

**CITY OF CARNATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**January 1, 2021 through December 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Carnation was incorporated in 1912 and operates under the laws of the state of Washington applicable to a council-manager form of government. The City of Carnation is a general purpose local government and provides general administrative services, water and sewer utility services, storm drainage and street maintenance and improvements, parks and recreation, contracted garbage and public safety services. The City of Carnation reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* Manual prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the City of Carnation are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for revenue sources that are restricted or committed to expenditures for specified purposes of the city.

### Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

### Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

### Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

## PROPRIETARY FUND TYPES:

### Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

## FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the city in a trustee capacity or as a custodian on behalf of others.

### Custodial Funds

These funds are used to account for assets that the city holds for others in an custodial capacity.

## B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

## C. Cash and Investments – See Note 4 – Deposits and Investments

## D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave is accrued at the following monthly rates for full-time employees, and is pro-rated for part-time employees:

Years of Service	Union and Non-Union Employees Monthly Vacation Accrual Rate
1 through 5	6.66 hours
6 through 10	10 hours**
11 through 19	13.33 hours
20 and thereafter	16.66 hours

\*\* The City Manager may in his/her discretion deviate from the above schedule by allowing new employees with relevant prior work experience to begin individually accruing vacation time as if they had 6-10 years of continuous city employment.

Unused vacation accrual may be carried over to the following year, up to a maximum of eighty (80) hours. With the approval of the City Manager, an employee may carry over more than eighty (80) hours, up to a maximum of two hundred forty (240) hours. Over-limit unused vacation hours are paid to the employee with the first paycheck in September. Upon the effective date of termination of employment or retirement, any earned vacation leave time which has not been used is compensated to the employee.

Sick leave is accrued at a rate of eight (8) hours per month for full-time employees, and is pro-rated for part-time employees, accumulated indefinitely. Sick leave lapses on termination of employment or retirement and employees are not compensated for unused sick leave accrual upon separation.

The City Manager may award up to five (5) days per year of discretionary Management Leave to each exempt employee. Accrued management leave lapses on the anniversary date of the employee, and is not carried over from year to year. Management leave also lapses on termination of employment, and employees are not compensated for any accrued management leave upon separation.

Payments are recognized as expenditures when paid.

F. Long-Term Debt – See Note 6, Debt Service Requirements

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investment is reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by CMC or Council direction. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of ARPA Fund (103), Contingency Fund (105), Cemetery Capital (306), Water Bond Reserve (405), Cemetery Endowment Fund (601) and Trust Fund (633).

**NOTE 2 – BUDGET COMPLIANCE**

A. Budgets

The City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budget were as follows:

FUND	FINAL APPROPRIATED	ACTUAL EXPENDITURES	VARIANCE
<b>General Fund</b>	<b>\$ 3,995,248.00</b>	<b>\$ 1,810,180.00</b>	<b>\$ 2,185,068.00</b>
General Current Exp	\$ 2,819,910.00	\$ 1,695,870.00	\$ 1,124,040.00
Rev. Stabilization	\$ -	\$ -	\$ -
Contingency	\$ 61,515.00	\$ -	\$ 61,515.00
Cemetery Fund	\$ 37,824.00	\$ 25,523.00	\$ 12,301.00
Equipment Replacement	\$ 176,007.00	\$ 53,997.00	\$ 122,010.00
Parks Develop	\$ 259,426.00	\$ 34,368.00	\$ 225,058.00
Traffic Impact	\$ 499,605.00	\$ 422.00	\$ 499,183.00
Cemetery Capital	\$ 7,258.00	\$ -	\$ 7,258.00
Cemetery Endowment	\$ 133,703.00	\$ -	\$ 133,703.00
<b>Street Fund</b>	<b>\$ 469,821.00</b>	<b>\$ 287,572.00</b>	<b>\$ 182,249.00</b>
<b>LTGO Bond</b>	<b>\$ 240,002.00</b>	<b>\$ 160,579.00</b>	<b>\$ 79,423.00</b>
<b>Street Cap Improv</b>	<b>\$ 8,217,290.00</b>	<b>\$ 4,648,132.00</b>	<b>\$ 3,569,158.00</b>
<b>Cap Facilities</b>	<b>\$ 4,135,316.00</b>	<b>\$ 236,989.00</b>	<b>\$ 3,898,327.00</b>
<b>Water &amp; Sewer</b>	<b>\$ 8,131,058.00</b>	<b>\$ 2,694,491.00</b>	<b>\$ 5,436,567.00</b>
W/S Oper.	\$ 2,695,340.00	\$ 1,663,015.00	\$ 1,032,325.00
Wtr Cap Replacement	\$ 3,004,800.00	\$ 401,568.00	\$ 2,603,232.00
Wtr Bnd Red	\$ 221,387.00	\$ 104,198.00	\$ 117,189.00
Wtr Bnd Res	\$ 105,447.00	\$ -	\$ 105,447.00
Sewer Debt	\$ 1,366,555.00	\$ 480,653.00	\$ 885,902.00
Sewer Capital	\$ 737,529.00	\$ 45,057.00	\$ 692,472.00
<b>Landfill Financial</b>	<b>\$ 334,772.00</b>	<b>\$ 39,063.00</b>	<b>\$ 295,709.00</b>
<b>Trust Agency</b>	<b>\$ 675,016.00</b>	<b>\$ 260,257.00</b>	<b>\$ 414,759.00</b>
<b>TOTAL</b>	<b>\$ 26,198,523.00</b>	<b>\$ 10,137,263.00</b>	<b>\$ 16,061,260.00</b>

Budgeted amounts are authorized to be transferred between departments within any fund and object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city’s legislative body.

### **NOTE 3 – COVID 19 PANDEMIC**

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The City saw a deferral of several revenue streams in both our general fund and our water/sewer fund. The General Fund was impacted due to the halt in the construction industry/permit revenues and the deferral of electric, natural gas & telecommunication charges being paid. The City's utility tax, which is remitted to the General Fund, for these utilities was impacted as these are remitted on a percentage of gross receipts. As citizens did not pay their electric, natural gas, telecommunication or water/sewer bills, the utility tax remitted to our General Fund was correspondingly reduced. Our water/sewer fund has also seen an increase in the aged receivables as we work with our citizens to get their balances current.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the City is unknown at this time.

### **NOTE 4 – DEPOSITS AND INVESTMENTS**

Investments are reported at original cost. Deposits and investments by type at December 31, 2021, are as follows:

<b>TYPE OF DEPOSIT OR INVESTMENT</b>	<b>CITY'S OWN DEPOSIT AND INVESTMENT</b>	<b>TOTAL</b>
BANK of AMERICA	\$7,280,058.72	\$7,280,058.72
LGIP	\$1,857,006.67	\$1,857,006.67
<b>TOTAL</b>	<b>\$ 9,137,065.39</b>	<b>\$9,137,065.39</b>

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. The exception to this would be 106 Cemetery Operations fund which also receives the interest accrued from the 601 Cemetery Endowment Fund, which is allowed per the 601 fund requirements. Those requirements state that the interest is allowed to go to Cemetery Operations but the principal in the 601 fund is not allowed to be expensed.

#### **Investments in the State Local Government Investment Pool (LGIP)**

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

### Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of the depository financial institution, the City would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The City's deposits are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the City or its agent in the government's name.

### **NOTE 5 – INTERFUND LOANS**

The following table displays the interfund loan activity during 2021:

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Balance 1/1/2021</u>	<u>New Loans</u>	<u>Interest Accrued</u>	<u>Repayments</u>	<u>Balance 12/31/2020</u>
108 Park Development	002 Revenue Stabilization	\$ 33,961	\$ 0	\$ 149	\$ 341,110	\$ 0
<b>TOTALS</b>		<b>\$ 33,961</b>	<b>\$ 0</b>	<b>\$ 149</b>	<b>\$ 341,110</b>	<b>\$ 0</b>

### **NOTE 6 – LONG-TERM DEBT**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the city and summarizes the City's debt transactions for year ended December 31, 2021.

The debt service requirements, including both principal and interest, are as follows:

	Principal	Interest	Total
2022	\$ 659,047.76	\$ 150,258.26	\$ 809,306.02
2023	\$ 665,264.29	\$ 140,300.70	\$ 805,564.99
2024	\$ 758,217.51	\$ 135,705.46	\$ 893,922.97
2025	\$ 764,511.26	\$ 128,297.53	\$ 892,808.79
2026	\$ 770,845.44	\$ 121,129.15	\$ 891,974.59
2027-2031	\$ 2,829,762.76	\$ 493,779.04	\$ 3,323,541.80
2032-2036	\$ 1,761,851.23	\$ 310,085.77	\$ 2,071,937.00
2037-2041	\$ 328,730.31	\$ 192,257.69	\$ 520,988.00
2042-2046	\$ 383,406.57	\$ 137,581.43	\$ 520,988.00
2047-2051	\$ 447,176.89	\$ 73,811.11	\$ 520,988.00
2052-2056	\$ 198,583.01	\$ 9,349.17	\$ 207,932.18
TOTALS	\$ 9,567,397.03	\$ 1,892,555.31	\$ 11,459,952.34

## **NOTE 7 – PENSION PLANS**

The City of Carnation participates in two retirement plans. The Primary plan (offered to all employees) is administered by the WA State Department of Retirement Systems (DRS) and the other is administered by the International City Manager’s Association (ICMA) and is only offered to the City Manager who may choose to opt out of the City’s primary retirement plan options through DRS.

### **A. State Sponsored Pension Plans**

Substantially all City of Carnation full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1 UAAL, PERS 2 and PERS 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Annual Financial Report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2021 (the measurement date of the plans), the City of Carnation’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$33,343	0.004476%	\$54,662
PERS 2/3	\$54,433	0.005764%	\$(574,187)
TOTAL	\$87,776		\$(519,525)

### **B. Non State Sponsored Pension Plans**

Only the City Manager, who may elect to not participate in the City’s pension plan thru DRS, may participate in this option.

Employer and Participant contribution rates for the City of Carnation ICMA-RC City Manager Retirement Plan shall match the adopted contribution rates for the Washington State Department of Retirement Systems (DRS) PERS 2 Plan.

The Governmental Money Purchase Plan & Trust is a qualified plan – “a defined contribution plan” registered through the Internal Revenue Service (*IRS*) as a section 401 (a) and is administered by ICMA-RC, PO Box 96220, Washington, DC 20090-6220. Details and specific terms & conditions of this plan may be found on the ICMA-RC website [www.icmarc.org](http://www.icmarc.org) or may be requested in writing at the above aforementioned address.

The City of Carnation did not contribute to this plan in 2021.

#### **NOTE 8 – PROPERTY TAXES**

The King County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed periodically during the month.

Property tax revenues are recognized when cash is received by the City of Carnation. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The City of Carnation’s regular levy for 2021 was \$1.01 per \$1,000 on an assessed valuation of \$404,711,450 for a total regular levy of \$409,128.

#### **NOTE 9 – RISK MANAGEMENT**

The City of Carnation is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2021, 105 entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials’ liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by National League of Cities Mutual



Insurance Company (NLC MIC) for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through AIG Specialty Insurance Company, and CHUBB in 2021, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million, AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

**City of Carnation**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>101 Street Fund</u>	<u>103 ARPA Fund</u>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	9,211,396	1,292,393	45,471	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,639,520	1,366,728	-	-
320	Licenses and Permits	261,633	241,333	10,600	-
330	Intergovernmental Revenues	1,733,810	167,613	51,928	318,819
340	Charges for Goods and Services	2,673,053	356,351	126,604	-
350	Fines and Penalties	2,164	1,798	-	-
360	Miscellaneous Revenues	920,940	16,872	1,052	167
Total Revenues:		<u>7,231,120</u>	<u>2,150,695</u>	<u>190,184</u>	<u>318,986</u>
<b>Expenditures</b>					
510	General Government	456,907	456,099	808	-
520	Public Safety	581,374	580,135	413	-
530	Utilities	1,712,756	42,134	-	-
540	Transportation	842,572	-	275,854	-
550	Natural/Economic Environment	591,174	549,494	-	-
560	Social Services	20,659	20,659	-	-
570	Culture and Recreation	85,086	85,086	-	-
Total Expenditures:		<u>4,290,528</u>	<u>1,733,607</u>	<u>277,075</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		2,940,592	417,088	(86,891)	318,986
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	2,119,296	-	-	-
397	Transfers-In	1,525,100	35,100	200,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	212,193	5,000	750	-
Total Other Increases in Fund Resources:		<u>3,856,589</u>	<u>40,100</u>	<u>200,750</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	4,778,041	74,227	10,367	-
591-593, 599	Debt Service	805,385	-	-	-
597	Transfers-Out	1,525,100	827,100	5,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>7,108,526</u>	<u>901,327</u>	<u>15,367</u>	<u>-</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>(311,345)</u></b>	<b><u>(444,139)</u></b>	<b><u>98,492</u></b>	<b><u>318,986</u></b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	493,232	68,773	-	318,986
50841	Committed	134,347	134,347	-	-
50851	Assigned	8,272,490	645,139	143,966	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b><u>8,900,069</u></b>	<b><u>848,259</u></b>	<b><u>143,966</u></b>	<b><u>318,986</u></b>

The accompanying notes are an integral part of this statement.

**City of Carnation**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

	<u>201 LTGO Bond Redemption</u>	<u>301 Street Capital Improvement</u>	<u>302 Capital Facilities</u>
<b>Beginning Cash and Investments</b>			
308	Beginning Cash and Investments	2	3,556,393
388 / 588	Net Adjustments	-	-
<b>Revenues</b>			
310	Taxes	-	136,396
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	1,194,000
340	Charges for Goods and Services	-	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	832
	Total Revenues:	-	1,331,228
<b>Expenditures</b>			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	566,718
550	Natural/Economic Environment	-	2,618
560	Social Services	-	-
570	Culture and Recreation	-	-
	Total Expenditures:	-	569,336
	Excess (Deficiency) Revenues over Expenditures:	-	761,892
<b>Other Increases in Fund Resources</b>			
391-393, 596	Debt Proceeds	-	2,100,000
397	Transfers-In	240,000	550,000
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	185,934
	Total Other Increases in Fund Resources:	240,000	2,785,934
<b>Other Decreases in Fund Resources</b>			
594-595	Capital Expenditures	-	4,078,796
591-593, 599	Debt Service	160,579	-
597	Transfers-Out	-	100,000
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
	Total Other Decreases in Fund Resources:	160,579	4,078,796
	<b>Increase (Decrease) in Cash and Investments:</b>	<b>79,421</b>	<b>(2,766,904)</b>
<b>Ending Cash and Investments</b>			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	79,423	789,488
50891	Unassigned	-	-
	<b>Total Ending Cash and Investments</b>	<b>79,423</b>	<b>789,488</b>
			<b>2,919,924</b>

The accompanying notes are an integral part of this statement.

**City of Carnation**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>401 Water &amp; Sewer Utility Fund</b>	<b>406 Landfill Financial Assurance</b>	<b>409 Stormwater Operations Fund</b>
<b>Beginning Cash and Investments</b>				
308	Beginning Cash and Investments	3,732,149	250,672	-
388 / 588	Net Adjustments	-	-	-
<b>Revenues</b>				
310	Taxes	-	-	-
320	Licenses and Permits	9,700	-	-
330	Intergovernmental Revenues	1,450	-	-
340	Charges for Goods and Services	2,110,527	79,171	400
350	Fines and Penalties	366	-	-
360	Miscellaneous Revenues	901,719	30	-
Total Revenues:		<u>3,023,762</u>	<u>79,201</u>	<u>400</u>
<b>Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	826	-	-
530	Utilities	1,670,620	2	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	39,062	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		<u>1,671,446</u>	<u>39,064</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		1,352,316	40,137	400
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	19,296	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	13,309	7,200	-
Total Other Increases in Fund Resources:		<u>32,605</u>	<u>7,200</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	410,299	-	-
591-593, 599	Debt Service	612,169	-	-
597	Transfers-Out	593,000	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>1,615,468</u>	<u>-</u>	<u>-</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>(230,547)</u></b>	<b><u>47,337</u></b>	<b><u>400</u></b>
<b>Ending Cash and Investments</b>				
50821	Nonspendable	-	-	-
50831	Restricted	105,473	-	-
50841	Committed	-	-	-
50851	Assigned	3,396,140	298,010	400
50891	Unassigned	-	-	-
<b>Total Ending Cash and Investments</b>		<b><u>3,501,613</u></b>	<b><u>298,010</u></b>	<b><u>400</u></b>

*The accompanying notes are an integral part of this statement.*

**City of Carnation**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<u>Custodial</u>
308	Beginning Cash and Investments	75,016
388 & 588	Net Adjustments	-
310-390	Additions	248,280
510-590	Deductions	<u>260,257</u>
	Net Increase (Decrease) in Cash and Investments:	(11,977)
508	Ending Cash and Investments	63,039

*The accompanying notes are an integral part of this statement.*

**City of Carnation**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

*The accompanying notes are an integral part of this statement.*