

***CITY OF WASHINGTON, GEORGIA***

***Annual Financial Report***

***For the year ended December 31, 2021***

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**CITY OF WASHINGTON, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the year ended December 31, 2021*

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## Independent Auditor's Report

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

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Washington, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of December 31, 2021, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund and the American Rescue Plan Act Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Washington, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Washington, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Washington, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Washington, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the required supplementary information on pages 65 through 72 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Washington, Georgia's basic financial statements for the year ended December 31, 2020, which are not presented with the accompanying financial statements. In our report dated May 28, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules, related to the 2020 financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The 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 2020 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022, on our consideration of the City of Washington, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Washington, Georgia's internal control over financial reporting and compliance.

*Rushton, LLC*

Gainesville, Georgia  
June 10, 2022

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# City of Washington

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Washington, Georgia 30673

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Washington management is proud to present this narrative discussion and analysis of the City of Washington's financial performance, making available an overview of the activities for the year ended December 31, 2021. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Washington. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

### Financial Highlights

- The City of Washington's assets exceeded its liabilities at December 31, 2021 by \$21,723,322 (*net position*). Of this amount, \$4,160,346 is reported as unrestricted net position. This is an increase of \$2,237,709 from the previous year for unrestricted. Total net position increased by \$2,784,007 from the previous year due mostly to increases in unrestricted net position.
- As of December 31, 2021, the City of Washington's governmental funds reported combined ending fund balances of \$889,220. Approximately \$422,177 is reported as restricted. Approximately \$70,245 is reported as assigned. Information about the City of Washington's Policy on Fund Balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 29.

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

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The focus of fund financial statements is directed at specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 73. The City's funds are divided into two broad categories: governmental and proprietary. They use different prescribed accounting methodologies.

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

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

The City of Washington maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the American Rescue Plan Act Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 73-76 of this report.

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

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

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

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

**Notes to the financial statements.**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-64 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's defined benefit pension plan. The required supplementary information can be found on pages 65-72 of this report.

**Other Supplementary Information.**

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

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

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

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

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

### City of Washington Net Position December 31, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 1,871,379	\$ 1,419,110	\$ 7,329,871	\$ 5,289,856	\$ 9,201,250	\$ 6,708,966
Capital assets	7,840,767	8,144,602	15,851,883	15,850,330	23,692,650	23,994,932
Other noncurrent assets	6,400	15,200	426,803	455,544	433,203	470,744
<b>Total assets</b>	<u>9,718,546</u>	<u>9,578,912</u>	<u>23,608,557</u>	<u>21,595,730</u>	<u>33,327,103</u>	<u>31,174,642</u>
<b>Total deferred outflows of resources</b>	<u>168,770</u>	<u>786,426</u>	<u>363,873</u>	<u>360,724</u>	<u>532,643</u>	<u>1,147,150</u>
Current liabilities	1,025,933	609,182	1,929,647	1,947,508	2,955,580	2,556,690
Noncurrent liabilities	1,125,547	2,927,254	6,436,983	7,721,483	7,562,530	10,648,737
<b>Total liabilities</b>	<u>2,151,480</u>	<u>3,536,436</u>	<u>8,366,630</u>	<u>9,668,991</u>	<u>10,518,110</u>	<u>13,205,427</u>
<b>Total deferred inflows of resources</b>	<u>951,978</u>	<u>88,838</u>	<u>666,336</u>	<u>88,212</u>	<u>1,618,314</u>	<u>177,050</u>
<b>Net position:</b>						
Net investment in capital assets	7,019,118	7,024,912	9,009,299	8,300,721	16,028,417	15,325,633
Restricted	422,177	578,663	1,112,382	1,112,382	1,534,559	1,691,045
Unrestricted	(657,437)	(863,511)	4,817,783	2,786,148	4,160,346	1,922,637
<b>Total net position</b>	<u>\$ 6,783,858</u>	<u>\$ 6,740,064</u>	<u>\$ 14,939,464</u>	<u>\$ 12,199,251</u>	<u>\$ 21,723,322</u>	<u>\$ 18,939,315</u>

Net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Washington exceeded liabilities by \$21,723,322 at the close of 2021. Approximately 74% of the City of Washington's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This has decreased 7% from 81% at December 31, 2020. The City uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 7% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 19%.

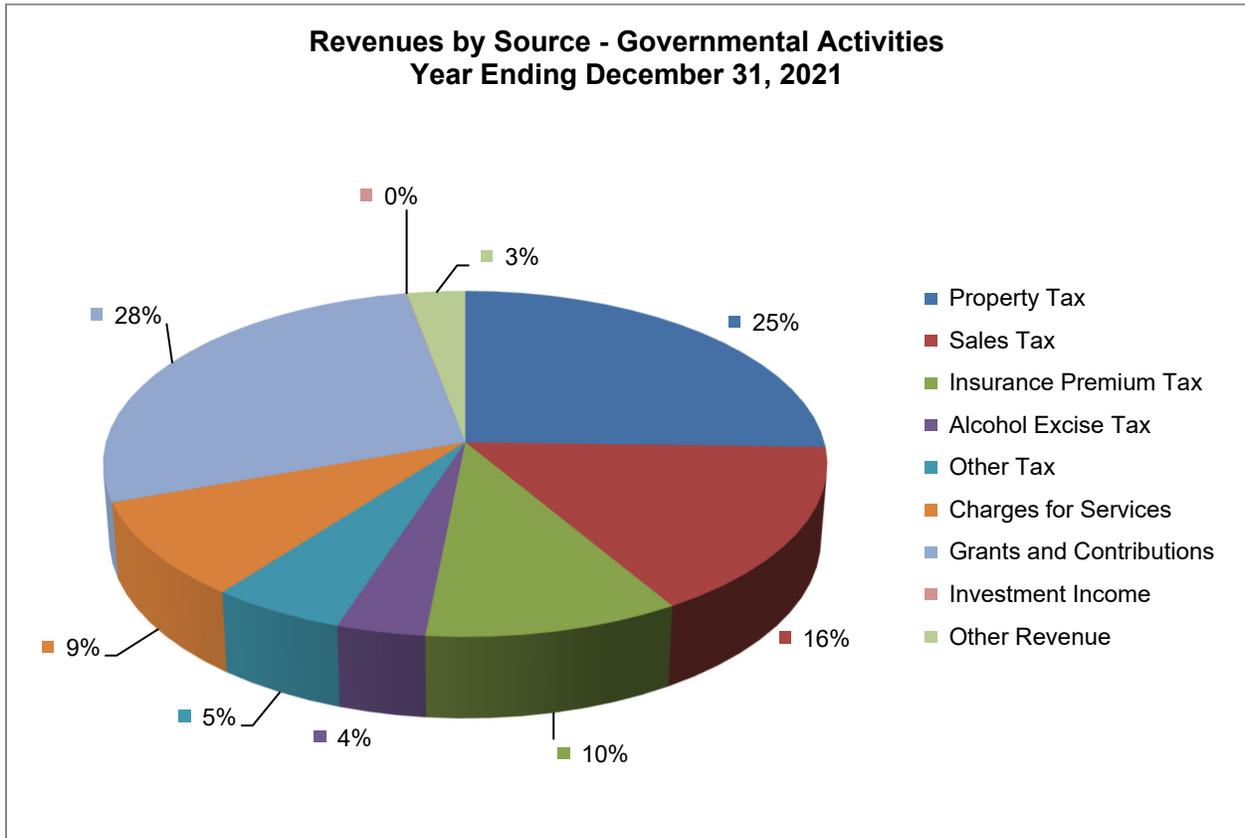
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Washington's net position changed during the year.

**City of Washington  
Changes in Net Position  
For Years Ended December 31, 2021 and 2020**

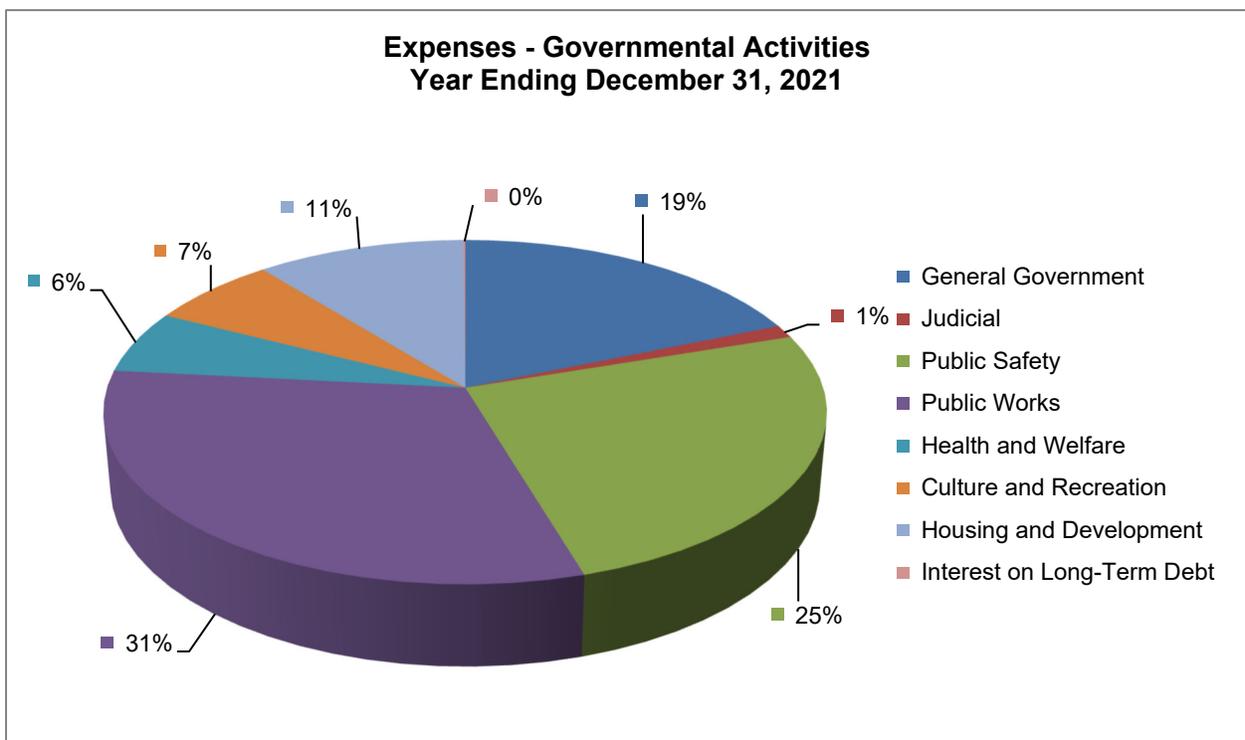
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 307,442	\$ 292,063	\$ 14,760,606	\$ 13,010,162	\$ 15,068,048	\$ 13,302,225
Operating grants and contributions	145,810	314,138	865,820	323,248	1,011,630	637,386
Capital grants and contributions	785,043	687,824	0	0	785,043	687,824
General revenues:						
Property tax	860,484	931,209	0	0	860,484	931,209
Sales tax	540,381	479,325	0	0	540,381	479,325
Insurance premium tax	342,961	332,088	0	0	342,961	332,088
Alcohol excise tax	119,237	124,738	0	0	119,237	124,738
Other taxes	180,241	161,187	0	0	180,241	161,187
Interest & investment earnings	1,824	1,937	17,558	44,968	19,382	46,905
Other revenue	99,034	210,814	9,387	52,782	108,421	263,596
<b>Total revenues</b>	<b>3,382,457</b>	<b>3,535,323</b>	<b>15,653,371</b>	<b>13,431,160</b>	<b>19,035,828</b>	<b>16,966,483</b>
<b>Expenses</b>						
General government	782,267	876,636	0	0	782,267	876,636
Judicial	50,653	74,018	0	0	50,653	74,018
Public Safety	1,065,737	1,703,847	0	0	1,065,737	1,703,847
Public Works	1,308,569	1,352,835	0	0	1,308,569	1,352,835
Health and Welfare	246,304	252,330	0	0	246,304	252,330
Culture and Recreation	278,470	411,820	0	0	278,470	411,820
Housing and Development	448,242	587,443	0	0	448,242	587,443
Interest on long-term debt	37,587	45,491	0	0	37,587	45,491
Water and Sewer	0	0	2,305,217	2,332,399	2,305,217	2,332,399
Electric	0	0	9,211,515	8,125,616	9,211,515	8,125,616
Solid Waste	0	0	484,166	516,214	484,166	516,214
Internet Telecommunications	0	0	33,094	6,578	33,094	6,578
<b>Total expenses</b>	<b>4,217,829</b>	<b>5,304,420</b>	<b>12,033,992</b>	<b>10,980,807</b>	<b>16,251,821</b>	<b>16,285,227</b>
Indirect costs	600,441	536,559	(600,441)	(536,559)	0	0
<b>Increase (decrease) in net position before transfers</b>	<b>(234,931)</b>	<b>(1,232,538)</b>	<b>3,018,938</b>	<b>1,913,794</b>	<b>2,784,007</b>	<b>681,256</b>
Transfers	278,725	1,385,113	(278,725)	(1,385,113)	0	0
<b>Increase (decrease) in net position</b>	<b>43,794</b>	<b>152,575</b>	<b>2,740,213</b>	<b>528,681</b>	<b>2,784,007</b>	<b>681,256</b>
<b>Net position - beginning</b>	<b>6,740,064</b>	<b>6,587,489</b>	<b>12,199,251</b>	<b>11,670,570</b>	<b>18,939,315</b>	<b>18,258,059</b>
<b>Net position - ending</b>	<b>\$ 6,783,858</b>	<b>\$ 6,740,064</b>	<b>\$ 14,939,464</b>	<b>\$ 12,199,251</b>	<b>\$ 21,723,322</b>	<b>\$ 18,939,315</b>

## Governmental Activities –

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



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



## Business-Type Activities –

Business-type activities increased the City of Washington’s net position by \$2,740,213, or 14.5%. This increase is due to a large increase in net position in the Electric Fund and in the Water.

## Financial Analysis of the City’s Funds

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

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

- 1) As the City completed this fiscal year, its governmental funds reported a combined ending fund balance of \$889,220. Of this amount, \$367,763 is reported as unassigned.

The General Fund is the chief operating fund of the City. At the end of the current year, fund balance of the General Fund was \$472,418. As a measure of the General Fund’s liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at December 31, 2021, is \$367,763, or 78% of total fund balance. Total fund balance represents approximately 11.7% of total General Fund Expenditures. The City ended the year realizing an decrease in the overall fund balance in the General Fund by \$63,812 or approximately 11.9%. The City increased unassigned fund balance in the General Fund by \$50,236.

## General Fund Budget Highlights

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

## American Rescue Plan Act Special Revenue Fund Budget Highlights

The City did not adopt an original budget for the American Rescue Plan Act (ARPA) Fund due to the timing of the legislation. Unbudgeted expenditures occurred which were offset by unbudgeted revenue. The City adopted a budget for this fund through amendments proposed at the end of the year.

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

▪ Water and Sewer	\$	436,191
▪ Electric	\$	4,015,357
▪ Solid Waste	\$	(95,644)
▪ Internet Telecommunications	\$	461,879

The Water and Sewer Fund increased net position by \$856,086. The increase is due to a increase in sales and an increases in transfers in from other funds. The Electric Fund increased net position by \$1,850,682. The increase is due to an increase in sales, an increase in cash and cash equivalents, and an increase in intergovernmental revenue. The Solid Waste Fund increased net position by \$60,769. The increase is due to a decrease in transfers out to other funds. The Internet Telecommunications Fund decreased net position by \$27,324. The decrease is due to an increase in investment in joint venture.

## Capital Assets and Debt Administration

**Capital Assets.** The City of Washington has invested \$23,692,650 in capital assets (net of accumulated depreciation) compared to \$23,994,932 in the previous year. This represents a decrease of about 1%. Approximately 67% of this investment is related to business-type activities and includes infrastructure, land, buildings, and equipment and vehicles. Capital assets held by the City at year-end are summarized as follows:

### City of Washington Capital Assets (net of accumulated depreciation) For Years 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,242,035	\$ 1,213,235	\$ 207,190	\$ 207,190	\$ 1,449,225	\$ 1,420,425
Historical treasures	81,718	81,718	0	0	81,718	81,718
Construction in progress	30,773	30,773	545,143	193,137	575,916	223,910
Buildings and improvements	5,323,045	5,323,045	736,686	736,686	6,059,731	6,059,731
Equipment and vehicles	3,723,587	3,706,111	2,894,329	2,964,957	6,617,916	6,671,068
Software	75,335	75,335	0	0	75,335	75,335
Infrastructure	3,984,590	3,984,590	25,586,504	25,586,504	29,571,094	29,571,094
<b>Total</b>	<b>14,461,083</b>	<b>14,414,807</b>	<b>29,969,852</b>	<b>29,688,474</b>	<b>44,430,935</b>	<b>44,103,281</b>
Accumulated Depreciation	(6,620,316)	(6,270,205)	(14,117,969)	(13,838,144)	(20,738,285)	(20,108,349)
<b>Net Capital Assets</b>	<b>\$ 7,840,767</b>	<b>\$ 8,144,602</b>	<b>\$ 15,851,883</b>	<b>\$ 15,850,330</b>	<b>\$ 23,692,650</b>	<b>\$ 23,994,932</b>

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

- Two New Plots of Land – Community Development and Housing department
- Washer Extractor/Dryer – Fire department

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

- Water Line Improvements – Water / Sewer department
- Alarm System Upgrades – Water / Sewer department
- New Pump – Water / Sewer department
- New Garbage Truck – Solid Waste department
- New Trash Bins – Solid Waste department

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

**Debt/Capital Leases.** On December 31, 2021, the City of Washington had a total debt balance outstanding for governmental activities in the amount of \$821,649, as compared to \$1,025,167 the previous year. The City of Washington's outstanding debt for governmental activities has decreased by \$203,518 during the course of the year. On December 31, 2021, the City of Washington had a total debt balance outstanding for business-type activities in the amount of \$6,842,584, as compared to \$7,453,859 the previous year. The City of Washington's outstanding debt for business-type activities has decreased by \$884,686 during the course of the year.

Additional information on the City's long-term debt can be found in Notes 10 and 11 on pages 49-53 of this report.

## **Economic Condition and Outlook**

The City of Washington proved to be a resilient community that bent but did not break under economic hardship. Once known as a manufacturing town, the City experienced several industrial plant closures over the years. The most recent was a large industrial water/sewer/electric customer that closed in 2019, the effects of which were being felt in Q1 of 2020 as COVID-19 was becoming a household name. City leaders acted swiftly to reduce spending and adjust forecasts, while retaining all employees without any furloughs or layoffs.

The City has rebranded itself as a “quality of life” community ideally suited for telecommuters, small business, and for large industry. There are many positive indicators too. The City experienced some significant gains amid the challenges. One new manufacturing plant (Rekord Structures) opened its doors and now employs over 100 persons. Three other manufacturing companies grew their businesses despite the COVID challenges. Especially noteworthy is emergence of a fledgling data mining company (WAHA) that is experiencing exponential growth and has quickly become a major consumer of the City’s electric utility services. In fact, WAHA is now the third largest cryptocurrency mining company in Georgia.

Washington sits in the heart of Georgia’s timber basket, which saw increased demand for lumber and its secondary forest industry markets such as wood procurement, timber harvest equipment sales and service. A third-generation local sawmill completed a major capital improvement project to convert its aging facility into a state-of-the-art lumber mill. The city is also a finalist in site selection for a major agribusiness that, if successfully landed, will create 1,083 new jobs and will be a significant consumer of water, sewer, and electric services. Washington has much to offer prospects including Opportunity Zone incentives, fiber optic high speed internet, low cost of living, abundant natural resources, proximity to a larger labor pool within commute distance, and a newly completed 4-lane expressway to I-20. For these reasons, the City continues to actively pursue other companies to invest in our community, to bring more diversity to our market and thus more stability to our economic future.

The City of Washington is actively engaged with the Payroll Development Authority in partnership with the County. The PDA is working with various businesses to fill our industrial park. The City also works with the Urban Redevelopment Authority and the Downtown Development Authority. Both of these subunits of the City are actively engaged in new business development and retaining of our current businesses. For example, the City and URA collaborated on a feasibility study and are pursuing plans to redevelop a 17-acre abandoned public school property in the heart of the community.

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

The City employs a full-time director to manage the Main Street program and serves as director of its Downtown Development Authority. This person works with businesses to plan and promote events that attract commerce to the downtown area. The City regularly hosts downtown events such as the newly Music & Makers events organized by downtown merchants. Main Street also supports summer concerts and various children activities to get people downtown. Main Street actively recruits small businesses to occupy vacant commercial spaces in the area.

Over the past couple of years, the City of Washington improved its net position while investing in Capital assets. Since the Covid-19 outbreak, the City had seen a mixture of small business closures offset somewhat by an upsurge in industrial business growth. The local housing market shows strong demand with over 96% occupancy in our local market. This is due in part to the low tax rate coupled with the trends toward working remotely due to Covid-19. The City finds itself ideally located for those looking to trade urban life for quaint small-town lifestyle that offers a slower pace of life, lower crime rate, and lower cost of living. The City has kept its property taxes low for several years.

The City continues to absorb the rising costs of electric prices due to State and Federal regulations being mandated on sources of power, specifically coal units. Growth in industrial electric consumption has enabled the City to consume all its MEAG power under contract, and to now become a consumer of excess power from other MEAG cities to meet our growing demands. The city continues to look for ways to decrease costs through efficient operations and to increase the City's tax base with improvements to residential communities and actively pursuing businesses to locate here in Washington. The City continues its utilization of CHIP grant funds from DCA to build four new homes on City owned property to help low to moderate income families. This grant was in partnership with Hands on Washington. Hands On Washington will spend their portion of the funds in renovating older homes in Washington for low-income individuals. Further, the City used CHIP grant funds to purchase two blight house properties and clear the sites for new CHIP house construction soon.

All of these items were considered in the 2021 budget process:

- The need for efficient operations and innovative ways to cut costs. In May 2021, the City cut approximately \$2.6M from its budget to prevent deficit spending. That move enabled the City to greatly improve its net position and proactively face the hardships that COVID triggered.
- Updating the Service Delivery Strategy agreement between the City & County for joint services
- Combining functions of employees to save money and eliminate duplication of duties
- Enforcing code to deal with dilapidated properties and thereby increase property values.
- Making decisions with citizens' quality of life and affordability at the forefront of our decision-making process
- Retaining a low ISO rating for fire and loss of life & property by making improvements to the Washington Fire Department
- Continuing infrastructure improvements. For example, the city used its ARP funds to make critical upgrades at its Water Treatment Plant and Wastewater Treatment Plant.
- Rising cost of healthcare and other insurance benefits
- Recruiting and Retaining a qualified workforce by increasing the base salaries across the board and offering more training to employees

### **Contacting the City**

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

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

Website

<http://www.cityofwashingtonga.gov>

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***BASIC FINANCIAL STATEMENTS***

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,055,325	\$ 1,604,742	\$ 2,660,067	\$ 4,871
Investments	72,894	841,461	914,355	2,382
Restricted assets				
Cash and cash equivalents	37,113	295,995	333,108	0
Investments	59,956	1,095,861	1,155,817	0
Receivables (net)				
Accounts	35,017	2,102,005	2,137,022	0
Intergovernmental	121,614	858,931	980,545	0
Taxes	468,008	0	468,008	0
Internal balances	12,397	(12,397)	0	0
Inventories	0	514,562	514,562	0
Prepaid items	9,055	28,711	37,766	0
Total current assets	<u>1,871,379</u>	<u>7,329,871</u>	<u>9,201,250</u>	<u>7,253</u>
<b>Noncurrent assets</b>				
Investment in joint venture	0	426,803	426,803	0
Notes receivable	6,400	0	6,400	0
Capital assets				
Non-depreciable	1,354,526	752,333	2,106,859	0
Depreciable (net)	6,486,241	15,099,550	21,585,791	0
Total noncurrent assets	<u>7,847,167</u>	<u>16,278,686</u>	<u>24,125,853</u>	<u>0</u>
<b>Total assets</b>	<u>9,718,546</u>	<u>23,608,557</u>	<u>33,327,103</u>	<u>7,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	168,770	363,873	532,643	0
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	112,769	913,448	1,026,217	0
Accrued salaries and payroll liabilities	85,880	19,331	105,211	0
Compensated absences	70,078	29,622	99,700	0
Accrued interest payable	5,546	3,869	9,415	0
Due to others	1,470	0	1,470	0
Tax sale overage	7,852	0	7,852	0
Unearned revenue	683,432	1,007	684,439	0
Installment sale agreement payable	58,906	0	58,906	0
Notes payable	0	666,375	666,375	0
Liabilities payable from restricted assets				
Customer deposits payable	0	295,995	295,995	0
Total current liabilities	<u>1,025,933</u>	<u>1,929,647</u>	<u>2,955,580</u>	<u>0</u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>Noncurrent liabilities</b>				
Net pension liability	\$ 362,804	\$ 260,774	\$ 623,578	\$ 0
Installment sale agreement payable	762,743	0	762,743	0
Notes payable	0	6,176,209	6,176,209	0
<b>Total noncurrent liabilities</b>	<u>1,125,547</u>	<u>6,436,983</u>	<u>7,562,530</u>	<u>0</u>
<b>Total liabilities</b>	<u>2,151,480</u>	<u>8,366,630</u>	<u>10,518,110</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	951,978	666,336	1,618,314	0
<b>NET POSITION</b>				
Net investment in capital assets	7,019,118	9,009,299	16,028,417	0
Restricted for:				
MEAG Generation Trust	0	1,095,861	1,095,861	0
Public Works	274,684	0	274,684	0
Culture and Recreation	50,406	0	50,406	0
Housing and Development	33,349	0	33,349	0
Grant requirements	803	0	803	0
Capital projects	62,935	0	62,935	0
Unrestricted	(657,437)	4,834,304	4,176,867	7,253
<b>Total net position</b>	<u>\$ 6,783,858</u>	<u>\$ 14,939,464</u>	<u>\$ 21,723,322</u>	<u>\$ 7,253</u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2021

	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary government</b>						
Governmental activities						
General Government	\$ 782,267	\$ (600,441)	\$ 34,840	\$ 0	\$ 0	\$ (146,986)
Judicial	50,653	0	0	0	0	(50,653)
Public Safety	1,065,737	0	50,952	130,160	19,144	(865,481)
Public Works	1,308,569	0	126,228	0	375,911	(806,430)
Health and Welfare	246,304	0	0	0	0	(246,304)
Culture and Recreation	278,470	0	54,305	360	0	(223,805)
Housing and Development	448,242	0	41,117	15,290	389,988	(1,847)
Interest on long-term debt	37,587	0	0	0	0	(37,587)
Total governmental activities	<u>4,217,829</u>	<u>(600,441)</u>	<u>307,442</u>	<u>145,810</u>	<u>785,043</u>	<u>(2,379,093)</u>
<b>Business-type activities</b>						
Water and Sewer	2,305,217	200,147	2,659,089	0	0	153,725
Electric	9,211,515	400,294	11,545,258	865,820	0	2,799,269
Solid Waste	484,166	0	550,770	0	0	66,604
Internet Telecommunications	33,094	0	5,489	0	0	(27,605)
Total business-type activities	<u>12,033,992</u>	<u>600,441</u>	<u>14,760,606</u>	<u>865,820</u>	<u>0</u>	<u>2,991,993</u>
Total primary government	<u>16,251,821</u>	<u>0</u>	<u>15,068,048</u>	<u>1,011,630</u>	<u>785,043</u>	<u>612,900</u>
<b>Component Unit</b>						
Downtown Development Authority						
Housing and Development	1,884	0	0	1,635	0	(249)
<b>Primary Government</b>						
		<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>	
<b>Change in net position</b>						
Net (expense) revenue		\$ (2,379,093)	\$ 2,991,993	\$ 612,900	\$ (249)	
General revenues						
Taxes						
Property		860,484	0	860,484	0	
Sales		540,381	0	540,381	0	
Insurance premium		342,961	0	342,961	0	
Alcohol Excise		119,237	0	119,237	0	
Franchise		88,927	0	88,927	0	
Occupational		61,437	0	61,437	0	
Other		29,877	0	29,877	0	
Interest and investment earnings		1,824	17,558	19,382	0	
Other		98,827	9,387	108,214	0	
Gain on sale of assets		207	0	207	0	
Transfers		278,725	(278,725)	0	0	
Total general revenues and transfers		<u>2,422,887</u>	<u>(251,780)</u>	<u>2,171,107</u>	<u>0</u>	
Change in net position		43,794	2,740,213	2,784,007	(249)	
Net position - beginning		<u>6,740,064</u>	<u>12,199,251</u>	<u>18,939,315</u>	<u>7,502</u>	
Net position - ending		<u>\$ 6,783,858</u>	<u>\$ 14,939,464</u>	<u>\$ 21,723,322</u>	<u>\$ 7,253</u>	

**CITY OF WASHINGTON, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2021**

	<u>General</u>	<u>American Rescue Plan Act Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 137,501	\$ 647,095	\$ 270,729	\$ 1,055,325
Investments	3,307	0	69,587	72,894
Restricted assets				
Cash and cash equivalents	37,113	0	0	37,113
Investments	59,956	0	0	59,956
Receivables (net)				
Accounts	35,017	0	0	35,017
Intergovernmental	43,699	15,989	61,926	121,614
Taxes	454,227	0	13,781	468,008
Notes	0	0	6,400	6,400
Due from other funds	15,989	0	13,054	29,043
Prepaid items	9,055	0	0	9,055
<b>Total assets</b>	<u>\$ 795,864</u>	<u>\$ 663,084</u>	<u>\$ 435,477</u>	<u>\$ 1,894,425</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 99,691	\$ 0	\$ 13,078	\$ 112,769
Accrued salaries and payroll liabilities	85,880	0	0	85,880
Due to other funds	657	15,989	0	16,646
Due to others	1,470	0	0	1,470
Tax sale overage	7,852	0	0	7,852
Unearned revenue	30,740	646,292	6,400	683,432
<b>Total liabilities</b>	<u>226,290</u>	<u>662,281</u>	<u>19,478</u>	<u>908,049</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	97,156	0	0	97,156
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	9,055	0	0	9,055
Contractually required to be maintained intact	0	0	19,980	19,980
Restricted for:				
Public Works	59,963	0	214,721	274,684
Culture and Recreation	2,288	0	48,118	50,406
Housing and Development	33,349	0	0	33,349
Grant requirements	0	803	0	803
Capital projects	0	0	62,935	62,935
Assigned for:				
Public Works	0	0	37,857	37,857
Culture and Recreation	0	0	22,065	22,065
Housing and Development	0	0	10,323	10,323
Unassigned	367,763	0	0	367,763
<b>Total fund balances</b>	<u>472,418</u>	<u>803</u>	<u>415,999</u>	<u>889,220</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 795,864</u>	<u>\$ 663,084</u>	<u>\$ 435,477</u>	<u>\$ 1,894,425</u>

**CITY OF WASHINGTON, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**December 31, 2021**

**Total fund balances - total governmental funds** \$ 889,220

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

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

These are:

Capital assets, net of accumulated depreciation 7,840,767

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

These are:

Property taxes 97,156

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

Deferred outflows of resources: 168,770

Deferred inflows of resources: (951,978)

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

Compensated absences	\$ (70,078)	
Interest payable	(5,546)	
Net pension liability	(362,804)	
Installment sale agreement payable	(821,649)	(1,260,077)

Net position of governmental activities \$ 6,783,858

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2021**

	General	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 1,902,041	\$ 109,660	\$ 137,101	\$ 2,148,802
Licenses and permits	47,650	0	0	47,650
Fines, fees and forfeitures	37,520	0	0	37,520
Charges for services	815,661	0	0	815,661
Intergovernmental	93,594	0	706,129	799,723
Interest	520	803	524	1,847
Contributions	28,501	0	0	28,501
Other	97,147	0	1,680	98,827
<b>Total revenues</b>	<b>3,022,634</b>	<b>110,463</b>	<b>845,434</b>	<b>3,978,531</b>
<b>EXPENDITURES</b>				
Current				
General Government	808,041	0	0	808,041
Judicial	55,697	0	0	55,697
Public Safety	948,384	0	105,007	1,053,391
Public Works	1,192,348	0	70,494	1,262,842
Health and Welfare	169,316	0	0	169,316
Culture and Recreation	275,102	0	0	275,102
Housing and Development	353,866	0	142,144	496,010
Debt service	242,172	0	0	242,172
<b>Total expenditures</b>	<b>4,044,926</b>	<b>0</b>	<b>317,645</b>	<b>4,362,571</b>
Excess (deficiency) of revenues over (under) expenditures	(1,022,292)	110,463	527,789	(384,040)
Other financing sources (uses)				
Transfers in	1,255,161	0	283,280	1,538,441
Transfers out	(296,888)	(109,660)	(853,168)	(1,259,716)
Sale of assets	207	0	0	207
<b>Total other financing sources (uses)</b>	<b>958,480</b>	<b>(109,660)</b>	<b>(569,888)</b>	<b>278,932</b>
Net change in fund balance	(63,812)	803	(42,099)	(105,108)
Fund balances, January 1	536,230	0	458,098	994,328
<b>Fund balances, December 31</b>	<b>\$ 472,418</b>	<b>\$ 803</b>	<b>\$ 415,999</b>	<b>\$ 889,220</b>

**CITY OF WASHINGTON, GEORGIA  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the year ended December 31, 2021**

**Net change in fund balances - total governmental funds** \$ (105,108)

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

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

Capital outlays	\$	46,276	
Depreciation		<u>(350,111)</u>	(303,835)

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

Net change in interest payable	\$	1,068	
Debt principal payments		<u>203,518</u>	204,586

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

Pension contributions	\$	300,894	
Cost of benefits earned net of employee contributions		<u>(50,479)</u>	250,415

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

Unavailable revenues			4,162
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences			<u>(6,426)</u>
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Change in net position of governmental activities	\$	<u>43,794</u>	
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**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,712,089	\$ 1,855,789	\$ 1,902,041	\$ 46,252
Licenses and permits	42,500	42,500	47,650	5,150
Fines, fees and forfeitures	45,025	45,025	37,520	(7,505)
Charges for services	793,580	793,580	815,661	22,081
Intergovernmental	65,648	65,648	93,594	27,946
Interest	522	522	520	(2)
Contributions	1,300	1,300	28,501	27,201
Other	113,135	113,135	97,147	(15,988)
<b>Total revenues</b>	<b>2,773,799</b>	<b>2,917,499</b>	<b>3,022,634</b>	<b>105,135</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Executive Administration	785,846	815,846	808,041	7,805
Judicial				
Municipal Court	61,772	61,772	55,697	6,075
Public Safety				
Police	337,988	337,988	11,821	326,167
Fire	860,946	860,946	854,243	6,703
Animal Control	82,320	82,320	82,320	0
Public Works				
Highways and Streets	1,102,617	1,151,617	959,259	192,358
Street Lighting	140,000	158,000	156,819	1,181
Maintenance Shop	107,297	107,297	76,270	31,027
Health and Welfare				
Community Services	115,500	115,500	93,643	21,857
Community Center	68,476	77,976	75,673	2,303
Culture and Recreation				
Libraries	58,878	58,878	58,878	0
Historic Properties	129,129	129,129	117,878	11,251
Park Areas	83,788	95,788	95,000	788
Booker Park Pool	9,977	9,977	3,346	6,631
Housing and Development				
Planning and Zoning	167,873	167,873	156,352	11,521
Community Development and Housing	96,139	96,139	87,990	8,149
Economic Development	41,308	47,308	46,534	774
Mainstreet Division	58,361	65,361	62,990	2,371
Debt Service				
Principal	192,400	204,400	203,518	882
Interest	38,500	38,700	38,654	46
<b>Total expenditures</b>	<b>4,539,115</b>	<b>4,682,815</b>	<b>4,044,926</b>	<b>637,889</b>
Excess (deficiency) of revenues over expenditures	(1,765,316)	(1,765,316)	(1,022,292)	743,024
Other financing sources (uses)				
Transfers in	1,985,716	1,985,716	1,255,161	(730,555)
Transfers out	(220,600)	(220,600)	(296,888)	(76,288)
Sale of capital assets	200	200	207	7
<b>Total other financing sources (uses)</b>	<b>1,765,316</b>	<b>1,765,316</b>	<b>958,480</b>	<b>(806,836)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(63,812)	(63,812)
Fund balances, January 1	0	0	536,230	536,230
<b>Fund balances, December 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 472,418</b>	<b>\$ 472,418</b>

**CITY OF WASHINGTON, GEORGIA**  
**AMERICAN RESCUE PLAN ACT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 0	\$ 109,660	\$ 109,660	\$ 0
Interest	0	803	803	0
<b>Total revenues</b>	<u>0</u>	<u>110,463</u>	<u>110,463</u>	<u>0</u>
<b>EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>110,463</u>	<u>110,463</u>	<u>0</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(109,660)	(109,660)	0
Contingency	0	(803)	0	803
Total other financing sources (uses)	<u>0</u>	<u>(110,463)</u>	<u>(109,660)</u>	<u>803</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	803	803
Fund balances, January 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 803</u></u>	<u><u>\$ 803</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2021**

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 0	\$ 1,604,742	\$ 0	\$ 1,604,742
Investments	0	841,461	0	841,461
Restricted assets				
Cash and cash equivalents	97,298	198,697	0	295,995
Investments	0	1,095,861	0	1,095,861
Receivables (net)				
Accounts	475,745	1,503,872	122,388	2,102,005
Intergovernmental	0	858,931	0	858,931
Inventories	200,625	313,937	0	514,562
Prepaid items	12,001	15,916	794	28,711
<b>Total current assets</b>	<b>785,669</b>	<b>6,433,417</b>	<b>123,182</b>	<b>7,342,268</b>
<b>Noncurrent assets</b>				
Investment in joint venture	0	0	426,803	426,803
Capital assets				
Non-depreciable	739,853	8,480	4,000	752,333
Depreciable (net)	13,490,362	1,138,580	470,608	15,099,550
<b>Total noncurrent assets</b>	<b>14,230,215</b>	<b>1,147,060</b>	<b>901,411</b>	<b>16,278,686</b>
<b>Total assets</b>	<b>15,015,884</b>	<b>7,580,477</b>	<b>1,024,593</b>	<b>23,620,954</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	309,611	37,767	16,495	363,873
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	64,941	821,161	27,346	913,448
Unearned revenue	1,007	0	0	1,007
Accrued salaries and payroll liabilities	11,759	4,764	2,808	19,331
Compensated absences	18,141	6,566	4,915	29,622
Accrued interest payable	3,840	0	29	3,869
Due to other funds	0	12,397	0	12,397
Notes payable	611,795	0	54,580	666,375
Liabilities payable from restricted liabilities				
Customer deposits payable	97,298	198,697	0	295,995
<b>Total current liabilities</b>	<b>808,781</b>	<b>1,043,585</b>	<b>89,678</b>	<b>1,942,044</b>
<b>Noncurrent liabilities</b>				
Net pension liability	144,127	81,187	35,460	260,774
Notes payable	5,998,259	0	177,950	6,176,209
<b>Total noncurrent liabilities</b>	<b>6,142,386</b>	<b>81,187</b>	<b>213,410</b>	<b>6,436,983</b>
<b>Total liabilities</b>	<b>6,951,167</b>	<b>1,124,772</b>	<b>303,088</b>	<b>8,379,027</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2021**

	<b>Business-Type Activities</b>			<b>Totals</b>
	<b>Water and Sewer</b>	<b>Electric</b>	<b>Nonmajor Enterprise Funds</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	\$ 317,976	\$ 218,673	\$ 129,687	\$ 666,336
<b>NET POSITION</b>				
Net investment in capital assets	7,620,161	1,147,060	242,078	9,009,299
Restricted for MEAG Generation Trust	0	1,095,861	0	1,095,861
Unrestricted	436,191	4,031,878	366,235	4,834,304
<b>Total net position</b>	<b>\$ 8,056,352</b>	<b>\$ 6,274,799</b>	<b>\$ 608,313</b>	<b>\$ 14,939,464</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the year ended December 31, 2021**

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 2,659,089	\$ 11,545,258	\$ 556,259	\$ 14,760,606
Other	4,400	4,987	0	9,387
<b>Total operating revenues</b>	<b>2,663,489</b>	<b>11,550,245</b>	<b>556,259</b>	<b>14,769,993</b>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	1,172,638	9,078,050	201,870	10,452,558
Personal services	831,742	386,233	190,073	1,408,048
Depreciation	463,263	107,262	91,011	661,536
<b>Total operating expenses</b>	<b>2,467,643</b>	<b>9,571,545</b>	<b>482,954</b>	<b>12,522,142</b>
Operating income (loss)	195,846	1,978,700	73,305	2,247,851
Non-operating revenues (expenses)				
Intergovernmental revenue	0	865,820	0	865,820
Interest and investment earnings	0	17,558	0	17,558
Interest expense	(37,721)	(2,171)	(5,565)	(45,457)
Net increase (decrease) in the fair value of investments	0	(38,093)	(28,741)	(66,834)
<b>Total non-operating revenues (expenses)</b>	<b>(37,721)</b>	<b>843,114</b>	<b>(34,306)</b>	<b>771,087</b>
Net income (loss) before transfers	158,125	2,821,814	38,999	3,018,938
Transfers in (out)				
Transfers in	871,882	187,047	7,572	1,066,501
Transfers out	(173,921)	(1,158,179)	(13,126)	(1,345,226)
<b>Total transfers in (out)</b>	<b>697,961</b>	<b>(971,132)</b>	<b>(5,554)</b>	<b>(278,725)</b>
Change in net position	856,086	1,850,682	33,445	2,740,213
Net position, January 1	7,200,266	4,424,117	574,868	12,199,251
<b>Net position, December 31</b>	<b>\$ 8,056,352</b>	<b>\$ 6,274,799</b>	<b>\$ 608,313</b>	<b>\$ 14,939,464</b>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2021

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 2,600,353	\$ 11,105,213	\$ 543,756	\$ 14,249,322
Payments to suppliers	(1,171,823)	(8,954,236)	(259,456)	(10,385,515)
Payments to employees	(885,313)	(459,501)	(230,089)	(1,574,903)
Other receipts	4,400	4,987	0	9,387
Net cash provided (used) by operating activities	<u>547,617</u>	<u>1,696,463</u>	<u>54,211</u>	<u>2,298,291</u>
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other funds	0	214,439	7,572	222,011
Payments to other funds	(184,014)	(1,158,179)	(13,126)	(1,355,319)
Receipts from other entities	0	315,744	0	315,744
Net cash provided (used) by non-capital financing activities	<u>(184,014)</u>	<u>(627,996)</u>	<u>(5,554)</u>	<u>(817,564)</u>
<b>Cash flows from capital and related financing activities:</b>				
Receipts from other funds	871,882	0	0	871,882
Payments for acquisitions of capital assets	(457,478)	0	(205,611)	(663,089)
Payments of retainage payable	(7,890)	0	0	(7,890)
Proceeds from issuance of promissory notes	0	0	273,411	273,411
Principal payments - promissory notes	(605,719)	0	(40,881)	(646,600)
Principal payments - capital lease	(121,103)	(48,669)	(68,314)	(238,086)
Interest paid	(43,295)	(2,171)	(7,262)	(52,728)
Net cash provided (used) by capital and related financing activities	<u>(363,603)</u>	<u>(50,840)</u>	<u>(48,657)</u>	<u>(463,100)</u>
<b>Cash flows from investing activities</b>				
Interest and investment earnings received	0	17,558	0	17,558
Proceeds from maturity of investments	0	3,959	0	3,959
Purchase of investments	0	(328,460)	0	(328,460)
Net cash provided (used) by investing activities	<u>0</u>	<u>(306,943)</u>	<u>0</u>	<u>(306,943)</u>
Net increase (decrease) in cash and cash equivalents	0	710,684	0	710,684
Cash and cash equivalents, January 1	<u>97,298</u>	<u>1,092,755</u>	<u>0</u>	<u>1,190,053</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 97,298</u></u>	<u><u>\$ 1,803,439</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,900,737</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2021

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 195,846	\$ 1,978,700	\$ 73,305	\$ 2,247,851
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	463,263	107,262	91,011	661,536
(Increase) decrease in accounts receivable	(59,743)	(411,176)	(12,503)	(483,422)
(Increase) decrease in inventories	(802)	(22,200)	0	(23,002)
(Increase) decrease in prepaid items	(2,225)	(2,251)	754	(3,722)
(Increase) decrease in deferred outflows - pension	(191,055)	116,973	70,933	(3,149)
Increase (decrease) in accounts payable	3,842	148,265	(58,340)	93,767
Increase (decrease) in unearned revenue	1,007	0	0	1,007
Increase (decrease) in accrued payroll liabilities	(30,052)	(13,550)	(5,041)	(48,643)
Increase (decrease) in customer deposits	0	(28,869)	0	(28,869)
Increase (decrease) in net pension liability	(138,452)	(347,812)	(206,923)	(693,187)
Increase (decrease) in deferred inflows - pension	305,988	171,121	101,015	578,124
Total adjustments	351,771	(282,237)	(19,094)	50,440
Net cash provided (used) by operating activities	<u>\$ 547,617</u>	<u>\$ 1,696,463</u>	<u>\$ 54,211</u>	<u>\$ 2,298,291</u>
<b>Cash and cash equivalents reconciliation</b>				
Cash and cash equivalents	\$ 0	\$ 1,604,742	\$ 0	\$ 1,604,742
Restricted assets				
Cash and cash equivalents	97,298	198,697	0	295,995
	<u>\$ 97,298</u>	<u>\$ 1,803,439</u>	<u>\$ 0</u>	<u>\$ 1,900,737</u>

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

The net increase (decrease) in the fair value of investments totaled \$(66,834).

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**1. Description of Government Unit**

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

**2. Summary of Significant Accounting Policies**

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

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

**B. Reporting Entity**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

**B. Reporting Entity, continued**

**Downtown Development Authority of Washington, Georgia**

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

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

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

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

The City reports the following major governmental funds:

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

**American Rescue Plan Act Fund** – This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following fund types:

**Governmental Fund Types**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

**Governmental Fund Types, continued**

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

**Proprietary Fund Types**

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

**Component Units**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

**F. Revenues and Expenditures/Expenses**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

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

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

**G. Budgets and Budgetary Accounting**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of Significant Accounting Policies (continued)**

**H. Cash and Investments**

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

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

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

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

**I. Property Taxes**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of Significant Accounting Policies (continued)**

**J. Intergovernmental Receivables**

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

**K. Inventories**

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

**L. Prepaid Items**

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

**M. Capital Assets**

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

**M. Capital Assets, continued**

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

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

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

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

**O. Net Position Flow Assumption**

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

**P. Fund Balance Flow Assumption**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

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

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

**R. Fund Balances**

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2021*

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

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

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

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

**S. Pensions**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2021*

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

**T. Long-Term Obligations**

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

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

**U. Compensation for Future Absences**

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

**V. Capital Contributions**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Deposit and Investment Risk**

**Custodial Credit Risk – Deposits**

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

**Interest Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Foreign Currency Risk**

The City has no investments denominated in a foreign currency.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

The Municipal Competitive Trust accounts are held in the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios; these portfolios are not rated. At the end of the current year, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 41.06, 53.00, and 5.73 months, respectively. At the end of the current year, the City's balance in the Voluntary Flexible Operating Account and the Generation Trust Account was \$841,461 and \$1,095,861, respectively.

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

<b>Investment by fair value level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Major Funds</b>				
General Fund				
Certificates of deposit	\$ 63,263	\$ 0	\$ 0	\$ 63,263
Electric Fund				
MEAG Competitive Trust	0	1,937,322	0	1,937,322
<b>Nonmajor Funds</b>				
Governmental				
Certificates of deposit	69,587	0	0	69,587
Total	\$ 132,850	\$ 1,937,322	\$ 0	\$ 2,070,172

Certificates of deposit are valued at cost.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Accounts Receivable**

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

<b>Major Funds</b>		
General Fund	\$ 82,432	
Less: Allowance for Uncollectibles	<u>(47,415)</u>	\$ 35,017
Enterprise Funds		
Water and Sewer Fund	656,692	
Less: Allowance for Uncollectibles	<u>(180,947)</u>	475,745
Electric Fund	2,340,040	
Less: Allowance for Uncollectibles	<u>(836,168)</u>	1,503,872
<b>Nonmajor Funds</b>		
Enterprise Funds		
Solid Waste Fund	124,731	
Less: Allowance for Uncollectibles	<u>(37,419)</u>	87,312
Internet Telecommunications Fund	35,448	
Less: Allowance for Uncollectibles	<u>(372)</u>	<u>35,076</u>
Total primary government		<u><u>\$ 2,137,022</u></u>

**5. Intergovernmental Receivables**

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

<b>Major Funds</b>	
General Fund	\$ 43,699
American Rescue Plan Act Fund	15,989
Electric Fund	858,931
<b>Nonmajor Funds</b>	
2017 SPLOST Fund	<u>61,926</u>
Total primary government	<u><u>\$ 980,545</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Property Taxes**

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2021 tax digest year, based upon the assessments as of January 1, 2021, were levied on October 11, 2021, billed on December 28, 2021, and due on January 26, 2022. Taxes receivable at the end of the current year is made up of property tax in the amount of \$397,509, net of an allowance placed on accounts deemed uncollectible.

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

At the end of the current year, interfund receivables and payables consisted of \$657 due from the General Fund to the CDBG/CHIP Grant Capital Projects Fund, \$12,397 due from the Electric Enterprise Fund to the E-911 Special Revenue Fund, and \$15,989 due from the American Rescue Plan Act Fund to the General Fund as a result of the timing of reimbursements.

A summary of interfund transfers is as follows:

<u>Transfer out fund</u>	<u>Transfer in fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 270,883
	Water and Sewer	18,714
	Nonmajor Enterprise	7,291
American Rescue Plan Act	General	109,660
Water and Sewer	Electric	173,921
Electric	General	1,145,501
	Nonmajor Governmental	12,397
	Nonmajor Enterprise	281
Nonmajor Governmental	Water and Sewer	853,168
Nonmajor Enterprise	Electric	13,126
Total		<u>\$ 2,604,942</u>

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

**CITY OF WASHINGTON, GEORGIA**  
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**8. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 1,213,235	\$ 28,800	\$ 0	\$ 1,242,035
Construction in progress	30,773	0	0	30,773
Historical treasures	81,718	0	0	81,718
Total non-depreciable assets	<u>1,325,726</u>	<u>28,800</u>	<u>0</u>	<u>1,354,526</u>
Depreciable assets				
Buildings and improvements	5,323,045	0	0	5,323,045
Equipment and vehicles	3,706,111	17,476	0	3,723,587
Software	75,335	0	0	75,335
Infrastructure	3,984,590	0	0	3,984,590
Total depreciable assets	<u>13,089,081</u>	<u>17,476</u>	<u>0</u>	<u>13,106,557</u>
Accumulated depreciation				
Buildings and improvements	(2,472,779)	(97,545)	0	(2,570,324)
Equipment and vehicles	(2,324,043)	(147,657)	0	(2,471,700)
Software	(60,268)	(15,067)	0	(75,335)
Infrastructure	(1,413,115)	(89,842)	0	(1,502,957)
Total accumulated depreciation	<u>(6,270,205)</u>	<u>(350,111)</u>	<u>0</u>	<u>(6,620,316)</u>
Total depreciable assets, net	<u>6,818,876</u>	<u>(332,635)</u>	<u>0</u>	<u>6,486,241</u>
Governmental activities capital assets, net	<u>\$ 8,144,602</u>	<u>\$ (303,835)</u>	<u>\$ 0</u>	<u>\$ 7,840,767</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 207,190	\$ 0	\$ 0	\$ 207,190
Construction in progress	193,137	459,827	(107,821)	545,143
Total Non-depreciable assets	<u>400,327</u>	<u>459,827</u>	<u>(107,821)</u>	<u>752,333</u>
Depreciable assets				
Buildings	736,686	0	0	736,686
Machinery and equipment	1,529,775	145,493	(381,711)	1,293,557
Vehicles	1,435,182	165,590	0	1,600,772
Infrastructure	25,586,504	0	0	25,586,504
Total depreciable assets	<u>29,288,147</u>	<u>311,083</u>	<u>(381,711)</u>	<u>29,217,519</u>
Accumulated depreciation				
Buildings	(560,168)	(6,636)	0	(566,804)
Machinery and equipment	(1,096,936)	(113,919)	381,711	(829,144)
Vehicles	(969,603)	(115,479)	0	(1,085,082)
Infrastructure	(11,211,437)	(425,502)	0	(11,636,939)
Total accumulated depreciation	<u>(13,838,144)</u>	<u>(661,536)</u>	<u>381,711</u>	<u>(14,117,969)</u>
Total depreciable assets, net	<u>15,450,003</u>	<u>(350,453)</u>	<u>0</u>	<u>15,099,550</u>
Business-type activities capital assets, net	<u>\$ 15,850,330</u>	<u>\$ 109,374</u>	<u>\$ (107,821)</u>	<u>\$ 15,851,883</u>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Capital Assets (continued)**

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 17,817
Public Safety	107,781
Public Works	114,344
Health and Welfare	76,989
Culture and Recreation	11,178
Housing and Development	22,002
	<hr/>
Total depreciation expense for governmental activities	<u><u>\$ 350,111</u></u>

**Business-type activities**

Water and Sewer Enterprise Fund	\$ 463,263
Electric Enterprise Fund	107,262
Nonmajor Enterprise Funds	
Solid Waste Enterprise Fund	91,011
	<hr/>
Total depreciation expense for business-type activities	<u><u>\$ 661,536</u></u>

**9. Notes Receivable**

The City of Washington entered into owner-financed lending agreements with the Georgia Department of Community Affairs for the purchase of real property in the total amount of \$44,000, with annual principal payments of \$8,800 and interest at 0%. The term of the notes are 5 years. The total remaining balance of the notes receivable at the end of the current year is \$6,400.

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

The City has entered into lease-purchase agreements to finance the purchases of equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The remaining balances of the leases were paid off during the current year.

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

**11. Long-Term Liabilities**

***Governmental Activities***

***Installment Sale Agreement***

During 2018, the City entered into an Installment Sale Agreement with BB&T in the amount of \$975,000 for the purpose of constructing a new fire station. The installment sale agreement bears interest at 4.05%. The balance of the installment sale agreement was \$821,649 at the end of the current year. The installment sale agreement calls for 57 quarterly payments of \$22,824 beginning January 30, 2019 and matures January 30, 2033. This note is collateralized by a security interest in the purchased property. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable, and the property may be repossessed by the lender.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2021*

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

***Governmental Activities (continued)***

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

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 58,906	\$ 32,390	\$ 91,296
2023	61,328	29,968	91,296
2024	63,850	27,446	91,296
2025	66,476	24,820	91,296
2026	69,209	22,087	91,296
2027-2031	391,146	77,936	469,082
2032-2033	110,734	3,385	114,119
Totals	<u>\$ 821,649</u>	<u>\$ 218,032</u>	<u>\$ 1,039,681</u>

***Notes from Direct Borrowings***

During 2006, the City entered into a direct borrowing agreement with Farmers State Bank in the original amount of \$1,500,000, bearing interest at 3.94%. The note was paid in full during the current year.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

***Business-Type Activities***

***Notes from Direct Borrowings***

During 2003, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$789,731, bearing interest at 3.94%. The balance of the note was \$186,276 at the end of the current year. The note calls for quarterly payments of principal and interest of \$14,313 and matures October 2024. The purpose of the note was for construction of sewer rehabilitation. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2004, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$1,599,998, bearing interest at 4.06%. The balance of the note was \$507,912 at the end of the current year. The note calls for monthly payments of principal and interest of \$9,746 and matures February 1, 2027. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2010, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$7,446,275, bearing zero interest. The balance of the note was \$5,743,428 at the end of the current year. The note calls for monthly payments of \$37,539 beginning January 31, 2014 and matures December 31, 2034. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2021*

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

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

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

During 2017, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$204,703, bearing interest at 1.90%. The balance of the note was \$172,438 at the end of the current year. The note calls for monthly payments of \$1,308 beginning November 1, 2018 and matures October 1, 2033. The purpose of the note was to finance improvements to the Water and Sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

During 2021, the City entered into a direct borrowing agreement with Georgia Environmental Facilities Authority in the original amount of \$273,411, bearing interest at 0.15%. The balance of the note was \$232,530 at the end of the current year. The note calls for monthly payments of \$4,574 beginning March 1, 2021 and matures March 1, 2026. The purpose of the note was to finance the costs of purchasing a sanitation truck and approximately 2,100 rolling garbage canisters. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues, fees and charges collected by the City.

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 666,375	\$ 28,883	\$ 695,258
2023	672,782	22,476	695,258
2024	679,440	15,818	695,258
2025	657,547	9,033	666,580
2026	567,982	3,787	571,769
2027-2031	2,323,888	6,910	2,330,798
2032-2034	1,274,570	828	1,275,398
<b>Totals</b>	<b>\$ 6,842,584</b>	<b>\$ 87,735</b>	<b>\$ 6,930,319</b>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

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

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Capital leases payable	\$ 17,001	\$ 0	\$ (17,001)	\$ 0	\$ 0
Installment sale agreement	878,229	0	(56,580)	821,649	58,906
Notes from direct borrowings	129,937	0	(129,937)	0	0
Compensated absences	63,652	87,542	(81,116)	70,078	70,078
Total Governmental Activities	<u>\$ 1,088,819</u>	<u>\$ 87,542</u>	<u>\$ (284,634)</u>	<u>\$ 891,727</u>	<u>\$ 128,984</u>
<b>Business-type Activities</b>					
Capital leases payable	\$ 238,086	\$ 0	\$ (238,086)	\$ 0	\$ 0
Notes from direct borrowings	7,215,773	273,411	(646,600)	6,842,584	666,375
Compensated absences	37,599	48,795	(56,772)	29,622	29,622
Total Business-type Activities	<u>\$ 7,491,458</u>	<u>\$ 322,206</u>	<u>\$ (941,458)</u>	<u>\$ 6,872,206</u>	<u>\$ 695,997</u>

Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The total interest incurred and charged to expense for the current year was \$37,587 for governmental activities and \$45,457 for business-type activities.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**12. Restricted and Assigned Fund Balances**

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

	<u>General</u>	<u>American Rescue Plan Act</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<b>Restricted for:</b>				
Public Works				
Transportation improvements	\$ 59,957	\$ 0	\$ 214,721	\$ 274,678
Cemetery improvements	6	0	0	6
Culture and Recreation				
Historical properties	2,288	0	8,118	10,406
Callaway Plantation	0	0	40,000	40,000
Housing and Development				
Economic development	33,349	0	0	33,349
Grant requirements	0	803	0	803
Capital projects	0	0	62,935	62,935
	<u>\$ 95,600</u>	<u>\$ 803</u>	<u>\$ 325,774</u>	<u>\$ 422,177</u>
<b>Assigned for:</b>				
Public Works				
Cemetery care	\$ 0	\$ 0	\$ 37,857	\$ 37,857
Culture and Recreation				
Callaway Plantation operations	0	0	2,363	2,363
Callaway Plantation furnishings	0	0	19,702	19,702
Housing and Development				
Economic development	0	0	10,323	10,323
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,245</u>	<u>\$ 70,245</u>

**13. Risk Management**

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

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**14. Net Investment in Capital Assets**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Cost of capital assets	\$ 14,461,083	\$ 29,969,852
Accumulated depreciation	(6,620,316)	(14,117,969)
Book value	7,840,767	15,851,883
Installment sale agreement payable	(821,649)	0
Notes payable	0	(6,842,584)
Net investment in capital assets	<u>\$ 7,019,118</u>	<u>\$ 9,009,299</u>

**15. Pension Plans**

**Defined Benefit Pension Plan**

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

At July 1, 2021, the date of the most recent actuarial valuation, there were 134 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	78
Terminated vested participants entitled to but not receiving benefits	23
Active participants	<u>33</u>
Total number of participants	<u><u>134</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

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

*Contributions.* Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current year was \$300,895, or 22.15% of covered payroll. The Governmental Activities net pension liability is liquidated by the General Fund.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current year, the City reported a net pension liability of \$623,578. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. During the current year, the City recognized pension revenue of \$67,732.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

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

	<b><u>Outflows of Resources</u></b>	<b><u>Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 39,330	\$ 0
Changes of assumptions	0	(64,655)
Net difference between projected and actual earnings on pension plan investments	0	(1,311,095)
City contributions subsequent to the measurement date	250,749	0
Changes of allocations	<u>242,564</u>	<u>(242,564)</u>
Totals	<u>\$ 532,643</u>	<u>\$ (1,618,314)</u>

The \$250,749 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense (benefit) as follows:

<b><u>Year Ending December 31,</u></b>	
2022	\$ (320,787)
2023	(231,601)
2024	(288,112)
2025	<u>(495,920)</u>
Totals	<u>\$ (1,336,420)</u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.00%
Net investment rate of return	7.375%

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The methods and assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.05%
Real estate	10%	4.50%
Global Fixed Income	5%	1.25%
Domestic Fixed Income	20%	1.15%
Total	<u>100%</u>	

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Discount Rate.* The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability (Asset)*

	<u>Total Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
<b>Balances at March 31, 2020</b>	\$ 9,690,697	\$ 6,642,722	\$ 3,047,975
<b>Changes for the year:</b>			
Service cost	47,386	0	47,386
Interest	694,426	0	694,426
Differences between expected and actual experience	15,910	0	15,910
Contributions—employer	0	246,336	(246,336)
Net investment income	0	2,954,150	(2,954,150)
Benefit payments, including refunds of employee contributions	(644,279)	(644,279)	0
Administrative expense	0	(18,367)	18,367
<b>Net changes</b>	<u>113,443</u>	<u>2,537,840</u>	<u>(2,424,397)</u>
<b>Balances at March 31, 2021</b>	<u>\$ 9,804,140</u>	<u>\$ 9,180,562</u>	<u>\$ 623,578</u>
Plan's fiduciary net position as a percentage of the total pension liability			93.64%
Covered payroll			\$ 1,397,889
Employer's net pension liability as a percentage of covered payroll			44.61%

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**15. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate.* The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	<b><u>Discount Rate</u></b>	<b><u>Net Pension Liability (Asset)</u></b>
1% decrease	6.375%	\$ 1,705,493
Current discount rate	7.375%	623,578
1% increase	8.375%	(287,010)

*Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report. A one-time early Retirement Incentive Program (ERIP) was offered to employees of the City who met the Rule of 80 between January 2, 2020 and February 17, 2020. There were three participants who retired under the ERIP during 2020.

**Other Plans**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**16. Defined Contribution Plan**

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

Additionally, the City provides a single employer 401(a) defined contribution plan established and administered by the City for all full time employees. At the end of the current year, there were 21 plan members. Employees are not required to contribute to the Plan. Employees are eligible after one month of employment and are fully vested after five years. Plan provisions and contribution requirements are established and may be amended by resolution of the City Council. Separate financial statements are not issued for the Plan. For the current year, the City's contributions to the 401(a) Plan were \$38,495 and the employees contributed \$11,889 to the 457 Plan.

In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets and liabilities of the City's Deferred Compensation Plan are not included within the City's financial statements.

**17. Joint Ventures**

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

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**17. Joint Ventures (continued)**

The Washington-Wilkes Payroll Development Authority is a governmental organization chartered by the State of Georgia. It is formed for the purpose of promoting business development in Wilkes County, Georgia and the City of Washington, Georgia. The Authority is reported as a discretely presented component unit of Wilkes County, Georgia. The Authority has a five member board consisting of the Wilkes County Chairman, the City of Washington Mayor, the President of the Chamber of Commerce, one appointee by the County Chairman and one appointee by the City Mayor. The member governments are contingently liable for the debts of the Authority. At the end of the current year, the outstanding debt of the Authority was approximately \$17,106. The Authority was current on all debts as of the end of the current year. The City has a contingency liability of \$17,106 as of the end of the current year. A copy of the Authority financial statements can be obtained from the Washington-Wilkes Payroll Development Authority, 23 Court Street, Washington, Georgia 30673.

**18. Joint Ventures With Equity Interest**

The City and other members of MEAG's telecommunication project created Georgia Public Web (a Georgia not for profit corporation) to provide internet and telecommunication services to customers in Georgia. On August 1, 2000, the City signed a 50 year commitment to contribute, on a monthly basis, a proportionate share of the difference between GPW's budgeted costs and revenues. The City's proportionate share is 1.85%. For the current year, the City's cost was \$4,352 in services obtained from GPW and the City's share of losses was \$27,605. A copy of the Georgia Public Web financial statements can be obtained from Georgia Public Web, 1470 Riveredge Parkway, Atlanta, Georgia 30328.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**19. Related Organizations**

On August 21, 1951, the City of Washington (the "City") entered into a cooperative agreement with the Housing Authority of the City of Washington, Georgia (the "Housing Authority"). Under the terms of this agreement, the Housing Authority agrees to endeavor to secure a contract or contracts with the Public Housing Authority (the "PHA") for loans and annual contributions and agrees to endeavor to develop and administer one or more projects. The obligations of the parties apply only to projects aggregating not more than 250 units of low-rent housing located within the corporate limits of the City of Washington. Under the constitution and statutes of the State of Georgia, all projects are exempt from all real and personal property taxes levied or imposed by any taxing body. The City agrees that it will not levy or impose real or personal property taxes or special assessments upon such projects or upon the Housing Authority with respect thereto as long as (1) the projects are owned, or (2) a contract exists between the Housing Authority and the PHA, or (3) bonds issued in connection with the project are outstanding

During such period, the Housing Authority shall make "Payments in Lieu of Taxes" in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such project. The Payment in Lieu of Taxes shall be an amount equal to either ten percent (10%) of the aggregate during such fiscal year, or the amount permitted to be paid by applicable state law. For the current year, payment in lieu of taxes paid to the City was \$7,052.

**20. Commitments and Contingencies**

**Commitments**

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$8,229,054 from MEAG during the current year. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply. At the end of the current year, the outstanding debt of MEAG was approximately \$7.68 billion. The City of Washington's guarantee varies by individual MEAG project and totals \$63,139,927.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

**Commitments, continued**

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between “after deregulation” market rates for power and the associated costs of generating that power. The Trust created four types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of the end of the current year, the balance in this account was \$841,461. This amount is included in unrestricted investments in the Electric Fund. The generation trust account is used to offset the City’s share of future MEAG generation projects. As of the end of the current year, the balance in this account was \$1,095,861. This amount is included in restricted investments in the Electric Fund.

**Contingencies**

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

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

Approximately 38% of electric charges are generated from two customers.

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***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF WASHINGTON, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**LAST TEN YEARS**  
**December 31, 2021**  
**(Unaudited)**

	Year End		
	2021	2020	2019
<b>Total pension liability</b>			
Service cost	\$ 47,386	\$ 65,728	\$ 68,844
Interest	694,426	672,914	648,011
Differences between expected and actual experience	15,910	94,126	80,838
Changes of assumptions	0	(193,966)	0
Changes of benefit terms	0	394,099	0
Benefit payments, including refunds of employee contributions	(644,279)	(497,323)	(427,760)
Other	0	0	0
Net change in total pension liability	113,443	535,578	369,933
Total pension liability - beginning	9,690,697	9,155,119	8,785,186
<b>Total pension liability - ending (a)</b>	<b>\$ 9,804,140</b>	<b>\$ 9,690,697</b>	<b>\$ 9,155,119</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 246,336	\$ 253,474	\$ 215,573
Net investment income	2,954,150	(493,841)	261,668
Benefit payments, including refunds of employee contributions	(644,279)	(497,323)	(427,760)
Administrative expense	(18,367)	(21,625)	(19,697)
Net change in plan fiduciary net position	2,537,840	(759,315)	29,784
Plan fiduciary net position - beginning	6,642,722	7,402,037	7,372,253
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 9,180,562</b>	<b>\$ 6,642,722</b>	<b>\$ 7,402,037</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 623,578</b>	<b>\$ 3,047,975</b>	<b>\$ 1,753,082</b>
Plan's fiduciary net position as a percentage of the total pension liability	93.64%	68.55%	80.85%
Covered payroll	\$ 1,397,889	\$ 1,615,837	\$ 1,983,627
Net pension liability as a percentage of covered payroll	44.61%	188.63%	88.38%

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

**Year End**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 72,014	\$ 78,718	\$ 79,302	\$ 104,710
602,150	578,186	542,950	515,810
382,167	33,300	161,076	64,438
0	0	0	(55,507)
0	0	0	0
(401,522)	(360,458)	(296,872)	(261,651)
159,936	0	0	0
814,745	329,746	486,456	367,800
7,970,441	7,640,695	7,154,239	6,786,439
\$ 8,785,186	\$ 7,970,441	\$ 7,640,695	\$ 7,154,239
\$ 180,303	\$ 162,412	\$ 179,490	\$ 254,240
835,253	771,536	17,608	562,237
(401,522)	(360,458)	(296,872)	(261,651)
(19,606)	(20,175)	(14,790)	(13,839)
594,428	553,315	(114,564)	540,987
6,777,825	6,224,510	6,339,074	5,798,087
\$ 7,372,253	\$ 6,777,825	\$ 6,224,510	\$ 6,339,074
\$ 1,412,933	\$ 1,192,616	\$ 1,416,185	\$ 815,165
83.92%	85.04%	81.47%	88.61%
\$ 2,060,718	\$ 1,919,920	\$ 2,097,797	\$ 2,020,005
68.57%	62.12%	67.51%	40.35%

**CITY OF WASHINGTON, GEORGIA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN YEARS**  
**December 31, 2021**  
**(Unaudited)**

	Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 300,895	\$ 261,583	\$ 249,238
Contributions in relation to the actuarially determined contribution	(300,895)	(261,583)	(249,238)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,358,727	\$ 1,512,449	\$ 1,830,282
Contributions as a percentage of covered payroll	22.15%	17.30%	13.62%

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

**Year End**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 183,916	\$ 162,412	\$ 160,850	\$ 192,511
(183,916)	(162,412)	(160,973)	(191,976)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (123)</u>	<u>\$ 535</u>
\$ 2,027,263	\$ 2,060,718	\$ 1,919,920	\$ 2,097,797
9.07%	7.88%	8.38%	9.18%

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2021**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of July 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2022.

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

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 11 years

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

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 2.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2021**

**3. Changes in Benefits**

Amounts reported for fiscal years ending in 2020 and later reflect a one-time Early Retirement Incentive Program (ERIP) offered to Employees who met the Rule of 80 between January 2, 2020 and February 17, 2020.

**4. Changes of Assumptions**

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year in age for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at ages 70 and older as long as a participant was at least eligible for early retirement.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2021**

**4. Changes of Assumptions, continued**

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early retirement or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% and 2.25%.

**CITY OF WASHINGTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2021**

**4. Changes of Assumptions, continued**

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at fifteen years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

The cost of living assumption was decreased from 2.75% to 2.00%.

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***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

**CITY OF WASHINGTON, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2021**

**Special Revenue**

	<u>E-911</u>	<u>Urban Redevelopment</u>	<u>Callaway Plantation Operating</u>	<u>Callaway Plantation Furnishings</u>	<u>TSPLOST Discretionary</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 0	\$ 10,347	\$ 0	\$ 19,702	\$ 200,940
Investments	0	0	2,363	0	0
Receivables					
Intergovernmental	0	0	0	0	0
Taxes	0	0	0	0	13,781
Notes	0	0	0	0	0
Due from other funds	12,397	0	0	0	0
<b>Total assets</b>	<u>\$ 12,397</u>	<u>\$ 10,347</u>	<u>\$ 2,363</u>	<u>\$ 19,702</u>	<u>\$ 214,721</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 12,397	\$ 24	\$ 0	\$ 0	\$ 0
Unearned revenue	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<u>12,397</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>					
Nonspendable					
Contractually required to be maintained intact	0	0	0	0	0
Restricted	0	0	0	0	214,721
Assigned	0	10,323	2,363	19,702	0
<b>Total fund balances</b>	<u>0</u>	<u>10,323</u>	<u>2,363</u>	<u>19,702</u>	<u>214,721</u>
<b>Total liabilities and fund balances</b>	<u>\$ 12,397</u>	<u>\$ 10,347</u>	<u>\$ 2,363</u>	<u>\$ 19,702</u>	<u>\$ 214,721</u>

Capital Projects			Permanent			Total Nonmajor Governmental Funds
SPLOST	2017 SPLOST	CDBG/CHIP Grant	Cemetery Perpetual Care	Historical Properties Commission Trust	Callaway Charitable Trust Endowment Principal	
\$ 1,000 0	\$ 9 0	\$ 0 0	\$ 0 37,857	\$ 0 18,108	\$ 38,731 11,259	\$ 270,729 69,587
0	61,926	0	0	0	0	61,926
0	0	0	0	0	0	13,781
0	0	6,400	0	0	0	6,400
0	0	657	0	0	0	13,054
<u>\$ 1,000</u>	<u>\$ 61,935</u>	<u>\$ 7,057</u>	<u>\$ 37,857</u>	<u>\$ 18,108</u>	<u>\$ 49,990</u>	<u>\$ 435,477</u>
\$ 0 0 0	\$ 0 0 0	\$ 657 6,400 0	\$ 0 0 0	\$ 0 0 0	\$ 0 0 0	\$ 13,078 6,400 0
0	0	7,057	0	0	0	19,478
0 1,000 0	0 61,935 0	0 0 0	0 0 37,857	9,990 8,118 0	9,990 40,000 0	19,980 325,774 70,245
1,000	61,935	0	37,857	18,108	49,990	415,999
<u>\$ 1,000</u>	<u>\$ 61,935</u>	<u>\$ 7,057</u>	<u>\$ 37,857</u>	<u>\$ 18,108</u>	<u>\$ 49,990</u>	<u>\$ 435,477</u>

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2021**

	<u>Special Revenue</u>				
	<u>E-911</u>	<u>Urban Redevelopment</u>	<u>Callaway Plantation Operating</u>	<u>Callaway Plantation Furnishings</u>	<u>TSPLOST Discretionary</u>
<b>REVENUES</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 137,101
Intergovernmental	0	0	0	0	0
Interest	0	0	10	0	63
Rents	0	1,680	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>1,680</u>	<u>10</u>	<u>0</u>	<u>137,164</u>
<b>EXPENDITURES</b>					
Current					
Public Safety	105,007	0	0	0	0
Public Works	0	0	0	0	70,494
Housing and Development	0	27,469	0	0	0
<b>Total expenditures</b>	<u>105,007</u>	<u>27,469</u>	<u>0</u>	<u>0</u>	<u>70,494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105,007)</u>	<u>(25,789)</u>	<u>10</u>	<u>0</u>	<u>66,670</u>
Other financing sources (uses)					
Transfers in	105,007	30,409	0	0	0
Transfers out	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>105,007</u>	<u>30,409</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	4,620	10	0	66,670
Fund balances, January 1	<u>0</u>	<u>5,703</u>	<u>2,353</u>	<u>19,702</u>	<u>148,051</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 10,323</u></u>	<u><u>\$ 2,363</u></u>	<u><u>\$ 19,702</u></u>	<u><u>\$ 214,721</u></u>

Capital Projects			Permanent			Total Nonmajor Governmental Funds
SPLOST	2017 SPLOST	CDBG/CHIP Grant	Cemetery Perpetual Care	Historical Properties Commission Trust	Callaway Charitable Trust Endowment Principal	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 137,101
0	316,141	389,988	0	0	0	706,129
0	23	0	169	96	163	524
0	0	0	0	0	0	1,680
0	316,164	389,988	169	96	163	845,434
0	0	0	0	0	0	105,007
0	0	0	0	0	0	70,494
0	0	114,675	0	0	0	142,144
0	0	114,675	0	0	0	317,645
0	316,164	275,313	169	96	163	527,789
0	0	147,864	0	0	0	283,280
0	(425,472)	(427,696)	0	0	0	(853,168)
0	(425,472)	(279,832)	0	0	0	(569,888)
0	(109,308)	(4,519)	169	96	163	(42,099)
1,000	171,243	4,519	37,688	18,012	49,827	458,098
<u>\$ 1,000</u>	<u>\$ 61,935</u>	<u>\$ 0</u>	<u>\$ 37,857</u>	<u>\$ 18,108</u>	<u>\$ 49,990</u>	<u>\$ 415,999</u>

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***COMBINING STATEMENTS***

***Nonmajor Enterprise Funds***

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**December 31, 2021**

	<b>Business-Type Activities</b>		<b>Total Nonmajor Enterprise Funds</b>
	<b>Solid Waste</b>	<b>Internet Telecommunications</b>	
<b>ASSETS</b>			
<b>Current assets</b>			
Accounts receivable (net)	\$ 87,312	\$ 35,076	\$ 122,388
Prepaid items	794	0	794
Total current assets	<u>88,106</u>	<u>35,076</u>	<u>123,182</u>
<b>Noncurrent assets</b>			
Investment in joint venture	0	426,803	426,803
Capital assets			
Non-depreciable	4,000	0	4,000
Depreciable (net)	470,608	0	470,608
Total noncurrent assets	<u>474,608</u>	<u>426,803</u>	<u>901,411</u>
<b>Total assets</b>	<u>562,714</u>	<u>461,879</u>	<u>1,024,593</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	<u>16,495</u>	<u>0</u>	<u>16,495</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	27,346	0	27,346
Interest payable	29	0	29
Accrued salaries and payroll liabilities	2,808	0	2,808
Compensated absences	4,915	0	4,915
Notes payable	54,580	0	54,580
Total current liabilities	<u>89,678</u>	<u>0</u>	<u>89,678</u>
<b>Noncurrent liabilities</b>			
Net pension liability	35,460	0	35,460
Notes payable	177,950	0	177,950
Total noncurrent liabilities	<u>213,410</u>	<u>0</u>	<u>213,410</u>
<b>Total liabilities</b>	<u>303,088</u>	<u>0</u>	<u>303,088</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	<u>129,687</u>	<u>0</u>	<u>129,687</u>
<b>NET POSITION</b>			
Net investment in capital assets	242,078	0	242,078
Unrestricted	(95,644)	461,879	366,235
<b>Total net position</b>	<u>\$ 146,434</u>	<u>\$ 461,879</u>	<u>\$ 608,313</u>

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the year ended December 31, 2021**

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 550,770	\$ 5,489	\$ 556,259
<b>Total operating revenues</b>	<u>550,770</u>	<u>5,489</u>	<u>556,259</u>
<b>OPERATING EXPENSES</b>			
Costs of sales and services	197,517	4,353	201,870
Personal services	190,073	0	190,073
Depreciation	91,011	0	91,011
<b>Total operating expenses</b>	<u>478,601</u>	<u>4,353</u>	<u>482,954</u>
Operating income (loss)	<u>72,169</u>	<u>1,136</u>	<u>73,305</u>
Non-operating revenues (expenses)			
Interest expense	(5,565)	0	(5,565)
Net increase (decrease) in the fair value of investments	0	(28,741)	(28,741)
<b>Total non-operating revenues (expenses)</b>	<u>(5,565)</u>	<u>(28,741)</u>	<u>(34,306)</u>
Net income (loss) before transfers	<u>66,604</u>	<u>(27,605)</u>	<u>38,999</u>
Transfers in (out)			
Transfers in	7,291	281	7,572
Transfers out	(13,126)	0	(13,126)
<b>Total transfers in (out)</b>	<u>(5,835)</u>	<u>281</u>	<u>(5,554)</u>
Change in net position	60,769	(27,324)	33,445
Net position, January 1	<u>85,665</u>	<u>489,203</u>	<u>574,868</u>
<b>Net position, December 31</b>	<u>\$ 146,434</u>	<u>\$ 461,879</u>	<u>\$ 608,313</u>

**CITY OF WASHINGTON, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the year ended December 31, 2021**

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 538,279	\$ 5,477	\$ 543,756
Payments to suppliers	(253,698)	(5,758)	(259,456)
Payments to employees	(230,089)	0	(230,089)
Net cash provided (used) by operating activities	<u>54,492</u>	<u>(281)</u>	<u>54,211</u>
<b>Cash flows from non-capital financing activities:</b>			
Receipts from other funds	7,291	281	7,572
Payments to other funds	(13,126)	0	(13,126)
Net cash provided (used) by non-capital financing activities	<u>(5,835)</u>	<u>281</u>	<u>(5,554)</u>
<b>Cash flows from capital and related financing activities:</b>			
Payments for acquisitions of capital assets	(205,611)	0	(205,611)
Proceeds from issuance of promissory notes	273,411	0	273,411
Principal payments - promissory notes	(40,881)	0	(40,881)
Principal payments - capital lease	(68,314)	0	(68,314)
Interest paid	(7,262)	0	(7,262)
Net cash provided (used) by capital and related financing activities	<u>(48,657)</u>	<u>0</u>	<u>(48,657)</u>
Net increase (decrease) in cash and cash equivalents	0	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 72,169	\$ 1,136	\$ 73,305
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	91,011	0	91,011
(Increase) decrease in accounts receivable	(12,491)	(12)	(12,503)
(Increase) decrease in prepaid items	754	0	754
(Increase) decrease in deferred outflows - pension	70,933	0	70,933
Increase (decrease) in accounts payable	(56,935)	(1,405)	(58,340)
Increase (decrease) in accrued payroll liabilities	(5,041)	0	(5,041)
Increase (decrease) in net pension liability	(206,923)	0	(206,923)
Increase (decrease) in deferred inflows - pension	101,015	0	101,015
Total adjustments	<u>(17,677)</u>	<u>(1,417)</u>	<u>(19,094)</u>
Net cash provided (used) by operating activities	<u><u>\$ 54,492</u></u>	<u><u>\$ (281)</u></u>	<u><u>\$ 54,211</u></u>

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

The net increase (decrease) in the fair value of investments totaled (\$28,741).

***GENERAL FUND***

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

**CITY OF WASHINGTON, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 137,501	\$ 216,413
Investments	3,307	3,290
Restricted assets		
Cash and cash equivalents	37,113	206,191
Investments	59,956	0
Receivables (net)		
Accounts	35,017	32,887
Intergovernmental	43,699	31,284
Taxes	454,227	358,657
Due from other funds	15,989	0
Prepaid items	9,055	12,712
<b>Total assets</b>	<b>\$ 795,864</b>	<b>\$ 861,434</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 99,691	\$ 82,391
Accrued salaries and payroll liabilities	85,880	101,645
Due to other funds	657	11,144
Due to others	1,470	200
Tax sale overage	7,852	5,470
Unearned revenue	30,740	31,360
Total liabilities	226,290	232,210
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	97,156	92,994
 <b>FUND BALANCES</b>		
Nonspendable		
Prepaid items	9,055	12,712
Restricted	95,600	205,991
Unassigned	367,763	317,527
Total fund balances	472,418	536,230
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 795,864</b>	<b>\$ 861,434</b>

**CITY OF WASHINGTON, GEORGIA  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For the years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Taxes	\$ 1,902,041	\$ 1,882,939
Licenses and permits	47,650	41,132
Fines, fees and forfeitures	37,520	24,806
Charges for services	815,661	757,384
Intergovernmental	93,594	309,948
Interest	520	604
Contributions	28,501	14,189
Other	97,147	209,964
<b>Total revenues</b>	<u>3,022,634</u>	<u>3,240,966</u>
<b>EXPENDITURES</b>		
Current		
General Government	808,041	739,230
Judicial	55,697	55,906
Public Safety	948,384	1,345,532
Public Works	1,192,348	1,103,290
Health and Welfare	169,316	162,043
Culture and Recreation	275,102	381,179
Housing and Development	353,866	335,284
Debt Service	242,172	264,311
<b>Total expenditures</b>	<u>4,044,926</u>	<u>4,386,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,022,292)</u>	<u>(1,145,809)</u>
Other financing sources (uses)		
Transfers in (out)		
E-911 Special Revenue Fund	(92,610)	(83,132)
Urban Redevelopment Authority Special Revenue Fund	(30,409)	0
American Rescue Plan Act Special Revenue Fund	109,660	0
CDBG/CHIP Grant Capital Projects Fund	(147,864)	(42,847)
Water and Sewer Enterprise Fund	(18,714)	0
Electric Enterprise Fund	1,145,501	1,628,333
Solid Waste Enterprise Fund	(7,291)	0
Sale of assets	207	0
<b>Total other financing sources (uses)</b>	<u>958,480</u>	<u>1,502,354</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(63,812)	356,545
Fund balances, January 1	<u>536,230</u>	<u>179,685</u>
<b>Fund balances, December 31</b>	<u><u>\$ 472,418</u></u>	<u><u>\$ 536,230</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Real and personal tax	\$ 693,594	\$ 711,039	\$ 17,445	\$ 771,129
Motor vehicle tax	104,000	121,260	17,260	99,980
Mobile home tax	4,500	4,059	(441)	4,085
Cost, penalties and interest	12,000	19,965	7,965	38,158
Total general property taxes	<u>814,094</u>	<u>856,323</u>	<u>42,229</u>	<u>913,352</u>
Local option sales tax	400,000	403,280	3,280	351,574
Insurance premium tax	338,700	342,961	4,261	332,088
Intangibles tax	4,000	8,892	4,892	4,466
Real estate transfer tax	1,500	3,303	1,803	1,814
Franchise tax	94,400	88,927	(5,473)	84,285
Beer and wine tax	134,900	119,237	(15,663)	124,738
Occupational tax	54,195	61,437	7,242	53,914
Energy excise tax	14,000	17,681	3,681	16,708
Total taxes	<u>1,855,789</u>	<u>1,902,041</u>	<u>46,252</u>	<u>1,882,939</u>
<b>Licenses and permits</b>				
Alcohol licenses	32,200	32,750	550	29,900
Building permits	9,000	13,350	4,350	9,982
Other	1,300	1,550	250	1,250
Total licenses and permits	<u>42,500</u>	<u>47,650</u>	<u>5,150</u>	<u>41,132</u>
<b>Fines, fees and forfeitures</b>				
	<u>45,025</u>	<u>37,520</u>	<u>(7,505)</u>	<u>24,806</u>
<b>Charges for Services</b>				
Indirect cost allocation charges	581,000	600,441	19,441	536,559
Recreation fees	59,640	54,305	(5,335)	44,744
Cemetery charges	8,140	6,675	(1,465)	13,075
Other charges for services	144,800	154,240	9,440	163,006
Total charges for services	<u>793,580</u>	<u>815,661</u>	<u>22,081</u>	<u>757,384</u>
<b>Intergovernmental</b>				
	<u>65,648</u>	<u>93,594</u>	<u>27,946</u>	<u>309,948</u>
<b>Interest</b>				
	<u>522</u>	<u>520</u>	<u>(2)</u>	<u>604</u>
<b>Contributions</b>				
	<u>1,300</u>	<u>28,501</u>	<u>27,201</u>	<u>14,189</u>
<b>Other</b>				
Rental Income	112,760	76,285	(36,475)	99,225
Miscellaneous	375	20,862	20,487	110,739
Total other	<u>113,135</u>	<u>97,147</u>	<u>(15,988)</u>	<u>209,964</u>
<b>Total revenues</b>	<u>\$ 2,917,499</u>	<u>\$ 3,022,634</u>	<u>\$ 105,135</u>	<u>\$ 3,240,966</u>

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Executive Administration				
Personal services	\$ 467,596	\$ 466,949	\$ 647	\$ 409,738
Contract services	312,150	311,290	860	298,919
Materials and supplies	36,100	29,802	6,298	30,573
Total Executive Administration	<u>815,846</u>	<u>808,041</u>	<u>7,805</u>	<u>739,230</u>
<b>Judicial</b>				
Municipal Court				
Personal services	40,597	40,081	516	42,953
Contract services	20,125	14,680	5,445	12,232
Materials and supplies	1,050	936	114	721
Total Municipal Court	<u>61,772</u>	<u>55,697</u>	<u>6,075</u>	<u>55,906</u>
<b>Public Safety</b>				
Police				
Contract services	337,988	11,821	326,167	326,961
Fire				
Personal services	742,946	738,875	4,071	806,990
Contract services	52,150	51,056	1,094	69,540
Materials and supplies	47,850	46,836	1,014	33,575
Capital outlay	18,000	17,476	524	0
Total Fire	<u>860,946</u>	<u>854,243</u>	<u>6,703</u>	<u>910,105</u>
Animal Control				
Contract services	15,000	15,000	0	31,008
Payments to others	67,320	67,320	0	77,458
Total Animal Control	<u>82,320</u>	<u>82,320</u>	<u>0</u>	<u>108,466</u>
Total Public Safety	<u>1,281,254</u>	<u>948,384</u>	<u>332,870</u>	<u>1,345,532</u>
<b>Public Works</b>				
Highways and Streets				
Personal services	680,242	653,594	26,648	585,306
Contract services	202,250	200,915	1,335	163,553
Materials and supplies	105,725	104,750	975	74,508
Capital outlay	163,400	0	163,400	0
Total Highways and Streets	<u>1,151,617</u>	<u>959,259</u>	<u>192,358</u>	<u>823,367</u>
Street Lighting				
Payments to others	158,000	156,819	1,181	166,843

**CITY OF WASHINGTON, GEORGIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the year ended December 31, 2021  
(With comparative actual amounts for the year ended December 31, 2020)**

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Public Works (continued)</b>				
Maintenance Shop				
Personal services	\$ 61,097	\$ 55,453	\$ 5,644	\$ 50,513
Contract services	12,800	6,836	5,964	52,298
Materials and supplies	18,400	13,981	4,419	10,269
Capital outlay	15,000	0	15,000	0
Total Maintenance Shop	107,297	76,270	31,027	113,080
Total Public Works	1,416,914	1,192,348	224,566	1,103,290
<b>Health and Welfare</b>				
Community Services				
Contract services	500	500	0	500
Payments to others	115,000	93,143	21,857	96,936
Total Community Services	115,500	93,643	21,857	97,436
Community Center				
Personal services	3,776	3,256	520	18,330
Contract services	49,200	47,738	1,462	32,423
Materials and supplies	25,000	24,679	321	13,854
Total Community Center	77,976	75,673	2,303	64,607
Total Health and Welfare	193,476	169,316	24,160	162,043
<b>Culture and Recreation</b>				
Libraries				
Payments to others	58,878	58,878	0	58,878
Historic Properties				
Personal services	70,129	68,484	1,645	146,538
Contract services	30,850	24,235	6,615	43,296
Materials and supplies	28,150	25,159	2,991	21,134
Capital outlay	0	0	0	6,736
Total Historic Properties	129,129	117,878	11,251	217,704
Park Areas				
Payments to others	95,788	95,000	788	101,492

**CITY OF WASHINGTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Culture and Recreation (continued)</b>				
Booker Park Pool				
Personal services	\$ 0	\$ 0	\$ 0	\$ 614
Contract services	3,477	779	2,698	1,008
Materials and supplies	6,500	2,567	3,933	1,483
Total Booker Park Pool	<u>9,977</u>	<u>3,346</u>	<u>6,631</u>	<u>3,105</u>
Total Culture & Recreation	<u>293,772</u>	<u>275,102</u>	<u>18,670</u>	<u>381,179</u>
<b>Housing and Development</b>				
Planning and Zoning				
Personal services	142,048	141,237	811	137,945
Contract services	18,675	10,958	7,717	12,487
Materials and supplies	4,150	3,623	527	4,075
Payments to others	3,000	534	2,466	6,685
Total Planning and Zoning	<u>167,873</u>	<u>156,352</u>	<u>11,521</u>	<u>161,192</u>
Community Development and Housing				
Personal services	57,464	56,315	1,149	78,673
Contract services	4,075	1,344	2,731	1,250
Materials and supplies	1,600	327	1,273	289
Capital outlay	30,000	28,800	1,200	0
Payments to others	3,000	1,204	1,796	0
Total Community Development and Housing	<u>96,139</u>	<u>87,990</u>	<u>8,149</u>	<u>80,212</u>
Economic Development				
Personal services	40,883	40,134	749	36,548
Contract services	6,425	6,400	25	360
Total Economic Development	<u>47,308</u>	<u>46,534</u>	<u>774</u>	<u>36,908</u>
Mainstreet Division				
Personal services	42,883	42,047	836	42,301
Contract services	10,278	9,042	1,236	3,093
Materials and supplies	12,200	11,901	299	11,578
Total Mainstreet Division	<u>65,361</u>	<u>62,990</u>	<u>2,371</u>	<u>56,972</u>
Total Housing and Development	<u>376,681</u>	<u>353,866</u>	<u>22,815</u>	<u>335,284</u>
Total Current	<u>4,439,715</u>	<u>3,802,754</u>	<u>636,961</u>	<u>4,122,464</u>
<b>Debt Service</b>				
Principal	204,400	203,518	882	217,492
Interest	38,700	38,654	46	46,819
Total Debt Service	<u>243,100</u>	<u>242,172</u>	<u>928</u>	<u>264,311</u>
Total Expenditures	<u>\$ 4,682,815</u>	<u>\$ 4,044,926</u>	<u>\$ 637,889</u>	<u>\$ 4,386,775</u>

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## ***SPECIAL REVENUE FUNDS***

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

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

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

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

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

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

American Rescue Plan Act Fund – This fund is used to account for American Rescue Plan Act grant activity.

**CITY OF WASHINGTON, GEORGIA  
E-911 SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Due from other funds	\$ 12,397	\$ 6,242
<b>Total assets</b>	<b>\$ 12,397</b>	<b>\$ 6,242</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 12,397	\$ 6,242
 <b>FUND BALANCES</b>		
Restricted	0	0
<b>Total liabilities and fund balances</b>	<b>\$ 12,397</b>	<b>\$ 6,242</b>

**CITY OF WASHINGTON, GEORGIA  
E-911 SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the year ended December 31, 2021**

**(With comparative actual amounts for the year ended December 31, 2020)**

	2021		2020	
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Total revenues</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>EXPENDITURES</b>				
Current				
Public Safety				
Contract services	143,000	105,007	37,993	89,374
<b>Total expenditures</b>	143,000	105,007	37,993	89,374
Excess (deficiency) of revenues over (under) expenditures	(143,000)	(105,007)	(37,993)	(89,374)
Other financing sources (uses)				
Transfers in (out)				
Electric Fund	0	12,397	12,397	89,374
General Fund	143,000	92,610	(50,390)	0
<b>Total other financing sources (uses)</b>	143,000	105,007	37,993	89,374
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balance, January 1	0	0	0	0
<b>Fund balances, December 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF WASHINGTON, GEORGIA**  
**URBAN REDEVELOPMENT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,347	\$ 13,215
<b>Total assets</b>	\$ 10,347	\$ 13,215
 <b>LIABILITIES</b>		
Accounts payable	\$ 24	\$ 7,512
 <b>FUND BALANCES</b>		
Assigned	10,323	5,703
<b>Total liabilities and fund balances</b>	\$ 10,347	\$ 13,215

**CITY OF WASHINGTON, GEORGIA**  
**URBAN REDEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Contributions	\$ 0	\$ 0	\$ 0	\$ 500
Rent	0	1,680	1,680	350
<b>Total revenues</b>	<u>0</u>	<u>1,680</u>	<u>1,680</u>	<u>850</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Contract services	30,000	27,168	2,832	8,765
Supplies	600	301	299	267
Capital outlay	0	0	0	2,065
<b>Total expenditures</b>	<u>30,600</u>	<u>27,469</u>	<u>3,131</u>	<u>11,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,600)</u>	<u>(25,789)</u>	<u>4,811</u>	<u>(10,247)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	30,000	30,409	409	0
Proceeds from sale of assets	0	0	0	500
<b>Total other financing sources (uses)</b>	<u>30,000</u>	<u>30,409</u>	<u>409</u>	<u>500</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(600)</u>	<u>4,620</u>	<u>5,220</u>	<u>(9,747)</u>
Fund balance, January 1	<u>600</u>	<u>5,703</u>	<u>5,103</u>	<u>15,450</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 10,323</u></u>	<u><u>\$ 10,323</u></u>	<u><u>\$ 5,703</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Investments	\$ 2,363	\$ 2,353
<b>Total assets</b>	\$ 2,363	\$ 2,353
 <b>FUND BALANCES</b>		
Assigned	\$ 2,363	\$ 2,353
<b>Total liabilities and fund balances</b>	\$ 2,363	\$ 2,353

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Interest	\$ 0	\$ 10	\$ 10	\$ 31
<b>Total revenues</b>	<u>0</u>	<u>10</u>	<u>10</u>	<u>31</u>
<b>EXPENDITURES</b>				
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	10	10	31
Other financing sources (uses) Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	10	10	31
Fund balance, January 1		<u>2,353</u>	<u>2,353</u>	<u>2,322</u>
<b>Fund balances, December 31</b>	<u>\$ 0</u>	<u>\$ 2,363</u>	<u>\$ 2,363</u>	<u>\$ 2,353</u>

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 19,702	\$ 19,702
<b>Total assets</b>	\$ 19,702	\$ 19,702
 <b>FUND BALANCES</b>		
Assigned	\$ 19,702	\$ 19,702
<b>Total liabilities and fund balances</b>	\$ 19,702	\$ 19,702

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
<b>Total revenues</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Materials and supplies	0	0	0	1,250
<b>Total expenditures</b>	0	0	0	1,250
Excess (deficiency) of revenues over (under) expenditures	0	0	0	(1,250)
Fund balances, January 1	0	19,702	19,702	20,952
<b>Fund balances, December 31</b>	<u>\$ 0</u>	<u>\$ 19,702</u>	<u>\$ 19,702</u>	<u>\$ 19,702</u>

**CITY OF WASHINGTON, GEORGIA**  
**TSPLOST DISCRETIONARY SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 200,940	\$ 135,690
Taxes receivable	13,781	12,361
<b>Total assets</b>	<b>\$ 214,721</b>	<b>\$ 148,051</b>
<b>FUND BALANCES</b>		
Restricted	\$ 214,721	\$ 148,051
<b>Total liabilities and fund balances</b>	<b>\$ 214,721</b>	<b>\$ 148,051</b>

**CITY OF WASHINGTON, GEORGIA**  
**TSPLOST DISCRETIONARY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2021**  
*(With comparative actual amounts for the year ended December 31, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes	\$ 110,000	\$ 137,101	\$ 27,101	\$ 127,751
Interest	50	63	13	44
<b>Total revenue</b>	<b>110,050</b>	<b>137,164</b>	<b>27,114</b>	<b>127,795</b>
<b>EXPENDITURES</b>				
Current				
Public Works	110,050	70,494	39,556	0
<b>Total expenditures</b>	<b>110,050</b>	<b>70,494</b>	<b>39,556</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	0	66,670	66,670	127,795
Fund balances, January 1	0	148,051	148,051	20,256
<b>Fund balances, December 31</b>	<b>\$ 0</b>	<b>\$ 214,721</b>	<b>\$ 214,721</b>	<b>\$ 148,051</b>

**CITY OF WASHINGTON, GEORGIA**  
**AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**December 31, 2021**

**ASSETS**

Cash and cash equivalents	\$	647,095
Intergovernmental receivable		<u>15,989</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>663,084</u></u></b>

**LIABILITIES**

Unearned revenue	\$	646,292
Due to other funds		<u>15,989</u>
Total liabilities		662,281

**FUND BALANCES**

Restricted		<u>803</u>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b><u><u>663,084</u></u></b>

**CITY OF WASHINGTON, GEORGIA  
 AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the year ended December 31, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 109,660	\$ 109,660	\$ 0
Interest	803	803	0
	<u>110,463</u>	<u>110,463</u>	<u>0</u>
<b>Total revenue</b>			
<b>EXPENDITURES</b>			
Current	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>110,463</u>	<u>110,463</u>	<u>0</u>
Other financing sources (uses)			
Transfers in (out)			
General Fund	(109,660)	(109,660)	0
Contingency	<u>(803)</u>	<u>0</u>	<u>(803)</u>
Total other financing sources (uses)	<u>(110,463)</u>	<u>(109,660)</u>	<u>(803)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	803	803
Fund balances, January 1	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 803</u></u>	<u><u>\$ 803</u></u>

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## ***CAPITAL PROJECTS FUNDS***

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

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

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

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

**CITY OF WASHINGTON, GEORGIA  
 SPLOST CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEETS  
 December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,000	\$ 1,000
<b>Total assets</b>	\$ 1,000	\$ 1,000
 <b>FUND BALANCES</b>		
Restricted	\$ 1,000	\$ 1,000
<b>Total liabilities and fund balances</b>	\$ 1,000	\$ 1,000

**CITY OF WASHINGTON, GEORGIA**  
**SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2021 and 2020*

	2021	2020
<b>REVENUES</b>		
Total revenues	\$ 0	\$ 0
<b>EXPENDITURES</b>		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0
Fund balances, January 1	1,000	1,000
<b>Fund balances, December 31</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>

**CITY OF WASHINGTON, GEORGIA**  
**2017 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9	\$ 121,302
Intergovernmental receivable	61,926	49,941
<b>Total assets</b>	<b>\$ 61,935</b>	<b>\$ 171,243</b>
 <b>FUND BALANCES</b>		
Restricted	\$ 61,935	\$ 171,243
<b>Total liabilities and fund balances</b>	<b>\$ 61,935</b>	<b>\$ 171,243</b>

**CITY OF WASHINGTON, GEORGIA**  
**2017 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Intergovernmental	\$ 316,141	\$ 275,607
Interest	23	18
	<u>316,164</u>	<u>275,625</u>
<b>Total revenues</b>		
<b>EXPENDITURES</b>		
	<u>0</u>	<u>0</u>
<b>Total expenditures</b>		
Excess (deficiency) of revenues over (under) expenditures	316,164	275,625
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	<u>(425,472)</u>	<u>(148,618)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(109,308)	127,007
Fund balances, January 1	<u>171,243</u>	<u>44,236</u>
<b>Fund balances, December 31</b>	<u><u>\$ 61,935</u></u>	<u><u>\$ 171,243</u></u>

**CITY OF WASHINGTON, GEORGIA**  
**CDBG/CHIP GRANT CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Intergovernmental receivable	\$ 0	\$ 101,487
Due from other funds	657	0
Notes receivable	6,400	15,200
<b>Total assets</b>	<b>\$ 7,057</b>	<b>\$ 116,687</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 657	\$ 96,968
Unearned revenue	6,400	15,200
<b>Total liabilities</b>	7,057	112,168
<b>FUND BALANCES</b>		
Restricted	0	4,519
<b>Total liabilities and fund balances</b>	<b>\$ 7,057</b>	<b>\$ 116,687</b>

**CITY OF WASHINGTON, GEORGIA**  
**CDBG/CHIP GRANT CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Intergovernmental	\$ 389,988	\$ 406,998
<b>Total revenues</b>	389,988	406,998
<b>EXPENDITURES</b>		
Capital outlay		
Housing and Development		
Community Development and Housing	114,675	344,482
<b>Total expenditures</b>	114,675	344,482
Excess (deficiency) of revenues over (under) expenditures	275,313	62,516
Other financing sources (uses)		
Transfers in (out)		
General Fund	147,864	42,847
Water Sewer Enterprise Fund	(427,696)	(100,844)
<b>Total other financing sources (uses)</b>	(279,832)	(57,997)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,519)	4,519
Fund balances, January 1	4,519	0
<b>Fund balances, December 31</b>	<b>\$ 0</b>	<b>\$ 4,519</b>

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## ***PERMANENT FUNDS***

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

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

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

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

**CITY OF WASHINGTON, GEORGIA  
CEMETERY PERPETUAL CARE PERMANENT FUND  
COMPARATIVE BALANCE SHEETS  
December 31, 2021 and 2020**

	2021	2020
<b>ASSETS</b>		
Investments	\$ 37,857	\$ 37,688
<b>Total assets</b>	\$ 37,857	\$ 37,688
 <b>FUND BALANCES</b>		
Assigned	\$ 37,857	\$ 37,688
<b>Total liabilities and fund balances</b>	\$ 37,857	\$ 37,688

**CITY OF WASHINGTON, GEORGIA**  
**CEMETERY PERPETUAL CARE PERMANENT FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Interest	\$ 169	\$ 561
<b>Total revenues</b>	169	561
<b>EXPENDITURES</b>		
<b>Total expenditures</b>	0	0
Excess (deficiency) of revenues over (under) expenditures	169	561
Fund balances, January 1	37,688	37,127
<b>Fund balances, December 31</b>	<b>\$ 37,857</b>	<b>\$ 37,688</b>

**CITY OF WASHINGTON, GEORGIA**  
**HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND**  
**COMPARATIVE BALANCE SHEETS**  
*December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Investments	\$ 18,108	\$ 18,012
<b>Total assets</b>	<b>\$ 18,108</b>	<b>\$ 18,012</b>
 <b>FUND BALANCES</b>		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	8,118	8,022
<b>Total liabilities and fund balances</b>	<b>\$ 18,108</b>	<b>\$ 18,012</b>

**CITY OF WASHINGTON, GEORGIA**  
**HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the years ended December 31, 2021 and 2020*

	2021	2020
<b>REVENUES</b>		
Interest	\$ 96	\$ 296
<b>Total revenues</b>	96	296
<b>EXPENDITURES</b>		
<b>Total expenditures</b>	0	0
Excess (deficiency) of revenues over (under) expenditures	96	296
Fund balances, January 1	18,012	17,716
<b>Fund balances, December 31</b>	<b>\$ 18,108</b>	<b>\$ 18,012</b>

**CITY OF WASHINGTON, GEORGIA  
 CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL  
 PERMANENT FUND  
 COMPARATIVE BALANCE SHEETS  
 December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,731	\$ 38,634
Investments	11,259	11,193
<b>Total assets</b>	<b>\$ 49,990</b>	<b>\$ 49,827</b>
 <b>FUND BALANCES</b>		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	40,000	39,837
<b>Total liabilities and fund balances</b>	<b>\$ 49,990</b>	<b>\$ 49,827</b>

**CITY OF WASHINGTON, GEORGIA**  
**CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL**  
**PERMANENT FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Interest	\$ 163	\$ 401
<b>Total revenues</b>	<u>163</u>	<u>401</u>
<b>EXPENDITURES</b>		
<b>Total expenditures</b>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	163	401
Fund balances, January 1	<u>49,827</u>	<u>49,426</u>
<b>Fund balances, December 31</b>	<u><u>\$ 49,990</u></u>	<u><u>\$ 49,827</u></u>

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## ***ENTERPRISE FUNDS***

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

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

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

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

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

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Restricted cash and cash equivalents	\$ 97,298	\$ 97,298
Accounts receivable (net)	475,745	416,002
Inventories	200,625	199,823
Prepaid items	12,001	9,776
	785,669	722,899
<b>Capital assets</b>		
Land	194,710	194,710
Construction in progress	545,143	125,337
Buildings	57,481	57,481
Infrastructure	23,079,971	23,079,971
Machinery and equipment	748,530	710,858
Vehicles	293,591	293,591
Accumulated depreciation	(10,689,211)	(10,225,948)
	14,230,215	14,236,000
<b>Total assets</b>	15,015,884	14,958,899
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	309,611	118,556
	309,611	118,556
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	64,941	61,099
Retainages payable	0	7,890
Unearned revenue	1,007	0
Due to other funds	0	10,093
Accrued salaries and payroll liabilities	11,759	35,639
Compensated absences	18,141	24,313
Accrued interest payable	3,840	9,414
Capital lease payable	0	38,562
Notes payable	611,795	605,719
Current liabilities payable from restricted assets		
Customer deposits payable	97,298	97,298
	808,781	890,027
<b>Total current liabilities</b>	808,781	890,027

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Noncurrent liabilities</b>		
Net pension liability	\$ 144,127	\$ 282,579
Capital lease payable	0	82,541
Notes payable	5,998,259	6,610,054
Total noncurrent liabilities	6,142,386	6,975,174
<b>Total liabilities</b>	6,951,167	7,865,201
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	317,976	11,988
<b>NET POSITION</b>		
Net investment in capital assets	7,620,161	6,891,234
Unrestricted	436,191	309,032
<b>Total net position</b>	\$ 8,056,352	\$ 7,200,266

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 1,477,715	\$ 1,302,703
Sewer sales	1,181,374	1,043,448
Other	4,400	51,526
	<b>2,663,489</b>	<b>2,397,677</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	1,172,638	1,064,814
Personal services	831,742	947,056
Depreciation	463,263	474,305
	<b>2,467,643</b>	<b>2,486,175</b>
Operating income (loss)	195,846	(88,498)
Non-operating revenues (expenses)		
Interest expense	(37,721)	(25,077)
	<b>158,125</b>	<b>(113,575)</b>
Net income (loss) before transfers		
Transfers in (out)		
General Fund	18,714	0
CDBG/CHIP Grant Capital Projects Fund	427,696	100,844
2017 SPLOST Capital Projects Fund	425,472	148,618
Electric Enterprise Fund	(173,921)	(187,385)
	<b>697,961</b>	<b>62,077</b>
Change in net position	856,086	(51,498)
Net position, January 1	7,200,266	7,251,764
<b>Net position, December 31</b>	<b>\$ 8,056,352</b>	<b>\$ 7,200,266</b>

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the years ended December 31, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 2,600,353	\$ 2,385,172
Payments to suppliers	(1,171,823)	(1,059,649)
Payments to employees	(885,313)	(871,339)
Other receipts	4,400	51,526
	547,617	505,710
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	0	10,093
Payments to other funds	(184,014)	(187,385)
	(184,014)	(177,292)
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	871,882	249,462
Payments for acquisitions of capital assets	(457,478)	(184,750)
Payments of capital related accounts payable	0	(19,555)
Payments of retainage payable	(7,890)	0
Principal payments - promissory notes	(605,719)	(300,642)
Principal payments - capital leases	(121,103)	(45,825)
Interest paid	(43,295)	(27,108)
	(363,603)	(328,418)
Net cash provided (used) by capital and related financing activities		
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	97,298	97,298
<b>Cash and cash equivalents, December 31</b>	<b>\$ 97,298</b>	<b>\$ 97,298</b>

**CITY OF WASHINGTON, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 195,846	\$ (88,498)
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	463,263	474,305
(Increase) decrease in accounts receivable	(59,743)	39,021
(Increase) decrease in inventories	(802)	2,715
(Increase) decrease in prepaid items	(2,225)	1,526
(Increase) decrease in deferred outflows - pension	(191,055)	(78,156)
Increase (decrease) in accounts payable	3,842	924
Increase (decrease) in unearned revenue	1,007	0
Increase (decrease) in accrued payroll liabilities	(30,052)	1,523
Increase (decrease) in net pension liability	(138,452)	140,362
Increase (decrease) in deferred inflows - pension	305,988	11,988
 Total adjustments	<u>351,771</u>	<u>594,208</u>
 Net cash provided (used) by operating activities	<u>\$ 547,617</u>	<u>\$ 505,710</u>

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

Acquisition of capital assets through retainage payable totaled \$0 and \$7,890 for the years ended December 31, 2021 and 2020, respectively.

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2021 and 2020**

	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,604,742	\$ 865,189
Investments	841,461	538,532
Receivables (net)		
Accounts	1,503,872	1,092,696
Intergovernmental	858,931	308,855
Due from other funds	0	21,237
Inventories	313,937	291,737
Prepaid items	15,916	13,665
Total current assets	5,138,859	3,131,911
<b>Restricted assets</b>		
MEAG Generation Trust		
Investments	1,095,861	1,112,382
Customer deposits		
Cash and cash equivalents	198,697	227,566
Total restricted assets	1,294,558	1,339,948
<b>Capital assets</b>		
Land	8,480	8,480
Buildings	494,044	494,044
Infrastructure	2,506,534	2,506,534
Machinery and equipment	245,127	245,127
Vehicles	589,122	589,122
Accumulated depreciation	(2,696,247)	(2,588,985)
Total capital assets (net of accumulated depreciation)	1,147,060	1,254,322
<b>Total assets</b>	7,580,477	5,726,181
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	37,767	154,740

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
*December 31, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 821,161	\$ 672,897
Accrued salaries and payroll liabilities	4,764	16,588
Due to other funds	12,397	6,242
Compensated absences	6,566	8,292
Capital lease payable	0	23,752
Current liabilities payable from restricted assets		
Customer deposits payable	198,697	227,566
Total current liabilities	<u>1,043,585</u>	<u>955,337</u>
<b>Noncurrent liabilities</b>		
Net pension liability	81,187	428,998
Capital lease payable	0	24,917
Total noncurrent liabilities	<u>81,187</u>	<u>453,915</u>
<b>Total liabilities</b>	<u>1,124,772</u>	<u>1,409,252</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	218,673	47,552
<b>NET POSITION</b>		
Net investment in capital assets	1,147,060	1,185,593
Restricted for MEAG Generation Trust	1,095,861	1,112,382
Unrestricted	<u>4,031,878</u>	<u>2,126,142</u>
<b>Total net position</b>	<u>\$ 6,274,799</u>	<u>\$ 4,424,117</u>

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Electric sales	\$ 11,545,258	\$ 10,103,670
Other	4,987	1,256
	<b>11,550,245</b>	<b>10,104,926</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	9,078,050	7,837,363
Personal services	386,233	538,494
Depreciation	107,262	103,416
	<b>9,571,545</b>	<b>8,479,273</b>
Operating income (loss)	<b>1,978,700</b>	<b>1,625,653</b>
Non-operating revenues (expenses)		
Intergovernmental revenues	865,820	323,248
Interest and investment earnings	17,558	33,182
Net increase (decrease) in the fair value of investments	(38,093)	0
Interest expense	(2,171)	(4,049)
	<b>843,114</b>	<b>352,381</b>
Net income (loss) before transfers	<b>2,821,814</b>	<b>1,978,034</b>
Transfers in (out)		
General Fund	(1,145,501)	(1,628,333)
E-911 Special Revenue Fund	(12,397)	(6,242)
Water and Sewer Enterprise Fund	173,921	187,385
Solid Waste Enterprise Fund	13,126	119,476
Internet Telecommunications Enterprise Fund	(281)	(9,579)
	<b>(971,132)</b>	<b>(1,337,293)</b>
Change in net position	<b>1,850,682</b>	<b>640,741</b>
Net position, January 1	<b>4,424,117</b>	<b>3,783,376</b>
<b>Net position, December 31</b>	<b>\$ 6,274,799</b>	<b>\$ 4,424,117</b>

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the years ended December 31, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 11,105,213	\$ 10,201,563
Payments to suppliers	(8,954,236)	(8,089,395)
Payments to employees	(459,501)	(446,866)
Other receipts	4,987	1,256
	<u>1,696,463</u>	<u>1,666,558</u>
<b>Net cash provided (used) by operating activities</b>		
	<u>1,696,463</u>	<u>1,666,558</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	214,439	480,624
Payments to other funds	(1,158,179)	(1,652,374)
Receipts from other governments	315,744	364,788
	<u>(627,996)</u>	<u>(806,962)</u>
<b>Net cash provided (used) by non-capital financing activities</b>		
	<u>(627,996)</u>	<u>(806,962)</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - capital leases	(48,669)	(58,305)
Interest paid	(2,171)	(4,049)
	<u>(50,840)</u>	<u>(62,354)</u>
<b>Net cash provided (used) by capital and related financing activities</b>		
	<u>(50,840)</u>	<u>(62,354)</u>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings received	17,558	33,182
Proceeds from maturity of investments	3,959	0
Purchase of investments	(328,460)	(380,675)
	<u>(306,943)</u>	<u>(347,493)</u>
<b>Net cash provided (used) by investing activities</b>		
	<u>(306,943)</u>	<u>(347,493)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	710,684	449,749
<b>Cash and cash equivalents, January 1</b>	<u>1,092,755</u>	<u>643,006</u>
<b>Cash and cash equivalents, December 31</b>	<u>\$ 1,803,439</u>	<u>\$ 1,092,755</u>

**CITY OF WASHINGTON, GEORGIA**  
**ELECTRIC ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 1,978,700	\$ 1,625,653
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation expense	107,262	103,416
(Increase) decrease in accounts receivable	(411,176)	93,314
(Increase) decrease in inventories	(22,200)	2,848
(Increase) decrease in prepaid items	(2,251)	(1,481)
(Increase) decrease in deferred outflows - pension	116,973	(91,867)
Increase (decrease) in accounts payable	148,265	(253,398)
Increase (decrease) in accrued payroll liabilities	(13,550)	(7,363)
Increase (decrease) in customer deposits	(28,869)	4,579
Increase (decrease) in net pension liability	(347,812)	143,305
Increase (decrease) in deferred inflows - pension	171,121	47,552
Total adjustments	(282,237)	40,905
Net cash provided (used) by operating activities	\$ 1,696,463	\$ 1,666,558
<b>Cash and cash equivalents reconciliation</b>		
Cash and cash equivalents	\$ 1,604,742	\$ 865,189
Restricted cash and cash equivalents	198,697	227,566
Total cash and cash equivalents	\$ 1,803,439	\$ 1,092,755

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

Acquisition of capital assets through accounts payable totaled \$0 and \$20,060 for the years ended December 31, 2021 and 2020, respectively.

The net increase (decrease) in the fair value of investments totaled (\$20,535) and \$0 for the years ended December 31, 2021 and 2020, respectively.

**CITY OF WASHINGTON, GEORGIA  
SOLID WASTE ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable (net)	\$ 87,312	\$ 74,821
Prepaid items	794	1,548
Total current assets	<u>88,106</u>	<u>76,369</u>
<b>Capital assets</b>		
Land	4,000	4,000
Construction in progress	0	67,800
Buildings	185,161	185,161
Machinery and equipment	161,901	54,080
Vehicles	718,058	552,468
Accumulated depreciation	<u>(594,512)</u>	<u>(503,501)</u>
Total capital assets (net of accumulated depreciation)	<u>474,608</u>	<u>360,008</u>
<b>Total assets</b>	<u>562,714</u>	<u>436,377</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	<u>16,495</u>	<u>87,428</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	27,346	84,281
Interest payable	29	1,726
Accrued salaries and payroll liabilities	2,808	7,770
Compensated absences	4,915	4,994
Notes payable	54,580	0
Capital lease payable	<u>0</u>	<u>18,303</u>
Total current liabilities	<u>89,678</u>	<u>117,074</u>
<b>Noncurrent liabilities</b>		
Net pension liability	35,460	242,383
Notes payable	177,950	0
Capital lease payable	<u>0</u>	<u>50,011</u>
Total noncurrent liabilities	<u>213,410</u>	<u>292,394</u>
<b>Total liabilities</b>	<u>303,088</u>	<u>409,468</u>

**CITY OF WASHINGTON, GEORGIA  
SOLID WASTE ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	\$ 129,687	\$ 28,672
<b>NET POSITION</b>		
Net investment in capital assets	242,078	223,894
Unrestricted	(95,644)	(138,229)
<b>Total net position</b>	<b>\$ 146,434</b>	<b>\$ 85,665</b>

**CITY OF WASHINGTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Sanitation fees	\$ 550,770	\$ 554,503
<b>OPERATING EXPENSES</b>		
Costs of sales and services	197,517	177,252
Personal services	190,073	263,048
Depreciation	91,011	58,946
<b>Total operating expenses</b>	<b>478,601</b>	<b>499,246</b>
Operating income (loss)	72,169	55,257
Non-operating revenues (expenses)		
Interest expense	(5,565)	(4,047)
Gain (loss) on sale of assets	0	(12,921)
<b>Total non-operating revenues (expenses)</b>	<b>(5,565)</b>	<b>(16,968)</b>
Net income (loss) before transfers	66,604	38,289
Transfers in (out)		
General Fund	7,291	0
Electric Enterprise Fund	(13,126)	(119,476)
Internet Telecommunications Enterprise Fund	0	40
<b>Total transfers in (out)</b>	<b>(5,835)</b>	<b>(119,436)</b>
Change in net position	60,769	(81,147)
Net position, January 1	85,665	166,812
<b>Net position, December 31</b>	<b>\$ 146,434</b>	<b>\$ 85,665</b>

**CITY OF WASHINGTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the years ended December 31, 2021 and 2020*

	2021	2020
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 538,279	\$ 559,566
Payments to suppliers	(253,698)	(177,857)
Payments to employees	(230,089)	(211,681)
Net cash provided (used) by operating activities	54,492	170,028
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	7,291	40
Payments to other funds	(13,126)	(119,476)
Net cash provided (used) by non-capital financing activities	(5,835)	(119,436)
<b>Cash flows from capital and related financing activities:</b>		
Payments for acquisitions of capital assets	(205,611)	0
Proceeds from sale of capital assets	0	825
Proceeds from issuance of promissory notes	273,411	0
Principal payments - promissory notes	(40,881)	0
Principal payments - capital lease	(68,314)	(46,656)
Interest paid	(7,262)	(4,761)
Net cash provided (used) by capital and related financing activities	(48,657)	(50,592)
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	0	0
<b>Cash and cash equivalents, December 31</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF WASHINGTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the years ended December 31, 2021 and 2020*

	2021	2020
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 72,169	\$ 55,257
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	91,011	58,946
(Increase) decrease in accounts receivable	(12,491)	5,063
(Increase) decrease in prepaid items	754	(176)
(Increase) decrease in deferred outflows of resources - pension	70,933	(49,091)
Increase (decrease) in accounts payable	(56,935)	(429)
Increase (decrease) in accrued payroll liabilities	(5,041)	(4,111)
Increase (decrease) in net pension liability	(206,923)	75,897
Increase (decrease) in deferred inflows - pension	101,015	28,672
Total adjustments	(17,677)	114,771
Net cash provided (used) by operating activities	\$ 54,492	\$ 170,028

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

Acquisition of capital assets through accounts payable totaled \$0 and \$67,800 for the years ended December 31, 2021 and 2020, respectively.

**CITY OF WASHINGTON, GEORGIA**  
**INTERNET TELECOMMUNICATIONS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable	\$ 35,076	\$ 35,064
<b>Noncurrent assets</b>		
Investment in joint venture	426,803	455,544
<b>Capital assets</b>		
Machinery and equipment	138,000	519,711
Accumulated depreciation	(138,000)	(519,711)
Total capital assets (net of accumulated depreciation)	0	0
<b>Total assets</b>	461,879	490,608
<b>LIABILITIES</b>		
Accounts payable	0	1,405
<b>NET POSITION</b>		
Unrestricted	461,879	489,203
<b>Total net position</b>	\$ 461,879	\$ 489,203

**CITY OF WASHINGTON, GEORGIA**  
**INTERNET TELECOMMUNICATIONS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the years ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Telecommunications charges	\$ 5,489	\$ 5,838
<b>Total operating revenues</b>	<b>5,489</b>	<b>5,838</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	4,353	16,860
<b>Total operating expenses</b>	<b>4,353</b>	<b>16,860</b>
Operating income (loss)	1,136	(11,022)
Non-operating revenues (expenses)		
Interest and investment earnings	0	11,786
Net increase (decrease) in the fair value of investments	(28,741)	10,282
<b>Total non-operating revenues (expenses)</b>	<b>(28,741)</b>	<b>22,068</b>
Net income (loss) before transfers	(27,605)	11,046
Transfers in (out)		
Electric Enterprise Fund	281	9,579
Solid Waste Enterprise Fund	0	(40)
<b>Total transfers in (out)</b>	<b>281</b>	<b>9,539</b>
Change in net position	(27,324)	20,585
Net position, January 1	489,203	468,618
<b>Net position, December 31</b>	<b>\$ 461,879</b>	<b>\$ 489,203</b>

**CITY OF WASHINGTON, GEORGIA**  
**INTERNET TELECOMMUNICATIONS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 5,477	\$ 5,916
Payments to suppliers	<u>(5,758)</u>	<u>(15,455)</u>
Net cash provided (used) by operating activities	<u>(281)</u>	<u>(9,539)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	281	9,579
Payments to other funds	<u>0</u>	<u>(40)</u>
Net cash provided (used) by non-capital financing activities	<u>281</u>	<u>9,539</u>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings received	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 1,136	\$ (11,022)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(12)	78
Increase (decrease) in accounts payable	<u>(1,405)</u>	<u>1,405</u>
Total adjustments	<u>(1,417)</u>	<u>1,483</u>
Net cash provided (used) by operating activities	<u><u>\$ (281)</u></u>	<u><u>\$ (9,539)</u></u>

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

The net increase (decrease) in the fair value of investments totaled (\$28,741) and \$10,282 for the years ended December 31, 2021 and 2020, respectively.

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***OTHER REPORTING SECTION***

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Washington, Georgia’s basic financial statements and have issued our report thereon dated June 10, 2022.

**Report on Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the following deficiency to be a material weakness:

**2021-001**

*Condition:* While performing audit procedures on cash receipts, we noted that the same person is posting payments to the ledger, preparing deposits, taking deposits to the bank, and performing the monthly bank reconciliations.

*Criteria:* Proper segregation of duties requires that the duties of preparing deposits, recording receipts in the ledger, and preparing monthly bank reconciliations should be performed by different employees.

*Effect:* Failure to maintain adequate segregation of duties subjects the City to greater risk of loss due to employee fraud.

*Cause:* The same employee has custody over cash receipts, records receipts in the ledger, and prepares the monthly bank reconciliations.

## **2021-001, continued**

*Recommendation:* To ensure that proper internal controls are in place, the City should properly segregate duties.

*Management Response:* Management concurs with this finding. The City will segregate duties of the cash receipting process. This action was taken immediately upon receipt of the comment from our auditors.

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. We consider the following deficiencies to be significant deficiencies:

### **2021-002**

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

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

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

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

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

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

### **2021-003**

*Condition:* While performing audit procedures on the accounts payable process, we noted that department heads are entering invoices into the accounting system as they are submitting purchase orders for approval. We also noted that the Accounts Payable clerk is not vouching purchase orders and receiving documents to invoices to verify the receipt of goods and services prior to payment.

*Criteria:* Proper internal controls require that purchase orders be approved before invoices are submitted for payment and that purchase orders and receiving documents are vouched to the corresponding invoice prior to payment.

*Cause:* Management and staff are not submitting purchase orders for approval before purchasing good and services and not vouching receiving documents to the corresponding invoice prior to payment.

*Effect:* Failure to obtain proper approval before purchasing goods and services and failure to vouch purchase orders, receiving documents, and invoices before paying the invoice put the City at a greater risk of loss due to fraud.

*Recommendation:* Management and staff should request purchase orders and make sure they are approved before purchasing goods and services. The Accounts Payable clerk should match the products purchased on the invoice to what was received on the receiving ticket to what was approved on the purchase order.

## 2021-003, continued

*Management Response:* Management concurs with this finding. Management has advised City department heads to implement the auditor's recommendation. This action was taken immediately upon receipt of the comment from our auditors.

### Report on Compliance and Other Matters

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

### City of Washington, Georgia's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Washington, Georgia's response to the findings identified in our audit described previously. The City of Washington, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### Purpose of this Report

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

*Rushton, LLC*

Certified Public Accountants  
Gainesville, Georgia  
June 10, 2022

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***STATE REPORTING SECTION***

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

**CITY OF WASHINGTON, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the year ended December 31, 2021**

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b><u>2011 SPLOST</u></b>					
Water and Sewer Improvements	\$ 2,025,960	\$ 2,025,960	\$ 2,229,669	\$ 0	\$ 2,229,669
<b><u>2017 SPLOST</u></b>					
Water and Sewer; Streets and Sidewalks; Buildings; Fire Facilities and Equipment					
Water and Sewer	\$ 1,336,778	\$ 1,336,778	\$ 718,209	\$ 425,472	\$ 1,143,681

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