,144	1,124,364	924,675	1,073,276
14,916,454	15,494,774	17,620,146	19,019,812	20,311,890	17,818,138
48,511,388	52,481,451	58,814,986	60,334,264	60,276,245	58,077,950
309,090	421,844	83,897	119,189	70,089	84,878
423,512	557,288	386,306	419,291	376,336	530,494
139,597	152,081	-	218,045	70,128	390,219
-	7,955	15,402	25,410	7,905	62,457
3,250,079	3,308,449	3,253,077	3,265,796	4,049,875	3,713,661
743,631	733,313	951,021	1,232,744	1,058,688	946,911
3,905,483	-	27,031	27,377	27,353	26,451
184,025	258,484	1,108,563	326,333	299,045	293,501
1,320,074	1,933,703	1,467,623	1,055,851	1,310,490	1,005,312
31,253	743,600	688,955	546,205	982,431	1,483,052
-	1,259,527	440,014	263,111	2,497,458	279,557
448,774	-	-	99,197	-	25,180
-	-	105,852	-	-	-
-	-	-	272,160	4,274,200	187,172
3,317,775	-	-	-	-	-
-	-	138,813	137,393	55,000	79,116
14,073,293	9,376,244	8,666,554	8,008,102	15,078,998	9,107,961

City of Goldsboro
Change in Net Position
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Program revenues				
Business-type activities:				
Charges for services	\$ 15,957,295	\$ 14,952,610	\$ 15,813,626	\$ 15,691,832
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>235,203</u>	<u>291,331</u>	<u>-</u>	<u>-</u>
Total program revenues - business-type activities	<u>16,192,498</u>	<u>15,243,941</u>	<u>15,813,626</u>	<u>15,691,832</u>
Total program revenues - primary government	<u>27,603,787</u>	<u>25,415,186</u>	<u>26,493,416</u>	<u>36,014,052</u>
Net revenue (expense)				
Governmental activities	(20,595,058)	(32,509,614)	(26,955,987)	(14,876,597)
Business-type activities	<u>2,586,175</u>	<u>645,294</u>	<u>1,691,824</u>	<u>2,029,497</u>
Total primary government	<u>(18,008,883)</u>	<u>(31,864,320)</u>	<u>(25,264,163)</u>	<u>(12,847,100)</u>
General revenues and transfers				
Governmental activities:				
Ad valorem taxes	14,726,183	14,501,826	15,194,387	15,420,547
Other taxes	1,266,059	1,230,159	1,261,863	785,616
Unrestricted intergovernmental	6,350,223	6,466,342	6,484,745	7,214,633
Investment earnings	12,661	20,605	5,323	6,848
Miscellaneous revenue	433,269	702,929	633,779	416,502
Special item	-	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>22,788,395</u>	<u>22,921,861</u>	<u>23,580,097</u>	<u>23,844,146</u>
Business-type activities:				
Investment earnings	14,654	16,778	8,025	6,612
Miscellaneous revenue	-	-	-	-
Extraordinary item	(1,734,382)	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(1,719,728)</u>	<u>16,778</u>	<u>8,025</u>	<u>6,612</u>
Total primary government	<u>21,068,667</u>	<u>22,938,639</u>	<u>23,588,122</u>	<u>23,850,758</u>
Change in net position				
Governmental activities	2,193,337	(9,587,753)	(3,375,890)	8,967,549
Business-type activities	<u>866,447</u>	<u>662,072</u>	<u>1,699,849</u>	<u>2,036,109</u>
Total primary government	<u>\$ 3,059,784</u>	<u>\$ (8,925,681)</u>	<u>\$ (1,676,041)</u>	<u>\$ 11,003,658</u>

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

Table 2
(2 pages)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 16,175,654	\$ 15,965,714	\$ 17,101,516	\$ 17,893,916	\$ 19,117,212	\$ 20,375,257
-	-	136,914	507,885	-	-
-	-	-	-	336,324	268,854
<u>16,175,654</u>	<u>15,965,714</u>	<u>17,238,430</u>	<u>18,401,801</u>	<u>19,453,536</u>	<u>20,644,111</u>
<u>30,248,947</u>	<u>25,341,958</u>	<u>25,904,984</u>	<u>26,409,903</u>	<u>34,532,534</u>	<u>29,752,072</u>
(19,521,641)	(27,610,433)	(32,528,286)	(33,306,350)	(24,885,357)	(31,151,851)
<u>1,259,200</u>	<u>470,940</u>	<u>(381,716)</u>	<u>(618,011)</u>	<u>(858,354)</u>	<u>2,825,973</u>
<u>(18,262,441)</u>	<u>(27,139,493)</u>	<u>(32,910,002)</u>	<u>(33,924,361)</u>	<u>(25,743,711)</u>	<u>(28,325,878)</u>
15,056,921	15,679,927	16,052,594	15,664,078	16,534,709	16,902,783
889,751	966,303	1,287,326	1,416,068	1,304,724	1,376,911
7,625,338	11,712,038	12,586,998	13,519,564	11,652,463	14,150,649
28,027	46,006	119,896	326,850	153,374	11,466
745,492	624,985	551,233	238,255	309,017	978,927
(1,479,880)	-	-	-	-	-
-	-	(250,000)	1,773,265	346,000	(1,003,182)
<u>22,865,649</u>	<u>29,029,259</u>	<u>30,348,047</u>	<u>32,938,080</u>	<u>30,300,287</u>	<u>32,417,554</u>
13,075	44,115	104,850	180,115	61,710	10,229
-	480,802	447,054	556,724	1,214,388	736,714
-	-	-	-	-	-
-	-	250,000	(1,773,265)	(346,000)	1,003,182
<u>13,075</u>	<u>524,917</u>	<u>801,904</u>	<u>(1,036,426)</u>	<u>930,098</u>	<u>1,750,125</u>
<u>22,878,724</u>	<u>29,554,176</u>	<u>31,149,951</u>	<u>31,901,654</u>	<u>31,230,385</u>	<u>34,167,679</u>
3,344,008	1,418,826	(2,180,239)	(368,270)	5,414,930	1,265,703
<u>1,272,275</u>	<u>995,857</u>	<u>420,188</u>	<u>(1,654,437)</u>	<u>71,744</u>	<u>4,576,098</u>
<u>\$ 4,616,283</u>	<u>\$ 2,414,683</u>	<u>\$ (1,760,051)</u>	<u>\$ (2,022,707)</u>	<u>\$ 5,486,674</u>	<u>\$ 5,841,801</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 258,178	\$ 214,187	\$ 337,269	\$ 651,278
Restricted	2,353,408	3,151,398	4,572,888	8,952,468
Committed	-	-	-	-
Assigned	67,869	-	-	-
Unassigned	<u>6,902,667</u>	<u>4,710,346</u>	<u>645,905</u>	<u>6,625,432</u>
Total General Fund	<u>\$ 9,582,122</u>	<u>\$ 8,075,931</u>	<u>\$ 5,556,062</u>	<u>\$ 16,229,178</u>
Other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,899,947	426,930	-	-
Committed:				
Downtown Development	133,293	108,793	131,647	130,665
Economic Development	1,356,549	1,022,456	593,611	1,976,464
Cultural and Recreational	-	-	-	-
Assigned:				
Subsequent year's expenditures	276,892	346,828	180,485	24,850
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other governmental funds	<u>\$ 4,666,681</u>	<u>\$ 1,905,007</u>	<u>\$ 905,743</u>	<u>\$ 2,131,979</u>

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

Table 3

2016	2017	2018	2019	2020	2021
\$ 589,493	\$ 564,291	\$ 606,124	\$ 187,925	\$ 257,212	\$ 255,407
2,808,546	5,270,374	4,998,215	6,313,654	5,357,362	5,610,552
-	-	-	374,346	2,146,511	291,143
-	-	-	778,842	12,964	-
7,587,797	7,811,928	6,670,426	3,132,854	1,310,509	4,454,057
<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>	<u>\$ 10,611,159</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
236,958	2,690,689	234,493	5,489,659	3,557,159	3,062,030
66,512	82,896	95,311	-	-	-
1,921,156	1,357,357	852,722	-	-	-
-	5,885,915	62,593	-	-	-
-	-	-	24,000	-	150,000
-	-	-	(57,024)	-	-
<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>	<u>\$ 3,212,030</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Ad valorem taxes	\$ 15,031,078	\$ 14,686,221	\$ 15,491,073	\$ 15,483,368
Other taxes and licenses	1,169,941	1,132,323	1,157,562	785,616
Unrestricted intergovernmental	9,649,152	10,023,938	10,245,080	11,172,014
Restricted intergovernmental	3,445,825	2,064,100	2,102,416	10,256,791
Permits and fees	384,271	409,622	343,392	359,599
Sales and services	4,255,076	4,124,519	4,421,279	4,243,671
Investment earnings	17,619	20,605	5,323	6,848
Miscellaneous	455,499	718,339	686,147	1,944,958
Total revenues	<u>34,408,461</u>	<u>33,179,667</u>	<u>34,452,272</u>	<u>44,252,865</u>
Expenditures				
Current:				
General government	2,890,900	2,883,603	3,252,104	3,790,187
Public safety	15,395,376	16,701,484	18,682,381	15,524,494
Transportation	3,317,544	2,741,812	3,129,332	3,164,379
Economic and physical development	4,986,741	5,447,114	3,675,907	3,712,003
Environmental protection	3,231,770	3,308,479	3,383,876	3,322,699
Cultural and recreational	2,624,684	2,900,990	3,049,440	3,014,588
Capital outlay	1,254,821	1,724,736	442,064	12,975,831
Debt service:				
Principal	1,597,654	1,817,581	1,990,185	2,552,236
Interest and other charges	724,774	671,960	489,199	406,507
Total expenditures	<u>36,024,264</u>	<u>38,197,759</u>	<u>38,094,488</u>	<u>48,462,924</u>
Revenues under expenditures	<u>(1,615,803)</u>	<u>(5,018,092)</u>	<u>(3,642,216)</u>	<u>(4,210,059)</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	-	20,686,842
Premium on the issuance of debt	-	-	-	-
Debt refundings	(3,216,667)	(745,600)	-	(4,551,214)
Other financing sources (uses), net	<u>1,545,698</u>	<u>794,219</u>	<u>-</u>	<u>16,135,628</u>
Net change in fund balances	<u>\$ (70,105)</u>	<u>\$ (4,223,873)</u>	<u>\$ (3,642,216)</u>	<u>\$ 11,925,569</u>
Debt service as a percentage of noncapital expenditures	<u>6.68%</u>	<u>6.83%</u>	<u>6.58%</u>	<u>8.34%</u>

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

Table 4

2016	2017	2018	2019	2020	2021
\$ 15,373,561	\$ 15,679,928	\$ 15,747,628	\$ 15,935,610	\$ 16,600,626	\$ 16,998,970
889,751	1,056,487	1,287,326	1,416,068	1,304,724	1,376,911
11,854,168	11,712,038	12,586,998	12,632,314	12,814,943	14,075,736
5,387,555	4,354,537	3,976,851	2,514,427	9,349,644	3,512,722
420,115	525,738	386,306	415,087	373,171	512,777
4,296,235	4,273,510	4,303,397	4,666,133	5,260,516	4,791,165
28,027	46,006	119,896	326,850	153,374	11,466
-	750,571	551,233	650,710	404,684	1,134,831
38,249,412	38,398,815	38,959,635	38,557,199	46,261,682	42,414,578
3,180,045	3,481,672	3,554,876	3,238,210	2,740,767	3,588,058
15,704,769	16,910,403	19,047,197	22,786,647	15,532,071	16,787,272
3,102,998	3,261,299	6,054,853	2,644,769	2,066,549	2,421,598
1,385,332	4,402,069	2,927,772	3,075,334	5,207,444	2,743,007
2,743,280	3,179,650	3,158,528	4,748,127	3,866,411	3,312,730
2,797,524	4,181,318	11,195,202	5,678,455	4,117,378	4,058,363
12,975,831	-	-	2,513,809	10,569,413	2,215,260
3,362,270	3,409,903	4,237,705	4,579,171	4,968,807	4,225,075
665,728	655,308	859,103	785,799	628,292	1,024,231
45,917,777	39,481,622	51,035,236	50,050,321	49,697,132	40,375,594
(7,668,365)	(1,082,807)	(12,075,601)	(11,493,122)	(3,435,450)	2,038,984
-	-	7,342	2,342,353	1,800,430	590,871
-	-	(257,342)	(569,088)	(2,148,958)	(1,594,053)
-	110,040	252,509	169,080	65,931	135,392
2,106,326	12,608,664	2,328,000	11,513,233	105,000	-
-	684,211	-	242,923	-	-
-	(1,885,664)	-	-	-	-
2,106,326	11,517,251	2,330,509	13,698,501	(177,597)	(867,790)
\$ (5,562,039)	\$ 10,434,444	\$ (9,745,092)	\$ 2,205,379	\$ (3,613,047)	\$ 1,171,194
12.23%	10.30%	12.32%	11.29%	14.30%	13.76%

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
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
2021	16,902,783	1,034,175	2,961	86,005	18,025,924

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
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
2021	16,998,970	1,034,175	2,961	86,005	18,122,111

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
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
2021	2,023,839,987	496,101,178	74,792,835	2,594,734,000	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)	Total Direct and Overlapping Rates
	General Fund Rate	Total Direct Rate	Downtown Service District Rate	County Rate	
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	0.650	0.235	0.6650	1.5500
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
2021	0.650	0.650	0.235	0.7075	1.5925

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 2021			Fiscal Year 2012		
		(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	\$ 26,763,861	1	1.03%	\$ 23,396,334	2	1.01%
Wal-Mart Stores	Retail Department Store	22,874,007	2	0.88%	35,895,935	1	1.55%
Berkeley Mall LLC	Mall Shopping Center	21,528,020	3	0.83%	20,661,630	4	0.89%
Goldsboro Apartments Investors LLC	Real Estate	21,338,420	4	0.82%	23,219,940	3	1.00%
Franklin Baking Co.	Bread Manufacturing	20,491,813	5	0.79%	20,234,566	5	0.87%
Time Warner Cable Southeast LLC	Public Utility	20,380,290	6	0.79%			
Berkeley Place Apartments LLC	Real Estate	19,149,028	7	0.74%	18,529,184	6	0.80%
Piedmont Natural Gas Company Inc	Public Utility	18,290,534	8	0.70%	14,066,191	9	0.61%
Gruma Corporation	Real Estate	15,992,420	9	0.62%			
The Three J's Inc.	Automobile Dealer	15,928,190	10	0.61%			
Vsouth, LLC	Exhaust Products				16,316,770	7	0.70%
Cooper Standard, Inc.	Rubber & Plastic Auto Parts				14,715,802	8	0.63%
BRC Goldsboro LLC	Real Estate				13,320,210	10	0.57%
Totals		<u>\$ 202,736,583</u>		<u>7.81%</u>	<u>\$ 200,356,562</u>		<u>8.63%</u>
Total assessed valuation		<u>\$ 2,594,734,000</u>		<u>100.00%</u>	<u>\$ 2,320,532,462</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 Fiscal Year (Original Levy)		(1) Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(1) Adjustments	Amount		Percentage of Original Levy	Amount		Percentage of Adjusted Levy	
2012	\$ 15,307,418	\$ (223,957)	\$ 15,083,461	\$ 14,446,765	95.78%	\$ 594,027	\$ 15,040,792	99.72%
2013	14,958,097	(328,503)	14,629,594	14,003,582	95.72%	582,595	14,586,177	99.70%
2014	14,270,650	(199,560)	14,071,090	13,728,356	97.56%	302,846	14,031,202	99.72%
2015	13,651,130	(54,376)	13,596,754	13,375,305	98.37%	199,540	13,574,845	99.84%
2016	13,364,789	430,577	13,795,366	13,493,702	97.81%	272,760	13,766,462	99.79%
2017	14,115,765	(51,837)	14,063,928	13,780,916	97.99%	252,764	14,033,680	99.78%
2018	15,109,733	427,959	15,537,692	15,283,969	98.37%	217,188	15,501,157	99.76%
2019	15,771,272	(41,299)	15,729,973	15,485,233	98.19%	187,955	15,673,188	99.64%
2020	16,526,892	33,535	16,560,427	16,285,619	98.54%	155,377	16,440,996	99.28%
2021	16,865,771	(17,626)	16,848,145	16,626,966	98.58%	-	16,626,966	98.69%

(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				
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%
2021	11,393,959	16,907,015	649,399	6,789,512	18,530,702	54,270,587	1,609	2.09%	0.931%

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
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
2021	18,183,471	2,594,734,000	0.70%	33,723	539

- (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**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit (8% of assessed value)	\$ 185,642,597	\$ 180,056,849	\$ 186,266,228	\$ 187,273,813
Total debt applicable to limit	<u>16,018,472</u>	<u>14,995,110</u>	<u>15,704,926</u>	<u>26,819,198</u>
Legal debt margin	<u>\$ 169,624,125</u>	<u>\$ 165,061,739</u>	<u>\$ 170,561,302</u>	<u>\$ 160,454,615</u>
Total debt applicable to limit as a percentage of debt limit	<u>9.44%</u>	<u>9.08%</u>	<u>9.21%</u>	<u>16.71%</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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 187,715,479	\$ 191,901,679	\$ 190,952,049	\$ 193,599,664	\$ 203,407,902	\$ 207,578,720
<u>25,563,254</u>	<u>33,528,823</u>	<u>31,756,230</u>	<u>38,874,835</u>	<u>33,245,974</u>	<u>28,950,373</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>\$ 178,628,347</u>
<u>15.76%</u>	<u>21.17%</u>	<u>19.95%</u>	<u>25.13%</u>	<u>19.54%</u>	<u>16.21%</u>

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

Assessed value	<u>\$ 2,594,734,000</u>
Debt limit (8% of assessed value)	207,578,720
Debt applicable to limit:	
General obligation bonds	11,393,959
Other debt	<u>17,556,414</u>
Legal debt margin	<u>\$ 178,628,347</u>

City of Goldsboro
Direct and Overlapping Debt - Governmental Activities
June 30, 2021

Table 14

Governmental Unit	(1) Debt Outstanding	(2) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Wayne County General Obligation Debt	\$ 18,340,000	28.64%	\$ 5,252,576
Other debt:			
Wayne County Installment Purchase Loans	51,914	28.64%	14,868
Subtotal, overlapping debt			5,267,444
Total direct debt			28,950,373
Total direct and overlapping debt			\$ 34,217,817

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
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%
2021	33,723	5,827,845	49,881	41.7	17,352	5.69%

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 Commerce*

(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	2021			2012		
	Employees	Rank	(1) Percentage of Total MSA Employment	Employees	Rank	(1) Percentage of Total MSA Employment
Seymour Johnson Air Force Base	5,979	1	15.00%	13,312	1	23.60%
Wayne County Board of Education	2,053	2	4.32%	3,200	2	5.67%
Wayne UNC Healthcare	1,583	3	3.33%			
Goldsboro Milling	1,305	4	2.75%			
Wayne County	1,085	5	2.28%	1,150	4	2.03%
Mount Olive Pickle Company, Inc	974	6	2.05%			
Wayne Community College	705	7	1.48%			
O'Berry Center	650	8	1.37%	900	7	1.60%
Cherry Hospital	600	9	1.26%	951	6	1.69%
Case Farms	550	10	1.16%	1,000	5	1.77%
Wal-Mart				802	8	1.42%
City of Goldsboro				493	9	0.87%
Cooper Standard Automotive				400	10	0.71%
Wayne Memorial Hospital				1,800	3	3.19%
Total	15,484		35.00%	24,008		42.55%

(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	2012	2013	2014	2015
General government	32.0	32.0	32.0	33.0
Transportation:				
Streets and highways	27.0	24.0	21.0	21.0
Garage	12.0	11.0	10.0	10.0
Economic and physical development	19.0	18.0	16.0	15.0
Public safety:				
Police:				
Officers	115.0	112.0	108.0	110.0
Civilians	10.0	10.0	10.0	10.0
Fire:				
Firefighters and officers	82.0	82.0	81.0	81.0
Civilians	1.0	1.0	1.0	1.0
Other	33.0	33.0	29.0	30.0
Environmental protection	55.0	53.0	48.0	47.0
Cultural and recreational	39.0	37.0	35.0	37.0
Stormwater	-	-	-	-
Maintenance	25.0	26.0	24.0	24.0
Water	11.0	11.0	11.0	11.0
Sewer	24.0	24.0	24.0	24.0
Total	485.0	474.0	450.0	454.0

Source - City of Goldsboro's Budget Document

Table 17

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
34.0	35.0	36.0	36.0	38.0	41.0
24.0	24.0	22.0	12.5	12.5	12.5
10.0	10.0	11.0	11.0	11.0	12.0
14.0	15.0	14.0	15.0	15.0	14.0
110.0	110.0	110.0	110.0	110.0	110.0
11.0	10.0	11.0	11.0	11.0	11.0
81.0	81.0	81.0	82.0	82.0	82.0
1.0	1.0	2.0	2.0	2.0	2.0
29.0	29.0	29.0	33.0	33.0	33.0
39.0	39.0	39.0	39.0	40.0	40.0
35.0	40.0	44.0	45.0	45.0	45.0
-	-	4.0	10.5	10.5	11.5
26.0	28.0	28.0	28.0	28.0	24.0
11.0	11.0	11.0	11.0	11.0	18.0
24.0	24.0	24.0	25.0	25.0	24.0
<u>449.0</u>	<u>457.0</u>	<u>466.0</u>	<u>471.0</u>	<u>474.0</u>	<u>480.0</u>

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

Function/Program	2012	2013	2014	2015
Police:				
Physical arrests	3,406	3,212	2,962	2,833
Traffic violations	9,916	8,636	7,205	7,964
Fire:				
Number of calls answered	2,083	2,026	2,040	2,475
Inspections	364	944	1,213	1,161
Building inspections:				
New construction permits	120	107	96	77
Highways and streets:				
Street resurfacing (miles)	-	3	3.18	3.06
Potholes repaired	258	540	622	488
Sanitation:				
Refuse collected (tons per day)	68.10	57.01	50.30	55.00
Recyclables collected (tons per day)	5.49	5.45	5.60	6.03
Cultural and recreational:				
Athletic field permits issued	9	14	10	68
Community center admissions	136,480	106,513	132,364	128,073
Water:				
New connections	28	29	17	60
Water mains breaks	26	20	40	29
Average daily consumption (millions of gallons)	5.4	5.4	5.2	4.7
Number of customers	13,793	13,606	13,755	13,556
Waste water:				
New connections	53	32	35	37
Average daily sewage treatment (millions of gallons)	7.0	7.0	8.8	9.5
Number of customers	10,755	11,572	10,640	10,611

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

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

Table 18

2016	2017	2018	2019	2020	2021
2,657	2,462	2,193	2,070	1,840	1,551
6,367	4,959	3,690	5,581	6,116	2,091
2,767	2,827	2,387	2,623	2,296	2,630
1,005	901	995	1,228	1,387	1,879
58	67	73	58	81	59
3.30	-	11	9.60	0.31	-
835	654	601	452	423	693
54.00	51.20	49.73	53.09	32.45	49.74
5.60	5.30	5.28	3.60	2.96	4.10
85	203	432	434	409	252
144,414	116,316	168,525	358,062	51,565	11,000
17	28	33	27	24	23
68	56	71	359	273	18
4.8	5.1	5.9	6.5	6.5	6
13,626	13,530	13,651	13,836	13,874	13,659
29	41	31	37	26	39
9.6	9.4	8.3	11.5	9.0	13
10,750	10,755	10,685	11,214	11,311	11,518

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

Function/Program	2012	2013	2014	2015
Public safety:				
Police:				
Stations	1	1	1	1
Patrol units	65	62	59	59
Fire stations	5	5	5	5
Sanitation:				
Collection trucks	11	11	11	7
Highways and streets:				
Streets (miles)	169	163	163	163
Streetlights	3,036	2,915	2,926	2,805
Cultural and recreational:				
Parks acreage	402	403	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	298	270	270
Maximum daily capacity (millions of gallons)	12.0	12.0	12.0	12.0
Sewer:				
Sanitary sewers (miles)	239	239	241	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

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
70	60	64	64	64	56
5	5	5	5	5	5
8	8	8	8	8	7
163	163	163	163	163	163
2,836	2,905	2,924	2,924	2,924	2751
403	403	403	403	403	403
13	13	13	13	13	14
2	2	2	2	2	2
18	18	18	18	18	18
2	2	2	2	2	2
270	274	274	274	274	274
12.0	12.0	12.0	12.0	12.0	14
241	243	243	243	243	229
14.2	14.2	14.2	14.2	14.2	14.2

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 Auditor's 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 Auditor's reports on compliance and controls as required by the Uniform Guidance, and the independent Auditor's reports on compliance and controls as required by the *State Single Audit Implementation Act*.

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

Honorable Mayor and
Members of the City Council
City of 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, 2021 and the related notes to the financial statements, which collectively comprises the City's basic financial statements, and have issued our report thereon dated February 23, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Goldsboro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Goldsboro's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Goldsboro's internal control.

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

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

FORVIS

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*.

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.

FORVIS, LLP

**High Point, NC
February 23, 2023**

Independent Auditor's 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 Each 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, 2021. The City's major federal programs are identified in the summary of Auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by 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 programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2021.

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 2021-001. Our opinion on the major programs 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 programs 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 2021-001.

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.

FORVIS

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.

FORVIS,LLP

High Point, NC
February 23, 2023

Independent Auditor's 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, 2021. The City's major State program is identified in the summary of Auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's 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, 2021.

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.

FORVIS,LLP

**High Point, NC
February 23, 2023**

Schedule of Findings and Questioned Costs

1. Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

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

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

Unmodified

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

Yes No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
66.458	Capitalization Grants for Clean Water State Revolving Fund

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

State Awards

Internal control over major state programs:

- Material weaknesses identified? _____ Yes 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 Auditor's report issued on compliance for major state programs:

Unmodified

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

_____ Yes X No

Identification of major state programs:

Program Names

DOT-4 Powell Bill

2. Financial Statement Findings

There were no findings related to the financial statements for the year ended June 30, 2021.

3. Federal Awards Findings and Questioned Costs

Finding 2021-001: Compliance Reporting

MATERIAL WEAKNESS

MATERIAL NON-COMPLIANCE

Criteria:

Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("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 Auditor's report or nine months after the end of the entity's fiscal year end.

On March 19, 2021, the Office of Management and Budget ("OMB") issued memorandum M-21-20, *Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources*. The memorandum, among other thing, allowed for a six-month extension to the single audit filing deadlines for all entities that had not yet filed their single audits for fiscal years through June 30, 2021, as of March 19, 2021.

Condition:	The financial and compliance audits for the year ended June 30, 2021 were not completed within the extended deadline.
Effect:	The federal government could impose sanctions under 2 CFR 200.505.
Cause:	During prior years, the City experienced delays in the completion and filing of its annual financial statements. As a result, the fiscal year 2021 audit did not commence until August 2022, which did not allow sufficient time for the audit to be completed by the extended due date for the financial statement submission of September 30, 2022.
Repeat finding:	This is a repeat finding.
Context:	The filing deadline for the fiscal year ended June 30, 2021 was March 31, 2022, and extended to September 30, 2022 by OMB Memorandum M-21-20. The financial reporting package was not completed by this extended due date.
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

There were no findings related to state awards for the fiscal year ended June 30, 2021.



Corrective Action Plan

Finding 2021-001: Compliance Reporting

Name of Contact Person: Catherine Gwynn, Finance Director

Corrective Action: The Management for the City recognizes the seriousness of the late audit submissions, and how critical timely financial information is for the efficient and effective administration of local government. A brief timeline is presented below to outline the various issues, challenges and actions taken to complete the audits. Management and staff urgently wanted the information to be timely, but also to be accurate and ensure that past errors were identified and corrected so that the records generated moving forward would be accurate.

Contributing Factors

- Retirement of key management personnel in Finance
- Deficiency in succession planning
- Insufficient delegation of duties
- Lack of staffing
- Lack of cross training
- Inadequate written policies procedures
- Hurricane Florence September 2018
- Coronavirus Pandemic March 2020
- Additional workload from CRF grant funding (2020) and ARPA grant funding (2021)
- Loss of staffing related to HUD CDBG and HOME programs
- Office of State Auditor Performance Audit FY2020 and FY2021 (2022)

Actions Taken

2019

- Management hired a new Finance Director and Assistant Finance Director with appropriate education and local government accounting experience.
- Finance Director and staff worked to reconcile the 2019 records, finding that there were reconciliation issues whereby 2018 records had to be reconciled before moving forward to 2019.

2020

- Council authorized the Finance Director to use contract professional accounting personnel to assist with reconstruction of 2018 books to determine various errors and misstatements so that reconciliation of 2019 records could be done.
- Council authorized one full time accountant position in March, 2020. Position was filled in August, 2020.
- Coronavirus Pandemic declared March, 2020 causing additional strain on Finance staff with additional record keeping requirements and mandates.
- Finance Director requested four full time positions in the FY2021 budget for purchasing and inventory, accounts receivable and accounts payable. Two positions for purchasing and inventory were approved by Council.
- Management authorized part-time temporary positions for accounts receivable, accounts payable and payroll to help with workload.

2021

- Filled the Procurement Manager and Procurement Specialist positions in March, 2021 and October, 2021 respectively.



-
- FY2019 audit issued on 5/12/2021.
 - Filled part-time temporary positions over the course of 2021, however not able to retain staffing due to part-time status.
 - With the adoption of the FY2022 budget 6/18/2021, Council authorized four permanent part-time positions to fill technician positions in accounts receivable, accounts payable, payroll and office assistant.
 - First tranche of ARPA funding received 7/15/2021. Additional responsibilities placed on Finance for the program management of the grant.
 - Due to difficulties in filling the part-time positions, Council authorized the four permanent part-time positions to be converted to full-time positions on 9/20/2021.

2022

- FY2020 audit issued on 3/7/2022.
- Filled payroll and accounts payable full-time positions in March, 2022. Covid and labor market created difficulties in finding qualified candidates.
- Filled accounts receivable full time-position in June, 2022. Covid and labor market created difficulties in finding qualified candidates.
- Now fully staffed the process of cross training and delegation of duties began to help relieve some of the extra duties being carried by the Finance Director and Assistant Finance Director, and allow some additional capacity to work on the late audits.
- Due to request of State Treasurer, Dale Folwell, a performance audit for the City was initiated by the Office of State Auditor's Beth Wood covering FY2020 and FY2021 in March, 2022.

2023

- Staff turnover in August, 2022 of the full-time accountant resulted in the final full time position being filled in January, 2023.
- FY2021 audit issued February, 2023.

Overall

During this time the Finance Director has enacted multiple policies and standard operating procedures to address the lack of written directives to guide staff. This continues to be an ongoing process necessary to establish a sound set of financial policies and procedures to ensure continuity of operations. The performance audit being conducted by the Office of the State Auditor is expected to wrap up in the spring of 2023, but has been a substantial strain on the Finance staff since it was initiated in March, 2022, which contributed to the lengthy delay in the 2021 audit. We expect since Finance is now fully staffed that resources will be committed such that the FY2022 audit will be completed by July, 2023, and the FY2023 audit will be completed by December, 2023.



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

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Summary Schedule of Prior Audit Findings

Finding 2020-001: 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 2020-002: 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, 2021

(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 Cluster:				
FY19- FY20	14.218	B-19-ML-37-0019	\$ 5,888	\$ -
FY20- FY21	14.218	B-21-MC-37-0019	244,814	-
COVID-19: CDBG-CV	14.218	B-20-MC-37-0019	27,098	-
Total CDBG Entitlement Grants Cluster			<u>277,800</u>	<u>-</u>
Home Investment Partnership Program:				
FY19- FY20	14.239	M-19-MC-370209	23,750	-
FY20- FY21	14.239	M-21-MC-370209	72,376	-
Total Home Investment Partnership Program			<u>96,126</u>	<u>-</u>
Total HUD			<u>373,926</u>	<u>-</u>
<u>U.S. Department of Justice ("DOJ")</u>				
<u>Passed through NC Department of Public Safety:</u>				
Edward Byrne Memorial Justice Assistance Grant Program:				
FY20- FY21	16.738	2020-DJ-BX-0852	64,822	-
FY19- FY20	16.738	2019-DJ-BX-0708	222	-
FY17- FY18	16.738	2017-DJ-BX-0129	12,425	-
Total Edward Byrne Memorial Justice Assistance Grant			<u>77,469</u>	<u>-</u>
Equitable Sharing Program	16.922	NC0960100	67,584	-
Total DOJ			<u>145,053</u>	<u>-</u>
<u>U.S. Department of Transportation ("DOT")</u>				
Direct:				
Federal Transit Administration:				
FY 2016 TIGER VIII	20.933	7244-2017-1	293,524	-
<u>Passed through NC Department of Transportation:</u>				
Highway Planning and Construction ("HPC") Cluster:				
104(f) Funds	20.205-5	40435.1.9	94,804	24,001
5303 Funds	20-205	36230.13.19.6	14,563	3,641
Total HPC Cluster			<u>109,367</u>	<u>27,642</u>
Total DOT			<u>402,891</u>	<u>27,642</u>

See accompanying notes.

City of Goldsboro
 Schedule of Expenditures of Federal and State Awards
 Year Ended June 30, 2021

(3 pages)

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures
<u>U.S. Department of the Treasury ("Treasury")</u>				
<u>Passed through Wayne County:</u>				
COVID-19 - Coronavirus Relief Fund Coronavirus Aid Relief & Economic Recovery Act (CARES)	21.019	02-93	\$ 706,550	\$ -
<u>Passed through YMCA of the Triangle Area, Inc:</u>				
COVID-19 - Coronavirus Relief Fund Coronavirus Aid Relief & Economic Recovery Act (CARES) - Remote Learning	21.019	N/A	19,681	-
<u>Passed through the Economic Development Partnership of NC:</u>				
Coronavirus Aid Relief & Economic Recovery Act (CARES) - Marketing Campaign	21.019	60-00-40	15,000	-
Total Treasury			<u>741,231</u>	<u>-</u>
<u>U.S. Environmental Protection Agency ("EPA")</u>				
<u>Passed through N.C. Department of Environmental Quality:</u>				
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	1,264,125	-
Sewer Rehabilitation Project	66.458	E-SRP-W-17-0110	486,396	-
Waterline Replacement and Booster Pump Station Install	66.458	WIF1938	70,197	-
Plate Settlers	66.458	WIF1942	1,367,933	-
Total EPA			<u>3,188,651</u>	<u>-</u>
State awards:				
Cash programs:				
<u>N.C. Department of Transportation ("NCDOT")</u>				
Powell Bill	N/A	DOT-4	-	868,330
Total NCDOT			<u>-</u>	<u>868,330</u>
<u>N.C. Housing Finance Agency ("NCHFA"):</u>				
Urgent Repairs Program	N/A	URP 1709	-	49,190
Total NCHFA			<u>-</u>	<u>49,190</u>

City of Goldsboro
 Schedule of Expenditures of Federal and State Awards
 Year Ended June 30, 2021

(3 pages)

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures
<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	\$ -	\$ 42,967
Rural Infrastructure Program:				
TIGER 8 - Hub/Stage/Splash Pad	N/A	2019-104-1257-1534	-	165,698
Total NCDOC			-	208,665
<u>GoldenLEAF Foundation ("GoldenLEAF")</u>				
Disaster Recovery Grant Program				
Hurricane Matthew Infrastructure Recovery	N/A	17-175-4041	-	149,888
Total GoldenLEAF			-	149,888
Total expenditures of federal and state awards			\$ 4,851,752	\$ 1,303,715

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, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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, 2021 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, 2021:

<u>Loan Description</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
Clean Water State Revolving Loan - CS370482-06	66.458	\$ 2,689,366
Clean Water State Revolving Loan - CS370482-07	66.458	4,253,173
Clean Water State Revolving Loan - 1942	66.458	<u>1,245,273</u>
Total outstanding loan balances		<u>\$ 8,187,812</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, 2021.

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

As noted in Finding 2021-001, 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.