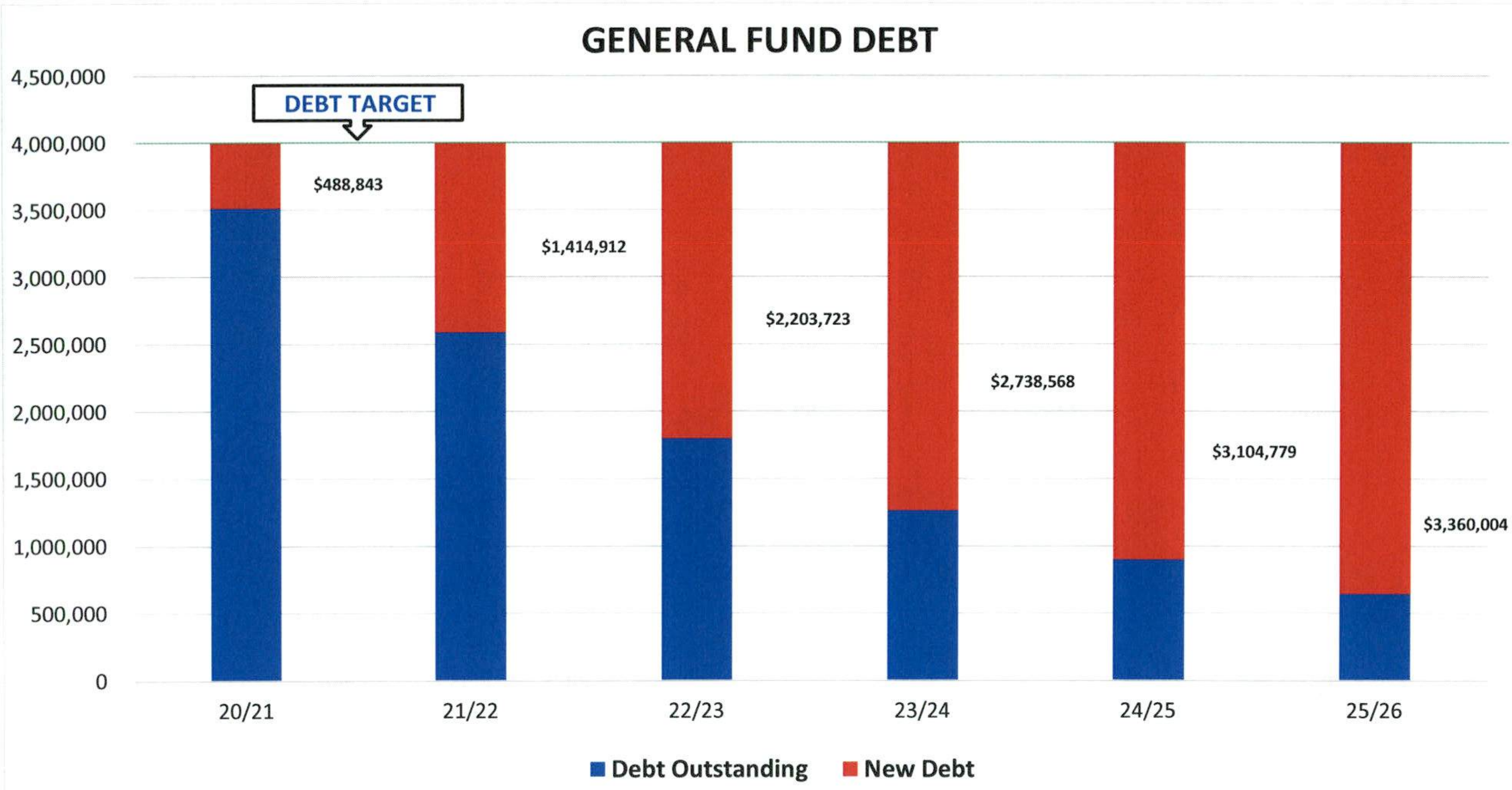
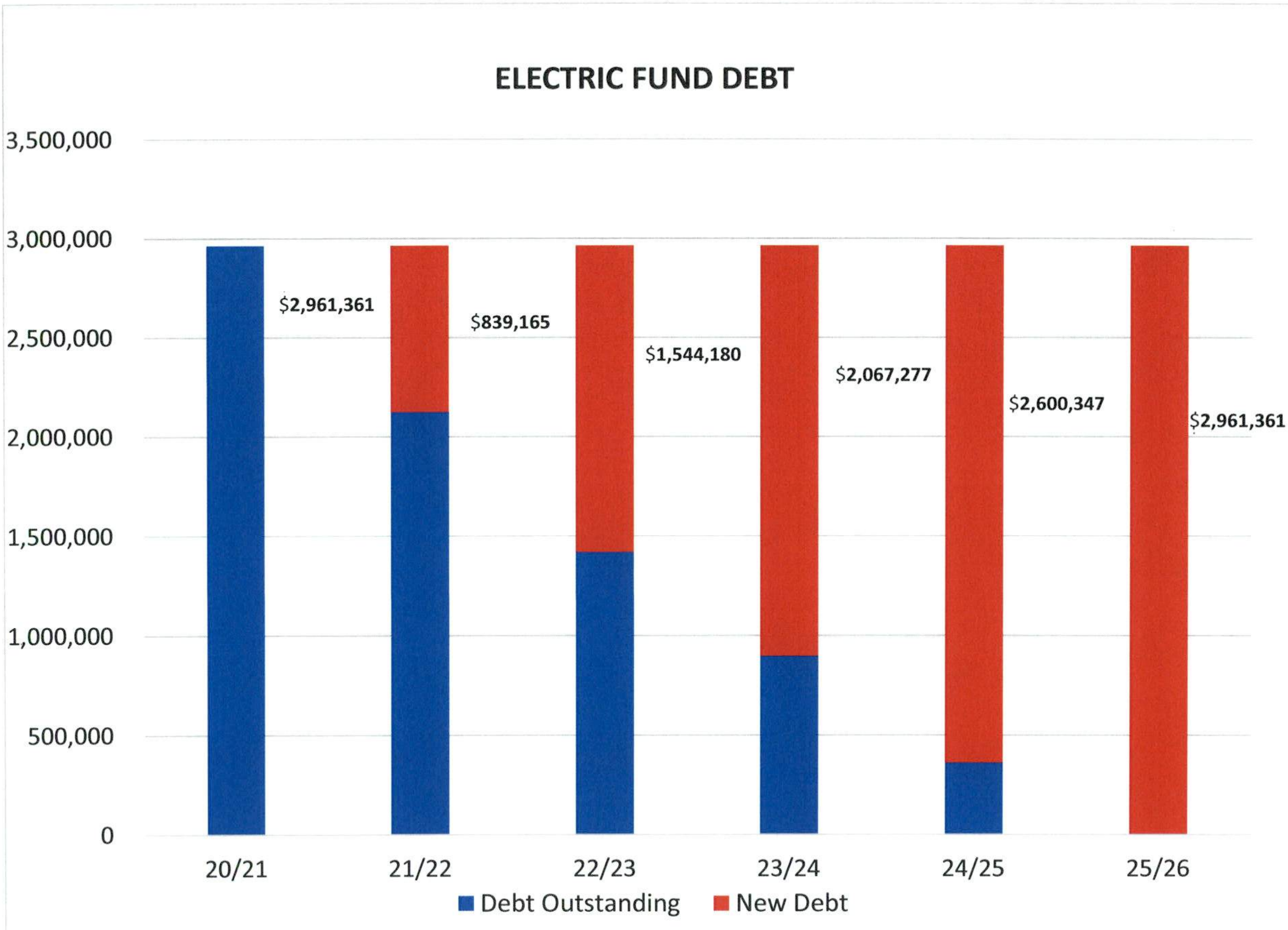
Fund Balances Report

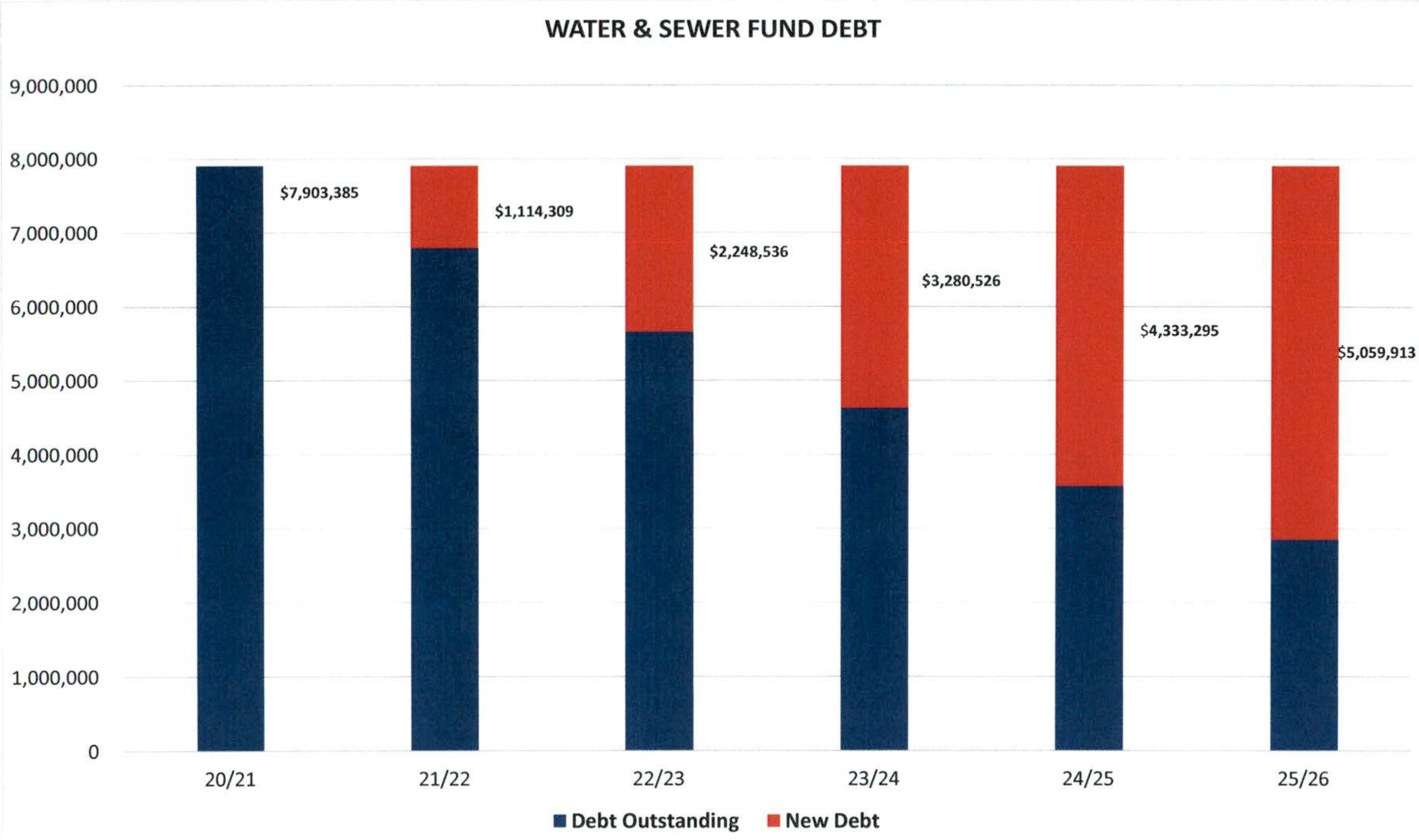
The City of Elizabeth City's financial shape is good. On January 27, 2020, the City's auditors S. Preston, Douglas & Associates, LLP provided an overview of the City's financial shape with the audit presentation. The City's combined fund balance in Governmental Funds was $8,542,689, a 6.5% increase over last year. The City's unassigned fund balance in the General Fund was 22.70%, which was a slight increase over the previous fiscal year. The cash balance in the Electric Fund was $5,406,356, which was a decrease of $389,880. This decrease can be attributed to two factors, a warmer winter, which lead to less usage and cost associated with the utility billing software. The cash balance in the Water & Sewer Funds was $4,305,384, an increase of $2,004,898; the Storm Water Fund amount is $1,183,922, an increase of $140,104.00; and the Solid Waste Fund was $608,279, which was an increase of $169,779. A review of the revenue and expenditures for FY 2019-2020 indicates a slight decrease in the net position, which can be attributed to Hurricane Dorian. The City should receive approximately $635,000 from FEMA in reimbursements. If the funds are received prior to June 30, 2020, the City's financial position should be approximately the same as July 1, 2019.

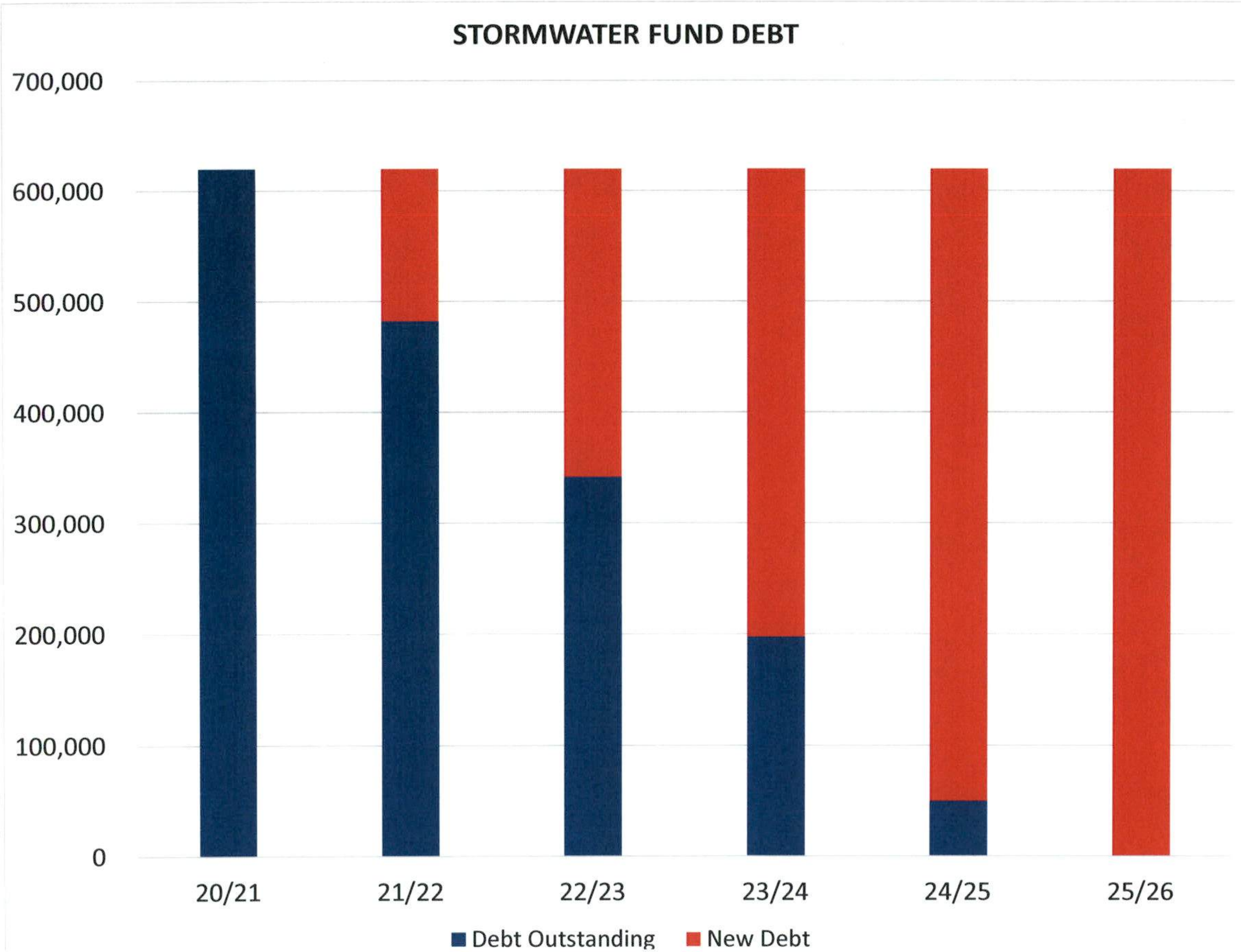
As part of the budget process, City staff has estimated how much additional debt could be issued in the General Fund. Staff has determined that the City will be able to issue $582,731 in new debt in the General Fund. Staff would prefer not to have more than $4,000,000 of debt in the General Fund. By keeping below $4,000,000, the City will not need a property tax increase to pay for additional debt. Attached you will find a bar chart, which illustrates total debt in the General Fund along with all the Enterprise Funds. With the Smart Meter Project, the City issued $2,600,000 of new debt in the Electrical Fund, bringing the total indebtedness in the Electrical Fund to $2,961,360. The debt associated with the second delivery point will be paid off in FY 2021-2022. The total indebtedness in the Water & Sewer Fund for FY 2020-2021 will be $7,903,385. This does include the debt which may be associated with the Badger Meter program. The Stormwater utility has $482,119 in outstanding debt, which is associated with the Roanoke Phase III project. Lastly, the Solid Waste Fund has a total outstanding debt of $315,356 for FY 2020-2021. The City can issue $260,000 in new debt without affecting our rate schedule. However, there are operational demands, which may lead to a rate increase.

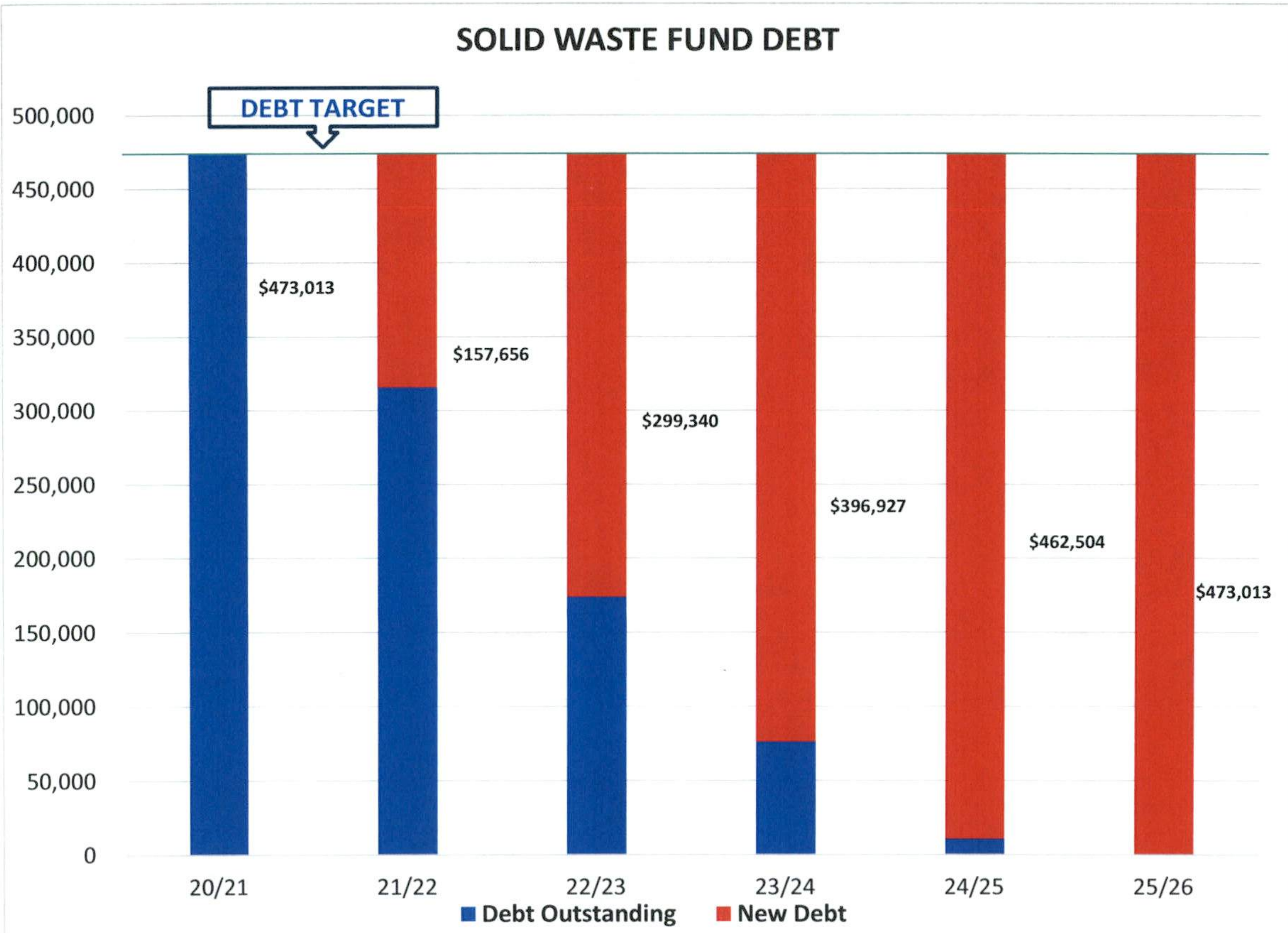


GENERAL FUND DEBT
DEBT TARGET
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
$488,843
$1,414,912
$2,203,723
$2,738,568
$3,104,779
$3,360,004
20/21
21/22
22/23
23/24
24/25
25/26
Debt Outstanding
New Debt


ELECTRIC FUND DEBT
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
$2,961,361
$839,165
$1,544,180
$2,067,277
$2,600,347
$2,961,361
20/21
21/22
22/23
23/24
24/25
25/26
Debt Outstanding
New Debt


WATER & SEWER FUND DEBT
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
$7,903,385
$1,114,309
$2,248,536
$3,280,526
$4,333,295
$5,059,913
20/21
21/22
22/23
23/24
24/25
25/26
Debt Outstanding
New Debt


STORMWATER FUND DEBT
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
20/21
21/22
22/23
23/24
24/25
25/26
Debt Outstanding
New Debt


SOLID WASTE FUND DEBT
DEBT TARGET
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
$473,013
$157,656
$299,340
$396,927
$462,504
$473,013
20/21
21/22
22/23
23/24
24/25
25/26
Debt Outstanding
New Debt