

**CITY OF METTER, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Metter, Georgia

### Report on the Financial Statements

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 remaining fund information of the City of Metter, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of the City of Metter, Georgia, as of June 30, 2017, and the respective changes

in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Regional Drug Task Force special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Metter, Georgia's basic financial statements. The individual fund financial statements and the schedule of projects paid with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and the schedule of projects paid with special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and the schedule of projects paid with special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2018, on our consideration of the City of Metter, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Metter, Georgia's internal control over financial reporting and compliance.

*Lanier, Dale & Proctor*

Statesboro, Georgia  
January 12, 2018

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Metter, Georgia's (the City's) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the year ended June 30, 2017. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The City had total net position (assets exceeded liabilities) of \$26,732,611 at June 30, 2017.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$22,334,303 includes property and equipment, net of accumulated depreciation, reduced by outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$2,292,288 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$2,106,020 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$3,356,099, compared to \$3,158,044 for the year ended June 30, 2016. This is a \$198,055 (or 6.3%) increase.
- At June 30, 2017, unassigned fund balance for the General Fund was \$944,052, or 27.4% of total General Fund expenditures.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

### Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales and property taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and

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charges. Governmental activities include general government, public safety, public works, health and welfare, culture and recreation, and housing and development. Business-type activities include the water and sewer system.

The government-wide financial statements are presented on pages 13 and 14 of this report.

#### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all other (non-major) funds are combined into a single, aggregated presentation. More detailed information for individual funds is provided in a later section of this report.

The City has two kinds of funds:

1. *Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15-21 of this report.

2. *Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's only proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City for water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 22-24 of this report.

#### ***Notes to the Basic Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Financial Analysis of the City as a Whole

The City's net position at June 30, 2017 was \$26,732,611, compared to the year ended June 30, 2016 figure of \$26,790,803. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Assets:						
Current assets	\$ 3,807,098	\$ 3,666,735	\$ 1,164,799	\$1,138,405	\$ 4,971,897	\$ 4,805,140
Capital assets	17,543,111	17,727,433	6,033,167	6,212,466	23,576,278	23,939,899
Total assets	<u>21,350,209</u>	<u>21,394,168</u>	<u>7,197,966</u>	<u>7,350,871</u>	<u>28,548,175</u>	<u>28,745,039</u>
Liabilities:						
Current liabilities	419,400	483,369	205,741	218,599	625,141	701,968
Long-term liabilities	119,158	78,939	1,071,265	1,173,329	1,190,423	1,252,268
Total liabilities	<u>538,558</u>	<u>562,308</u>	<u>1,277,006</u>	<u>1,391,928</u>	<u>1,815,564</u>	<u>1,954,236</u>
Net position:						
Net investment in capital assets	17,463,345	17,661,579	4,870,958	4,939,885	22,334,303	22,601,464
Restricted	2,292,288	2,065,619	-	-	2,292,288	2,065,619
Unrestricted	1,056,018	1,104,662	1,050,002	1,019,058	2,106,020	2,123,720
Total net position	<u>\$20,811,651</u>	<u>\$20,831,860</u>	<u>\$ 5,920,960</u>	<u>\$5,958,943</u>	<u>\$26,732,611</u>	<u>\$26,790,803</u>

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities, and is an indication of the ability to pay current obligations. For June 30, 2017, the current ratio for governmental activities is 9.1 and 5.7 for business type activities. For the year ended June 30, 2016, the current ratio for governmental activities was 7.6, and for business type activities 5.2. For the City, overall, the current ratio for June 30, 2017 is 8.0, compared to 6.8 for the year ended June 30, 2016.

The City reported positive balances in net position for both governmental and business-type activities. Net position decreased by \$20,209 for governmental activities and decreased by \$37,983 for business-type activities. The City's overall financial position decreased \$58,192 during the year ended June 30, 2017.

Note that 83.9% of the governmental activities' net position was invested in capital assets. The City uses these capital assets to provide services to its citizens. On the business type activities, the City has spent 82.3% of its net position on capital assets. Capital assets in the business type activities provide utility services, which generate revenues for this fund. Expansion of these systems is necessary for the continued growth of the City and for its financial position, as this utility system generates considerable revenue for all the City's operations. 83.5% of the City's total net position was included in capital assets.



The following table provides a summary of the City's changes in net position:

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program:						
Charges for services	\$ 661,409	\$ 624,958	\$1,048,303	\$1,059,979	\$ 1,709,712	\$ 1,684,937
Operating grants	715,375	685,528	-	-	715,375	685,528
Capital grants and contributions	874,232	617,863	-	-	874,232	617,863
General:						
Taxes	2,128,255	2,076,905	-	-	2,128,255	2,076,905
Other	19,949	88,288	590	11,769	20,539	100,057
Total revenues	<u>4,399,220</u>	<u>4,093,542</u>	<u>1,048,893</u>	<u>1,071,748</u>	<u>5,448,113</u>	<u>5,165,290</u>
Program Expenses:						
General government	929,590	886,734	-	-	929,590	886,734
Municipal court	8,967	10,295	-	-	8,967	10,295
Public safety	2,076,225	1,837,389	-	-	2,076,225	1,837,389
Public works	962,213	938,716	-	-	962,213	938,716
Health and welfare	60,721	53,742	-	-	60,721	53,742
Culture and recreation	150,703	147,017	-	-	150,703	147,017
Housing and development	226,115	225,405	-	-	226,115	225,405
Interest	2,207	3,608	-	-	2,207	3,608
Water and sewer	-	-	1,089,564	1,161,138	1,089,564	1,161,138
Total expenses	<u>4,416,741</u>	<u>4,102,906</u>	<u>1,089,564</u>	<u>1,161,138</u>	<u>5,506,305</u>	<u>5,264,044</u>
Excess (deficiency)	(17,521)	(9,364)	(40,671)	(89,390)	(58,192)	(98,754)
Transfers	(2,688)	(229,112)	2,688	229,112	-	-
Special item	-	659,070	-	-	-	659,070
Change in net position	(20,209)	420,594	(37,983)	139,722	(58,192)	560,316
Beginning net position	<u>20,831,860</u>	<u>20,411,266</u>	<u>5,958,943</u>	<u>5,819,221</u>	<u>26,790,803</u>	<u>26,230,487</u>
Ending net position	<u>\$20,811,651</u>	<u>\$20,831,860</u>	<u>\$5,920,960</u>	<u>\$5,958,943</u>	<u>\$26,732,611</u>	<u>\$26,790,803</u>

### GOVERNMENTAL REVENUES

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 48.3% of revenues, as compared to 50.7% for the year ended June 30, 2016. Sales taxes provided \$655,839 or 14.9% of the City's total governmental activities revenues, as compared to 15.1% for the year ended June 30, 2016. Property taxes are the largest revenue source totaling \$698,831 of revenues or 15.9% of total revenues as compared to 17.8% for the year ended June 30, 2016.

Capital grants include \$535,377 in special purpose local option sales taxes (SPLOST) received from Candler County for capital projects and \$42,399 in transportation special purpose local option sales taxes discretionary funding (T-SPLOST). SPLOST and T-SPLOST revenue provided 13.1% of the City's total governmental revenues as compared to 13.9% for the year ended June 30, 2016.

Also, note that program revenues covered 51.0% for the year ended June 30, 2017, and 47.0% for the year ended June 30, 2016 of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues funded the remaining 49.0% for the year ended June 30, 2017, and 53.0% for the year ended June 30, 2016 of the governmental activities. As this documents, the general economy and the local businesses have a major impact on the City's revenue streams.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The public safety function comprises 47.0% of the City's total governmental activity expenses as compared to 44.8% for the year ended June 30, 2016. The public works function comprises 21.8% of the total governmental activity expenses as compared to 22.9% for the year ended June 30, 2016. Of the total \$4,416,741 of governmental activity expenses, depreciation is \$747,031 or 16.9% of that total.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

	Governmental Activities			
	June 30, 2017		June 30, 2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 929,590	\$ 827,105	\$ 886,734	\$ 787,860
Municipal court	8,967	8,967	10,295	10,295
Public safety	2,076,225	1,305,405	1,837,389	617,547
Public works	962,213	(296,922)	938,716	375,083
Health and welfare	60,721	13,750	53,742	7,742
Culture and recreation	150,703	129,853	147,017	147,017
Housing and development	226,115	175,360	225,405	225,405
Interest	2,207	2,207	3,608	3,608
Total	<u>\$4,416,741</u>	<u>\$2,165,725</u>	<u>\$4,102,906</u>	<u>\$2,174,557</u>

For the year ended June 30, 2017, all functions required a subsidy from general revenues except for public works.

**BUSINESS-TYPE ACTIVITIES**  
**Revenues vs. Expenses**

The City's sole enterprise fund is the water and sewer system fund. Overall, the change in net position was a decrease of \$37,983 as compared to an increase of \$139,722 for the year ended June 30, 2016.

**Financial Analysis of the City's Funds**

**Governmental Funds**

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,356,099, as compared to \$3,158,044 at June 30, 2016. Of this year-end total, \$944,052 was unassigned indicating availability for continuing City service requirements. \$1,578,281 in fund balance is restricted for capital projects, \$529,526 is restricted for the regional drug task force, and \$100,000 is restricted for the animal shelter.

The total ending fund balances of governmental funds show an increase for the year ended June 30, 2017 of \$198,055 or 6.3% compared to a decrease for the year ended June 30, 2016 of \$60,887, or 1.9%.

**Major Governmental Funds**

**General Fund** - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$26,625 or 2.2% as compared to a \$6,704 or 0.6% increase for the year ended June 30, 2016.

The General Fund's ending unassigned fund balance of \$944,052 is considered adequate, representing the equivalent of 27.4% of annual expenditures as compared to 29.7% at June 30, 2016.

**Regional Drug Task Force Fund** - During the year ended June 30, 2016, the City assumed the operations of the Southeastern Regional Drug Task Force. The Task Force combines Georgia Bureau of Investigation resources with local law enforcement assistance to provide drug enforcement services and investigations within the communities of the Southeastern Regional district. The City serves as headquarters for the Southeastern Regional office. The Task Force opened bank accounts under the City's name and received grant funding for which the City is listed as subgrantee on the award. The amount expended for the year ended June 30, 2017 on public safety totaled \$478,892. Revenue recognized in this fund totaled \$411,024 for the year ended June 30, 2017.

**Hotel/Motel Fund** - The City recognized \$72,919 in hotel/motel taxes, which was expended during the year ended June 30, 2017. This amount compares to a \$69,905 amount for the year ended June 30, 2016. These resources are paid to the City's Welcome Center. There is no fund balance at June 30, 2017.

**2005 SPLOST Fund** - The amount expended for the year ended June 30, 2017 on projects approved in this SPLOST referendum included the following:

- Water and Sewer system improvements and expansion (\$39,900)

**2011 SPLOST Fund** - The amount expended for the year ended June 30, 2017 on projects approved in this SPLOST referendum included the following:

- Street and drainage improvements (\$251,272)
- Water and Sewer system improvements (\$2,788)

The City recognized \$535,377 for its share of the Candler County SPLOST. This amount compares to \$504,697 recognized in the year ended June 30, 2016.

**T-SPLOST Fund** - The amount expended for the year ended June 30, 2017 on road projects totaled \$2,000. The City recognized \$42,440 in revenue in this fund for the year ended June 30, 2017.

**The Proprietary Fund**

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

**Budgetary Highlights - General Fund**

Overall, the City recognized revenues equal to 100.9% of budgeted revenues in the final appropriated budget. Overall, the City recognized expenditures equal to \$253,061 less than, or 6.8% under budgeted expenditures in the final appropriated budget.

On the revenue side of the budget, intergovernmental revenue came in \$90,065 higher than the amount budgeted. In total, General Fund revenues came in \$30,614 more than the budgeted amount.

On the expenditure side, the roadways and walkways budget was under spent by \$63,714 and fire was \$263,724 under spent.

Fund Balance decreased by \$26,625 more than the amount budgeted.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2017 was \$17,543,111 and \$6,033,162, respectively, for a total of \$23,576,278. This net investment decreased by 1.0% for governmental activities and decreased by 2.9% for business-type activities. The overall decrease was 1.5% for the City as a whole. See Note 7 for additional information about changes in capital assets. The following table provides a summary of capital asset activity.

	Capital Assets (Amounts in Thousands)					
	Governmental Activities		Business Activities		Total Activities	
	2017	2016	2017	2016	2017	2016
Non-depreciable assets:						
Land	\$ 604,003	\$ 604,003	\$ 492,280	\$ 492,280	\$ 1,096,283	\$ 1,096,283
Construction in progress	16,195	45,881	36,673	44,947	52,868	90,828
Total non-depreciable assets	620,198	649,884	528,953	537,227	1,149,151	1,187,111
Depreciable assets:						
Buildings	13,822,200	13,822,200	94,767	94,767	13,916,967	13,916,967
Land improvements	688,710	668,710	-	-	688,710	668,710
Water and sewer system	-	-	10,246,421	10,164,156	10,246,421	10,164,156
Machinery and equipment	2,769,957	2,648,401	963,760	963,760	3,733,717	3,612,161
Infrastructure	11,609,113	11,158,274	-	-	11,609,113	11,158,274
Total depreciable assets	28,889,980	28,297,585	11,304,948	11,222,683	40,194,928	39,520,268
Less accumulated depreciation	11,967,067	11,220,036	5,800,734	5,547,444	17,767,801	16,767,480
Book value - depreciable assets	16,922,913	17,077,549	5,504,214	5,675,239	22,427,127	22,752,788
Percentage depreciated	41%	40%	51%	49%	44%	42%
Total book value	\$ 17,543,111	\$ 17,727,433	\$ 6,033,167	\$ 6,212,466	\$ 23,576,278	\$ 23,939,899

At June 30, 2017, the depreciable capital assets for governmental activities were 41% depreciated, compared to 40% at June 30, 2016.

With the City's business type activities, 51% of the asset values were depreciated at June 30, 2017 and 49% at June 30, 2016.

**Long-term Debt**

At June 30, 2017, the City had capital leases and GEFA notes outstanding. During the year ended June 30, 2017, the City increased outstanding capital lease obligations by \$23,763 or 42.4%. The City's notes payable for business-type activities decreased by 8.7%. Total compensated absences payable increased 39.9% from the June 30, 2016 balance.

**Outstanding Debt**

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Capital leases	\$ 79,766	\$ 56,003	-	-	\$ 79,766	\$ 56,003
Notes payable	-	-	\$ 1,162,209	\$ 1,272,581	1,162,209	1,272,581
USDA loans	-	9,851	-	-	-	9,851
Compensated absences	84,674	59,029	17,274	13,867	101,948	72,896
Total	<u>\$ 164,440</u>	<u>\$ 124,883</u>	<u>\$ 1,179,483</u>	<u>\$ 1,286,448</u>	<u>\$ 1,343,923</u>	<u>\$ 1,411,331</u>

See Note 9 and 10 for additional information about the City's long-term debt.

**Economic Conditions Affecting the City**

The City is physically located in the eastern portion of the state of Georgia, approximately 175 miles southeast of the State capital, Atlanta, Georgia, and approximately 63 miles northwest of Savannah, the first planned city in the state. Metter is the county seat in Candler County, and its population makes up approximately 40% of the County's population. The County's land area is 247 square miles with 15.7 persons per square mile. The city of Metter is 7.39 square miles.

As of November 2017 Candler County's unemployment rate averaged 3.6% (Georgia Department of Labor), compared to the state's average of 4.3% (GDOL).

The City's population is 4,100 (U.S. Bureau of Census). Since the City relies primarily on property and sales taxes for its operating revenue, changes in the economy definitely affect these revenue streams. Since sales taxes are an "elastic revenue stream" in a sluggish economy, the sales tax revenues are reduced immediately. Property taxes are considered "inelastic" in the short-term; this revenue stream is more stable. Fortunately, for the City, because of its revenue stream makeup, it is able to survive financially in a slow economy.

**Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City Manager at City Hall at 49 South Rountree, Post Office Box 74, Metter, Georgia, 30439, or call (912) 685-2527.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 2,916,861	\$ 983,450	\$ 3,900,311	-
Certificates of deposit	233,969	64,557	298,526	-
Receivables:				
Taxes	121,558	-	121,558	-
Accounts	38,512	162,511	201,023	-
Intergovernmental	343,723	-	343,723	-
Other	14,824	-	14,824	-
Internal balances	63,405	(63,405)	-	-
Prepaid insurance	74,246	17,686	91,932	-
Total Current Assets	<u>3,807,098</u>	<u>1,164,799</u>	<u>4,971,897</u>	<u>-</u>
<b>Capital Assets:</b>				
Nondepreciable capital assets	620,198	528,953	1,149,151	-
Depreciable capital assets, net	16,922,913	5,504,214	22,427,127	-
Total Capital Assets	<u>17,543,111</u>	<u>6,033,167</u>	<u>23,576,278</u>	<u>-</u>
Total Assets	<u>21,350,209</u>	<u>7,197,966</u>	<u>28,548,175</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	195,598	611	196,209	-
Unearned revenue	26,080	-	26,080	-
Customer deposits	-	96,912	96,912	-
Compensated absences	16,935	3,455	20,390	-
Notes payable	-	104,763	104,763	-
Capital leases payable	28,347	-	28,347	-
Other	152,440	-	152,440	-
Total Current Liabilities	<u>419,400</u>	<u>205,741</u>	<u>625,141</u>	<u>-</u>
<b>Long-Term Liabilities:</b>				
Compensated absences	67,739	13,819	81,558	-
Notes payable (net of current portion)	-	1,057,446	1,057,446	-
Capital leases payable (net of current portion)	51,419	-	51,419	-
Total Long-Term Liabilities	<u>119,158</u>	<u>1,071,265</u>	<u>1,190,423</u>	<u>-</u>
Total Liabilities	<u>538,558</u>	<u>1,277,006</u>	<u>1,815,564</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	17,463,345	4,870,958	22,334,303	-
Restricted for:				
Capital projects	1,660,496	-	1,660,496	-
Program purposes	631,792	-	631,792	-
Unrestricted	1,056,018	1,050,002	2,106,020	-
Total Net Position	<u>\$ 20,811,651</u>	<u>\$ 5,920,960</u>	<u>\$ 26,732,611</u>	<u>-</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Program/Function	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
Governmental Activities:								
General government	\$ 929,590	\$ 88,268	\$ 14,217	-	\$ (827,105)	-	\$ (827,105)	-
Municipal court	8,967	-	-	-	(8,967)	-	(8,967)	-
Public safety	2,076,225	137,483	633,337	-	(1,305,405)	-	(1,305,405)	-
Public works	962,213	384,903	-	\$ 874,232	296,922	-	296,922	-
Health and welfare	60,721	-	46,971	-	(13,750)	-	(13,750)	-
Culture and recreation	150,703	-	20,850	-	(129,853)	-	(129,853)	-
Housing and development	226,115	50,755	-	-	(175,360)	-	(175,360)	-
Interest	2,207	-	-	-	(2,207)	-	(2,207)	-
<b>Total Governmental Activities</b>	<b>4,416,741</b>	<b>661,409</b>	<b>715,375</b>	<b>874,232</b>	<b>(2,165,725)</b>	<b>-</b>	<b>(2,165,725)</b>	<b>-</b>
Business-Type Activities:								
Water and sewer	1,089,564	1,048,303	-	-	-	\$ (41,261)	(41,261)	-
<b>Total Primary Government</b>	<b>\$ 5,506,305</b>	<b>1,709,712</b>	<b>\$ 715,375</b>	<b>\$ 874,232</b>	<b>(2,165,725)</b>	<b>(41,261)</b>	<b>(2,206,986)</b>	<b>-</b>
<b>Component Unit</b>								
Downtown Development Authority of Metter								
	-	-	-	-	-	-	-	-
<b>General Revenues</b>								
Property taxes levied for:								
General purposes					698,831	-	698,831	-
Sales taxes					655,839	-	655,839	-
Insurance premium tax					257,146	-	257,146	-
Franchise taxes					302,925	-	302,925	-
Hotel/motel taxes					72,919	-	72,919	-
Other taxes					140,595	-	140,595	-
Gain on sale of capital assets					700	-	700	-
Interest earned					2,114	590	2,704	-
Miscellaneous					17,135	-	17,135	-
<b>Total General Revenues</b>					<b>2,148,204</b>	<b>590</b>	<b>2,148,794</b>	<b>-</b>
Transfers					(2,688)	2,688	-	-
<b>Total General Revenues and Transfers</b>					<b>2,145,516</b>	<b>3,278</b>	<b>2,148,794</b>	<b>-</b>
<b>Change in Net Position</b>					<b>(20,209)</b>	<b>(37,983)</b>	<b>(58,192)</b>	<b>-</b>
<b>Net Position, July 1, 2016</b>					<b>20,831,860</b>	<b>5,958,943</b>	<b>26,790,803</b>	<b>-</b>
<b>Net Position, June 30, 2017</b>					<b>\$ 20,811,651</b>	<b>\$ 5,920,960</b>	<b>\$ 26,732,611</b>	<b>-</b>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	General	Regional Drug Task Force	2005 SPLOST	2011 SPLOST	T-SPLOST	Non-major fund - Hotel/Motel Tax	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 624,915	\$ 621,351	\$ 524,174	\$1,011,506	\$ 128,306	\$ 6,609	\$ 2,916,861
Certificates of deposit	233,969	-	-	-	-	-	233,969
Receivables:							
Taxes	115,321	-	-	-	-	6,237	121,558
Accounts	38,512	-	-	-	-	-	38,512
Intergovernmental	196,405	101,013	-	42,721	3,584	-	343,723
Other	14,824	-	-	-	-	-	14,824
Interfund	110,814	-	-	-	-	-	110,814
Prepaid insurance	71,980	2,266	-	-	-	-	74,246
<b>TOTAL ASSETS</b>	<b>\$ 1,406,740</b>	<b>\$ 724,630</b>	<b>\$ 524,174</b>	<b>\$1,054,227</b>	<b>\$ 131,890</b>	<b>\$ 12,846</b>	<b>\$ 3,854,507</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 134,752	\$ 47,880	-	120	-	\$ 12,846	\$ 195,598
Unearned revenue	16,953	9,127	-	-	-	-	26,080
Due to other funds	-	-	-	-	\$ 47,409	-	47,409
Other	16,609	135,831	-	-	-	-	152,440
Total liabilities	168,314	192,838	-	120	47,409	12,846	421,527
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	76,881	-	-	-	-	-	76,881
<b>FUND BALANCE</b>							
Nonspendable	71,980	2,266	-	-	-	-	74,246
Restricted	100,000	529,526	\$ 524,174	\$1,054,107	84,481	-	2,292,288
Assigned	45,513	-	-	-	-	-	45,513
Unassigned	944,052	-	-	-	-	-	944,052
Total fund balance	1,161,545	531,792	524,174	1,054,107	84,481	-	3,356,099
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,406,740</b>	<b>\$ 724,630</b>	<b>\$ 524,174</b>	<b>\$1,054,227</b>	<b>\$ 131,890</b>	<b>\$ 12,846</b>	<b>\$ 3,854,507</b>

See accompanying notes to the basic financial statements.



**CITY OF METTER, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

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

Total Governmental Fund Balances		\$ 3,356,099
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Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds:

	\$ 29,510,178	
Cost		
Less accumulated depreciation	(11,967,067)	17,543,111

Other long-term assets are not available to pay for current period  
expenditures and, therefore, are reported as unavailable in the funds:

Property taxes		76,881
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Long-term liabilities, including notes payable, capital leases and compensated  
absences are not due and payable in the current period and, therefore,  
are not reported in the funds but are reported on the statement of net  
position:

	\$ (79,766)	
Capital leases		
Compensated absences	(84,674)	(164,440)

<b>Net Position Of Governmental Activities</b>		<b><u><u>\$ 20,811,651</u></u></b>
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See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General	Regional Drug Task Force	2005 SPLOST	2011 SPLOST	T-SPLOST	Non-major fund - Hotel/Motel Tax	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 2,049,721	-	-	-	-	\$ 72,919	\$ 2,122,640
Licenses and permits	87,740	-	-	-	-	-	87,740
Charges for services	390,388	-	-	-	-	-	390,388
Intergovernmental	628,810	\$ 360,896	-	\$ 535,377	\$ 42,399	-	1,567,482
Fines and forfeitures	82,398	48,380	-	-	-	-	130,778
Interest	2,073	-	\$ 282	409	41	-	2,805
Miscellaneous	89,324	1,748	-	-	-	-	91,072
Total revenues	<u>3,330,454</u>	<u>411,024</u>	<u>282</u>	<u>535,786</u>	<u>42,440</u>	<u>72,919</u>	<u>4,392,905</u>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General government	627,959	-	-	-	-	-	627,959
Municipal court	8,967	-	-	-	-	-	8,967
Public safety	1,500,871	478,892	-	-	-	-	1,979,763
Public works	931,789	-	-	-	-	-	931,789
Health and welfare	58,579	-	-	-	-	-	58,579
Culture and recreation	128,123	-	-	-	-	-	128,123
Housing and development	153,196	-	-	-	-	72,919	226,115
<b>Capital outlay:</b>							
Public works	-	-	-	150,166	2,000	-	152,166
Culture and recreation	-	-	-	91,106	-	-	91,106
<b>Debt service:</b>							
Principal	34,138	-	-	-	-	-	34,138
Interest	2,207	-	-	-	-	-	2,207
Total expenditures	<u>3,445,829</u>	<u>478,892</u>	<u>-</u>	<u>241,272</u>	<u>2,000</u>	<u>72,919</u>	<u>4,240,912</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(115,375)</u>	<u>(67,868)</u>	<u>282</u>	<u>294,514</u>	<u>40,440</u>	<u>-</u>	<u>151,993</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from capital leases	48,050	-	-	-	-	-	48,050
Sale of capital assets	700	-	-	-	-	-	700
Transfers in (out)	40,000	-	(39,900)	(2,788)	-	-	(2,688)
Total other financing sources (uses)	<u>88,750</u>	<u>-</u>	<u>(39,900)</u>	<u>(2,788)</u>	<u>-</u>	<u>-</u>	<u>48,850</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(26,625)</u>	<u>(67,868)</u>	<u>(39,618)</u>	<u>291,726</u>	<u>40,440</u>	<u>-</u>	<u>198,055</u>
<b>FUND BALANCE, JULY 1, 2016</b>	<u>1,188,170</u>	<u>599,660</u>	<u>563,792</u>	<u>762,381</u>	<u>44,041</u>	<u>-</u>	<u>3,158,044</u>
<b>FUND BALANCE, JUNE 30, 2017</b>	<u>\$ 1,161,545</u>	<u>\$ 531,792</u>	<u>\$ 524,174</u>	<u>\$ 1,054,107</u>	<u>\$ 84,481</u>	<u>-</u>	<u>\$ 3,356,099</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Net Change In Fund Balance - Governmental Funds \$ 198,055

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

Governmental funds report capital outlays as expenditures and do not report donated capital assets. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays and donated capital assets differed from depreciation expense in the current period.

	Depreciation expense	\$ (747,031)	
	Capital outlays	<u>562,709</u>	(184,322)

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

	Property taxes:		
	Unavailable revenue at 6/30/17	76,881	
	Unavailable revenue at 6/30/16	<u>(71,266)</u>	5,615

Other financing sources for the inception of capital leases and proceeds from notes payable are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements. (48,050)

Repayment of capital lease and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 34,138

Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	Liability at 6/30/17	(84,674)	
	Liability at 6/30/16	<u>59,029</u>	<u>(25,645)</u>

**Change In Net Position of Governmental Activities \$ (20,209)**

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,128,095	\$ 2,049,721	\$ (78,374)
Licenses and permits	85,250	87,740	2,490
Charges for services	383,550	390,388	6,838
Intergovernmental	538,745	628,810	90,065
Fines and forfeitures	100,000	82,398	(17,602)
Interest	500	2,073	1,573
Miscellaneous	63,700	89,324	25,624
Total revenues	<u>3,299,840</u>	<u>3,330,454</u>	<u>30,614</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Governing body	61,086	83,094	(22,008)
Financial administration	467,294	495,084	(27,790)
General government buildings	55,257	49,781	5,476
Total general government	<u>583,637</u>	<u>627,959</u>	<u>(44,322)</u>
Municipal court	<u>9,950</u>	<u>8,967</u>	<u>983</u>
Public safety:			
Police	857,005	897,372	(40,367)
Fire	805,482	541,758	263,724
Animal control	61,654	61,741	(87)
Total public safety	<u>1,724,141</u>	<u>1,500,871</u>	<u>223,270</u>
Public works:			
Roadways and walkways	775,730	712,016	63,714
Sanitation	149,287	158,554	(9,267)
Maintenance and shop	59,261	61,219	(1,958)
Total public works	<u>984,278</u>	<u>931,789</u>	<u>52,489</u>
Health and welfare:			
Family connection	45,240	45,070	170
Community center	3,715	6,909	(3,194)
Public education	6,600	6,600	-
Total health and welfare	<u>55,555</u>	<u>58,579</u>	<u>(3,024)</u>
Culture and recreation:			
Recreation	84,000	84,000	-
Libraries	44,110	44,123	(13)
Total culture and recreation	<u>128,110</u>	<u>128,123</u>	<u>(13)</u>
Housing and development:			
Building inspections	2,884	918	1,966
Economic development	110,826	104,674	6,152
Tourism	13,578	9,432	4,146
Downtown development	20,775	19,519	1,256
Airport	18,528	18,653	(125)
Total housing and development	<u>\$ 166,591</u>	<u>\$ 153,196</u>	<u>\$ 13,395</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original and Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal	\$ 42,772	\$ 34,138	\$ 8,634
Interest	3,856	2,207	1,649
Total debt service	<u>46,628</u>	<u>36,345</u>	<u>10,283</u>
 Total expenditures	 <u>3,698,890</u>	 <u>3,445,829</u>	 <u>253,061</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(399,050)</u>	 <u>(115,375)</u>	 <u>283,675</u>
 OTHER FINANCING SOURCES (USES)			
Sale of capital assets	2,000	700	(1,300)
Proceeds from capital leases	397,050	48,050	(349,000)
Transfers in	-	40,000	40,000
Total other financing sources (uses)	<u>399,050</u>	<u>88,750</u>	<u>(310,300)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ -</u>	 <u>(26,625)</u>	 <u>\$ (26,625)</u>
 FUND BALANCE, JULY 1, 2016		 <u>1,188,170</u>	
 FUND BALANCE, JUNE 30, 2017		 <u>\$ 1,161,545</u>	

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - REGIONAL DRUG TASK FORCE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 453,370	\$ 360,896	\$ (92,474)
Fines and forfeitures	-	48,380	48,380
Other	-	1,748	1,748
Total revenues	<u>453,370</u>	<u>411,024</u>	<u>(42,346)</u>
<b>EXPENDITURES</b>			
Public Safety	<u>453,370</u>	<u>478,892</u>	<u>(25,522)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>(67,868)</u></u>	<u><u>\$ (67,868)</u></u>
FUND BALANCE, JULY 1, 2016		<u>599,660</u>	
FUND BALANCE, JUNE 30, 2017		<u><u>\$ 531,792</u></u>	

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - WATER AND SEWER SYSTEM FUND**  
**JUNE 30, 2017**

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 983,450
Certificates of deposit	64,557
Accounts receivable	162,511
Prepaid insurance	17,686
Total Current Assets	1,228,204

Capital Assets

Land	492,280
Construction in progress	36,673
Water and sewer system	10,246,421
Buildings	94,767
Machinery and equipment	963,760
Less accumulated depreciation	(5,800,734)
Total Capital Assets	6,033,167

Total Assets	7,261,371
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**LIABILITIES**

Current Liabilities

Accounts payable	611
Customer deposits	96,912
Compensated absences	3,455
Notes payable	104,763
Interfund payable	63,405
Total Current Liabilities	269,146

Long-Term Liabilities

Compensated absences (net of current portion)	13,819
Notes payable (net of current portion)	1,057,446
Total Long-Term Liabilities	1,071,265

Total Liabilities	1,340,411
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**NET POSITION**

Net investment in capital assets	4,870,958
Unrestricted	1,050,002
Total Net Position	\$ 5,920,960

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND - WATER AND SEWER SYSTEM FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>OPERATING REVENUES</b>	
Water and sewer sales	\$ 963,083
Penalties	26,554
Connection fees	36,168
Hay sales	8,550
Other	13,948
Total operating revenues	1,048,303
 <b>OPERATING EXPENSES</b>	
Salaries	323,261
Employee benefits	93,142
Professional and technical services	18,065
Purchased services	305,250
Materials and supplies	59,612
Depreciation	253,290
Total operating expenses	1,052,620
 <b>OPERATING LOSS</b>	 (4,317)
 <b>NON-OPERATING REVENUE (EXPENSE)</b>	
Interest income	590
Interest expense	(36,944)
Total non-operating revenue (expense)	(36,354)
 <b>LOSS BEFORE TRANSFERS</b>	 (40,671)
Transfers in	42,688
Transfers out	(40,000)
 <b>CHANGE IN NET POSITION</b>	 (37,983)
 <b>NET POSITION, JULY 1, 2016</b>	 5,958,943
 <b>NET POSITION, JUNE 30, 2017</b>	 \$ 5,920,960

See accompanying notes to the basic financial statements.



**CITY OF METTER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - WATER AND SEWER SYSTEM FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,048,510
Cash payments to employees for services	(412,996)
Cash payments for goods and services	(436,006)
Net cash provided by operating activities	199,508
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to general fund	(40,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(73,991)
Transfers from SPLOST funds	42,688
Interest paid	(36,944)
Principal paid on long-term debt	(110,372)
Net cash used by capital and related financing activities	(178,619)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Increase in certificates of deposit	(292)
Interest received	590
Net cash provided by investing activities	298
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(18,813)
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2016</b>	1,002,263
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2017</b>	\$ 983,450
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (4,317)
Adjustments:	
Depreciation	253,290
(Increase) decrease in operating assets:	
Accounts receivable	(4,921)
Prepaid items	3,107
Increase (decrease) in operating liabilities:	
Accounts payable	(13,085)
Compensated absences payable	3,407
Interfund payable	(43,101)
Customer deposits	5,128
Net cash provided by operating activities	\$ 199,508

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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The City of Metter (the “City”) was incorporated in 1903. The City operates under a Council/Manager form of government and provides the following services: public safety, streets, sanitation, recreation, and general administrative services. In addition, the City operates a water and sewer system.

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

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.

The most significant of the City’s accounting policies are described below.

**1-A. Reporting Entity**

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the City’s discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

The City’s only component unit is the Downtown Development Authority of Metter (the Authority). The primary purpose of the Authority is to promote industry and trade in the downtown area. The City provides its primary funding. There are no separate financial statements prepared for the Authority and there were no financial transactions for the Authority for the year ended June 30, 2017.

Candler County Industrial Development Authority, Candler County Recreation Commission, Metter-Candler County Airport Authority, and Metter Housing Authority are related organizations in that the City appoints all or some of the members of the authorities/commission but does not have financial responsibility for them.

**CITY OF METTER, GEORGIA**  
NOTES TO THE FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1-B. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, grants, and the City's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental funds are reported in separate columns.

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting** – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

**Governmental Funds** – Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City’s major governmental funds:

**General Fund** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund’s fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

**Regional Drug Task Force Fund** – This special revenue fund accounts for the activity of the Southeastern Regional Drug Task Force based in Metter.

**2005 SPLOST and 2011 SPLOST Fund** – These capital projects funds accounts for the special purpose local option sales tax received from Candler County to be used for various capital improvements.

**T-SPLOST Fund** – This fund accounts for the regional transportation special purpose local option sales tax proceeds received for transportation purposes within the City

**Proprietary Funds** – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City’s only enterprise fund is the water and sewer system fund which accounts for the water and sewer provided to the City’s constituents. The water and sewer system fund is reported as a major fund in the financial statements.

**1-C. Measurement Focus**

**Government-wide Financial Statements** – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses, including depreciation.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis in accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues – Non-exchange Transactions** – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1-E. Assets, Liabilities and Net Position**

**Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

**Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

**Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/to other funds". These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

**Consumable Inventories**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is nonspendable, as this amount is not available for general appropriation.

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by the proprietary fund are reported in the business-type activities column of the government-wide statement of net position and in the proprietary fund’s statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City’s infrastructure consists of street, bridges, and water and sewer lines. Infrastructure acquired after 1971 has been capitalized by the City. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expensed. Interest incurred during construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, right-of-ways, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Buildings and improvements	15-50 years	30 years
Land improvements	15-20 years	-
Machinery and equipment	5-15 years	5-10 years
Infrastructure	15-40 years	-
Water and sewer system	-	5-40 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments. The amounts capitalized are being amortized by the straight-line method over the estimated life of the asset. Amortization of these assets is included in depreciation expense.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary fund reports the total compensated liability at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*".

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

**Bond Premiums, Discounts and Issuance Costs**

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are amortized over the life of the bonds using the effective interest method and bond issuance costs are expensed in the current period.

At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

**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 does not have any deferred outflows of resources as of June 30, 2017.

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 City 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



**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City Council’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by resolution authorized the City Manager to assign fund balance.

***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

**Net Position** – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for water and sewer services. Operating expenses are necessary costs incurred to provide the water and sewer services and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through January 12, 2018, the date the financial statements were available for issue. No subsequent events requiring disclosure in the financial statements were noted.

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The City adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Manager may approve budget transfers within departments. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council. During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2017, expenditures exceeded appropriations for the following departments within the general fund:

Governing body	\$ 22,008
Financial administration	27,790
Police	40,367
Animal control	87
Sanitation	9,267
Maintenance and shop	1,958
Community center	3,194
Libraries	13
Airport	125

These over expenditures were funded primarily by under expenditures in other departments.

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by additional revenues over amounts budgeted and/or available fund balance.

	<u>Overexpenditures</u>
Regional drug task force	\$ 25,522
Hotel/Motel tax	8,919

**CITY OF METTER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3 – CASH DEPOSITS WITH BANKS**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk.

At June 30, 2017, the carrying amount of the City’s deposits (checking and certificates of deposit) was \$4,198,837 and the bank balance was \$4,322,502. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and \$3,322,502 was collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2017, consisted primarily of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The allowances for uncollectibles netted against receivables at June 30, 2017 consisted of \$21,132 and \$41,264 for the general fund and water and sewer system fund, respectively.

**NOTE 5 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20<sup>th</sup> of each year and are payable within sixty days. The County bills and collects property taxes for the City. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2017, property taxes were levied on November 29, 2016, and were due on March 10, 2017.

**NOTE 6 - INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	T-SPLOST Fund	\$ 47,409
	Water and Sewer System Fund	63,405
		<u>\$ 110,814</u>

Interfund balances at June 30, 2017 represent reimbursable expenditures and revenue reclassified to the General Fund. The City expects to repay all interfund balances within one year.

Interfund transfers for the year ended June 30, 2017 consisted of \$39,900 and \$2,788 in transfers to the water and sewer system fund from the 2005 SPLOST fund and 2011 SPLOST fund, respectively, for capital projects and \$40,000 in transfers to the general fund from the water and sewer system fund for payroll cost allocation.

**CITY OF METTER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 604,003	-	-	\$ 604,003
Construction in progress	45,881	\$ 2,000	\$ 31,686	16,195
Total capital assets not being depreciated	<u>649,884</u>	<u>2,000</u>	<u>31,686</u>	<u>620,198</u>
Other capital assets being depreciated:				
Buildings and improvements	13,822,200	-	-	13,822,200
Land improvements	668,710	30,000	10,000	688,710
Machinery and equipment	2,648,401	121,556	-	2,769,957
Infrastructure	11,158,274	450,839	-	11,609,113
Total capital assets being depreciated	<u>28,297,585</u>	<u>602,395</u>	<u>10,000</u>	<u>28,889,980</u>
Total capital assets	<u>28,947,469</u>	<u>604,395</u>	<u>41,686</u>	<u>29,510,178</u>
Accumulated depreciation:				
Buildings and improvements	1,467,976	335,480	-	1,803,456
Land improvements	565,845	11,078	-	576,923
Machinery and equipment	2,137,442	178,914	-	2,316,356
Infrastructure	7,048,773	221,559	-	7,270,332
Total accumulated depreciation	<u>11,220,036</u>	<u>747,031</u>	<u>-</u>	<u>11,967,067</u>
Governmental activities capital assets, net	<u>\$ 17,727,433</u>	<u>\$ (142,636)</u>	<u>\$ 41,686</u>	<u>\$ 17,543,111</u>

Governmental activities depreciation expense:

General government	\$ 297,875
Public safety	134,023
Public works	290,411
Health and welfare	2,142
Culture and recreation	<u>22,580</u>
Total governmental activities depreciation expense	<u>\$ 747,031</u>

**CITY OF METTER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL ASSETS (Continued)**

The following table presents the changes in capital assets for the City’s enterprise fund:

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 492,280	-	-	\$ 492,280
Construction in progress	44,947	\$ 498	\$ 8,772	36,673
Total capital assets not being depreciated	<u>537,227</u>	<u>498</u>	<u>8,772</u>	<u>528,953</u>
Other capital assets being depreciated:				
Water and sewer system	10,164,156	82,265	-	10,246,421
Buildings	94,767	-	-	94,767
Machinery and equipment	963,760	-	-	963,760
Total capital assets being depreciated	<u>11,222,683</u>	<u>82,265</u>	<u>-</u>	<u>11,304,948</u>
Total capital assets	<u>11,759,910</u>	<u>82,763</u>	<u>8,772</u>	<u>11,833,901</u>
Accumulated depreciation:				
Water and sewer system	4,597,647	229,200	-	4,826,847
Buildings	76,949	2,099	-	79,048
Machinery and equipment	872,848	21,991	-	894,839
Total accumulated depreciation	<u>5,547,444</u>	<u>253,290</u>	<u>-</u>	<u>5,800,734</u>
Business-type activities capital assets, net	<u>\$ 6,212,466</u>	<u>\$ (170,527)</u>	<u>\$ 8,772</u>	<u>\$ 6,033,167</u>

**NOTE 8 – FUND BALANCES – GOVERNMENTAL FUNDS**

As of June 30, 2017, fund balances are composed of the following:

	General Fund	Regional Drug Task Force	2005 SPLOST Fund	2011 SPLOST Fund	T-SPLOST Fund	Total Governmental Funds
Nonspendable:						
Prepaid insurance	\$ 71,980	\$ 2,266	-	-	-	\$ 74,246
Restricted:						
Capital projects	-	-	\$ 524,174	\$ 1,054,107	-	1,578,281
Drug task force	-	529,526	-	-	-	529,526
Road projects	-	-	-	-	\$ 84,481	84,481
Animal shelter	100,000	-	-	-	-	100,000
Total restricted	<u>100,000</u>	<u>529,526</u>	<u>524,174</u>	<u>1,054,107</u>	<u>84,481</u>	<u>2,292,288</u>
Assigned:						
Animal shelter	33,942	-	-	-	-	33,942
Fire department	11,571	-	-	-	-	11,571
Total assigned	<u>45,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,513</u>
Unassigned	944,052	-	-	-	-	944,052
Total fund balances	<u>\$ 1,161,545</u>	<u>\$ 531,792</u>	<u>\$ 524,174</u>	<u>\$ 1,054,107</u>	<u>\$ 84,481</u>	<u>\$ 3,356,099</u>

**CITY OF METTER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – LONG-TERM DEBT**

**Notes Payable** – The City has entered into notes payable with the Georgia Environmental Finance Authority (GEFA) with balances at June 30, 2017, as follows:

	<u>Business-Type Activities</u>
GEFA (99-L26WJ), payable in quarterly installments of \$19,472 including interest at 4.75% through June 1, 2021	\$ 282,151
GEFA (2013-L20WQ), payable in monthly installments of \$4,985 including interest at 2.40% through August 1, 2035	880,058
	<u>\$ 1,162,209</u>

Annual debt service requirements to amortize all notes payable outstanding at June 30, 2017 are as follows:

<u>Year</u>	<u>Business - Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 104,763	\$ 32,941	\$ 137,704
2019	108,886	28,817	137,703
2020	113,186	24,518	137,704
2021	117,601	20,171	137,772
2022	43,062	16,755	59,817
2023-2027	231,501	67,584	299,085
2028-2032	260,985	38,100	299,085
2033-2036	182,225	7,194	189,419
Total	<u>\$ 1,162,209</u>	<u>\$ 236,080</u>	<u>\$ 1,398,289</u>

**CITY OF METTER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – LONG-TERM DEBT (Continued)**

**Capital Leases – Georgia Municipal Association (GMA)** – The City has entered into lease agreements with GMA to purchase vehicles costing \$138,669 for governmental activities. Annual depreciation expense on these capital assets was \$26,133, and accumulated depreciation was \$73,468 at June 30, 2017.

The capital leases require annual payments including interest as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2018	\$ 28,347	\$ 2,712	\$ 31,059
2019	21,629	1,717	23,346
2020	9,599	1,016	10,615
2021	9,926	688	10,614
2022	10,265	350	10,615
Total	<u>\$ 79,766</u>	<u>\$ 6,483</u>	<u>\$ 86,249</u>

**NOTE 10 – CHANGES IN LONG-TERM DEBT**

	Outstanding 7/1/2016	Additions	Reductions	Outstanding 6/30/2017	Amounts Due in One Year
Governmental Activities					
Capital leases	\$ 56,003	\$ 48,050	\$ 24,287	\$ 79,766	\$ 28,347
USDA loan	9,851	-	9,851	-	-
Compensated absences	59,029	25,645	-	84,674	16,935
Total Governmental Activities	<u>\$ 124,883</u>	<u>\$ 73,695</u>	<u>\$ 34,138</u>	<u>\$ 164,440</u>	<u>\$ 45,282</u>
Business-Type Activities					
Notes payable	\$ 1,272,581	-	\$ 110,372	\$ 1,162,209	\$ 104,763
Compensated absences	13,867	\$ 3,407	-	17,274	3,455
Total Business-Type Activities	<u>\$ 1,286,448</u>	<u>\$ 3,407</u>	<u>\$ 110,372</u>	<u>\$ 1,179,483</u>	<u>\$ 108,218</u>

The capital lease obligations for governmental funds will be paid from the General Fund. The compensated absences liability for governmental funds will be paid from the General Fund and for business-type activities from the Water and Sewer System Fund. Principal and interest payments related to notes payable for the City's Water and Sewer System are financed from income derived from the operation of the Water and Sewer System.



**CITY OF METTER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 11 – EMPLOYEE RETIREMENT PLAN**

The City of Metter Retirement Plan is a defined contribution plan which was adopted by resolution of the City Council and was effective January 1, 1994 to provide retirement benefit to plan members. The plan is administered by the City of Metter. The 2016 calendar year covered payroll was \$1,555,264 and the total 2016 calendar year payroll was \$1,635,291. The plan is open to all full-time employees with more than one year of service.

Employees are 100% vested in the City contribution after five years of service. The contribution for the year ended June 30, 2017 to the City funded plan was \$80,419 which is 5.2% of the 2016 calendar year covered payroll. Employees do not contribute to this plan and the City does not have a required contribution. Contributions are established by the City Council on an annual basis.

**NOTE 12 – CONTINGENT LIABILITIES**

As of June 30, 2017, there was no pending litigation that would have a material effect on the financial statements.

**NOTE 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; workers' compensation claims; and natural disasters. The City carries commercial insurance to cover these risks. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for establishing the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2017. No provisions have been made in the financial statements for the year ended June 30, 2017 for any estimate of potential unpaid claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (the Fund). As a participant in the Fund, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the Fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

**CITY OF METTER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 14 – JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2017, the City paid \$4,130 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes representatives from each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission  
5405 Oak Street  
Eastman, Georgia 31023

**NOTE 15 – HOTEL/MOTEL LODGING TAX**

The City levies a 7% lodging tax. A summary of the transactions for the year ended June 30, 2017 follows:

Lodging tax receipts	\$	72,919
Expenditures		<u>(72,919)</u>
	\$	<u><u>-</u></u>

All expenditures were for promotion of tourism as required by OCGA 48-13-51.

**CITY OF METTER, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**

	JUNE 30, 2017	JUNE 30, 2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 624,915	\$ 693,980
Certificates of deposit	233,969	254,934
Receivables:		
Taxes	115,321	100,459
Accounts	38,512	37,475
Intergovernmental	196,405	81,517
Other	14,824	8,165
Interfund	110,814	153,915
Prepaid insurance	71,980	103,398
<b>TOTAL ASSETS</b>	<b>\$ 1,406,740</b>	<b>\$ 1,433,843</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 134,752	\$ 148,091
Unearned revenue	16,953	-
Other	16,609	26,316
Total liabilities	168,314	174,407
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	76,881	71,266
<b>FUND BALANCE</b>		
Nonspendable	71,980	103,398
Restricted	100,000	100,000
Assigned	45,513	67,605
Unassigned	944,052	917,167
Total fund balance	1,161,545	1,188,170
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,406,740</b>	<b>\$ 1,433,843</b>

**CITY OF METTER, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

	YEAR ENDED	
	JUNE 30, 2017	JUNE 30, 2016
<b>REVENUES</b>		
Taxes:		
Property	\$ 576,722	\$ 568,417
Motor vehicle	116,494	141,592
Sales	655,839	617,842
Franchise	302,925	286,384
Insurance premium	257,146	237,396
Alcoholic beverage	100,051	98,568
Other	40,544	39,657
Licenses and permits	87,740	85,462
Charges for services	390,388	390,901
Intergovernmental	628,810	280,008
Fines and forfeitures	82,398	133,451
Interest	2,073	1,674
Miscellaneous	89,324	192,614
Total revenues	<u>3,330,454</u>	<u>3,073,966</u>
<b>EXPENDITURES</b>		
Current:		
General government	627,959	597,957
Municipal court	8,967	10,295
Public safety	1,500,871	1,289,879
Public works	931,789	790,020
Health and welfare	58,579	51,600
Culture and recreation	128,123	127,680
Housing and development	153,196	155,500
Debt service		
Principal	34,138	62,471
Interest	2,207	3,608
Total expenditures	<u>3,445,829</u>	<u>3,089,010</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(115,375)</u>	<u>(15,044)</u>
<b>OTHER FINANCING SOURCES</b>		
Sale of capital assets	700	-
Proceeds from capital leases	48,050	21,748
Transfers in	40,000	-
Total other financing sources	<u>88,750</u>	<u>21,748</u>
<b>NET CHANGE IN FUND BALANCE</b>	(26,625)	6,704
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,188,170</u>	<u>1,181,466</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,161,545</u>	<u>\$ 1,188,170</u>

**CITY OF METTER, GEORGIA**  
**REGIONAL DRUG TASK FORCE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**

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ASSETS

	<u>JUNE 30,</u> <u>2017</u>	<u>JUNE 30,</u> <u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 621,351	\$ 618,117
Intergovernmental receivable	101,013	112,457
Prepaid insurance	<u>2,266</u>	<u>4,255</u>
 TOTAL ASSETS	 <u>\$ 724,630</u>	 <u>\$ 734,829</u>

LIABILITIES AND  
FUND BALANCE

LIABILITIES		
Accounts payable	\$ 47,880	\$ 79,392
Unearned revenue	9,127	7,599
Other	<u>135,831</u>	<u>48,178</u>
 TOTAL LIABILITIES	 <u>192,838</u>	 <u>135,169</u>
 FUND BALANCE		
Nonspendable	2,266	4,255
Restricted	<u>529,526</u>	<u>595,405</u>
Total fund balance	<u>531,792</u>	<u>599,660</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 724,630</u>	 <u>\$ 734,829</u>

**CITY OF METTER, GEORGIA**  
**REGIONAL DRUG TASK FORCE SPECIAL REVENUE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**

	YEAR ENDED	
	JUNE 30, 2017	JUNE 30, 2016
REVENUES		
Intergovernmental	\$ 360,896	\$ 347,778
Fines and forfeitures	48,380	15,144
Other	1,748	-
Total revenues	<u>411,024</u>	<u>362,922</u>
EXPENDITURES		
Public safety	<u>478,892</u>	<u>422,332</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(67,868)	(59,410)
SPECIAL ITEM		
Assumption of Southeastern Regional Drug Task Force by City	<u>-</u>	<u>659,070</u>
NET CHANGE IN FUND BALANCE	(67,868)	599,660
FUND BALANCE, BEGINNING OF YEAR	<u>599,660</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 531,792</u></u>	<u><u>\$ 599,660</u></u>

**CITY OF METTER, GEORGIA**  
**2005 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**

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A S S E T S

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and cash equivalents	\$ 524,174	\$ 563,792

L I A B I L I T I E S   A N D  
F U N D   B A L A N C E

FUND BALANCE - Restricted	524,174	\$ 563,792
TOTAL LIABILITIES AND FUND BALANCE	\$ 524,174	\$ 563,792

**CITY OF METTER, GEORGIA**  
**2005 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

	YEAR ENDED	
	JUNE 30, 2017	JUNE 30, 2016
REVENUES		
Interest	\$ 282	\$ 349
EXPENDITURES		
Capital outlay:		
Public safety	-	209,112
Public works	-	65,034
Total expenditures	-	274,146
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	282	(273,797)
OTHER FINANCING USES		
Transfers out	(39,900)	(19,434)
NET CHANGE IN FUND BALANCE	(39,618)	(293,231)
FUND BALANCE, BEGINNING OF YEAR	563,792	857,023
FUND BALANCE, END OF YEAR	\$ 524,174	\$ 563,792



**CITY OF METTER, GEORGIA**  
**2011 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**

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A S S E T S

	<u>JUNE 30,</u> <u>2017</u>	<u>JUNE 30,</u> <u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,011,506	\$ 757,872
Intergovernmental receivable	<u>42,721</u>	<u>125,652</u>
TOTAL ASSETS	<u>\$ 1,054,227</u>	<u>\$ 883,524</u>

LIABILITIES AND  
FUND BALANCE

LIABILITIES		
Accounts payable	120	121,143
FUND BALANCE - Restricted	<u>\$ 1,054,107</u>	<u>\$ 762,381</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,054,227</u>	<u>\$ 883,524</u>

**CITY OF METTER, GEORGIA**  
**2011 SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

	YEAR ENDED	
	JUNE 30, 2017	JUNE 30, 2016
REVENUES		
Intergovernmental	\$ 535,377	\$ 504,697
Interest	409	505
Total revenues	<u>535,786</u>	<u>505,202</u>
EXPENDITURES		
Capital outlay:		
Public safety	-	237,293
Public works	150,166	387,254
Culture and recreation	91,106	-
Total expenditures	<u>241,272</u>	<u>624,547</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	294,514	(119,345)
OTHER FINANCING USES		
Transfers out	<u>(2,788)</u>	<u>(209,678)</u>
NET CHANGE IN FUND BALANCE	291,726	(329,023)
FUND BALANCE, BEGINNING OF YEAR	<u>762,381</u>	<u>1,091,404</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,054,107</u>	<u>\$ 762,381</u>

**CITY OF METTER, GEORGIA**  
**T-SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**

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A S S E T S

	<u>JUNE 30,</u> <u>2017</u>	<u>JUNE 30,</u> <u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 128,306	\$ 87,934
Intergovernmental receivable	<u>3,584</u>	<u>3,516</u>
TOTAL ASSETS	<u>\$ 131,890</u>	<u>\$ 91,450</u>

LIABILITIES AND  
FUND BALANCE

LIABILITIES		
Due to other funds	\$ 47,409	\$ 47,409
FUND BALANCE - Restricted	<u>84,481</u>	<u>44,041</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 131,890</u>	<u>\$ 91,450</u>

**CITY OF METTER, GEORGIA**  
**T-SPLOST CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

	YEAR ENDED	
	JUNE 30, 2017	JUNE 30, 2016
REVENUES		
Intergovernmental	\$ 42,399	\$ 64,054
Interest	41	-
Total revenues	<u>42,440</u>	<u>64,054</u>
EXPENDITURES		
Capital outlay:		
Public works	<u>2,000</u>	<u>109,051</u>
EXCESS OF REVENUES OVER EXPENDITURES	40,440	(44,997)
FUND BALANCE, BEGINNING OF YEAR	<u>44,041</u>	<u>89,038</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 84,481</u></u>	<u><u>\$ 44,041</u></u>

**CITY OF METTER, GEORGIA**  
**HOTEL/MOTEL TAX FUND**  
**COMPARATIVE BALANCE SHEETS**

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A S S E T S

	<u>JUNE 30,</u> <u>2017</u>	<u>JUNE 30,</u> <u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 6,609	-
Taxes receivable	6,237	\$ 6,706
TOTAL ASSETS	<u>\$ 12,846</u>	<u>\$ 6,706</u>

L I A B I L I T I E S   A N D  
F U N D   B A L A N C E

LIABILITIES		
Accounts payable	\$ 12,846	\$ 6,706
FUND BALANCE - Restricted	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,846</u>	<u>\$ 6,706</u>

**CITY OF METTER, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
REVENUES				
Hotel/Motel tax	\$ 64,000	\$ 72,919	\$ 8,919	\$ 69,905
EXPENDITURES				
Current:				
Housing and development - Tourism	<u>64,000</u>	<u>72,919</u>	<u>(8,919)</u>	<u>69,905</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2016		<u>-</u>		
FUND BALANCE, JUNE 30, 2017		<u>\$ -</u>		

**CITY OF METTER, GEORGIA**  
**WATER AND SEWER SYSTEM FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**

	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 983,450	\$ 1,002,263
Certificates of deposit	64,557	64,265
Accounts receivable	162,511	157,590
Prepaid insurance	17,686	20,793
Total Current Assets	<u>1,228,204</u>	<u>1,244,911</u>
Capital Assets		
Land	492,280	492,280
Construction in progress	36,673	44,947
Water and sewer system	10,246,421	10,164,156
Buildings	94,767	94,767
Machinery and equipment	963,760	963,760
Less accumulated depreciation	<u>(5,800,734)</u>	<u>(5,547,444)</u>
Total Capital Assets	<u>6,033,167</u>	<u>6,212,466</u>
Total Assets	<u>7,261,371</u>	<u>7,457,377</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	611	13,696
Customer deposits	96,912	91,784
Compensated absences	3,455	2,773
Notes payable	104,763	110,346
Interfund payable	63,405	106,506
Total Current Liabilities	<u>269,146</u>	<u>325,105</u>
Long-Term Liabilities		
Compensated absences (net of current portion)	13,819	11,094
Notes payable (net of current portion)	<u>1,057,446</u>	<u>1,162,235</u>
Total Long-Term Liabilities	<u>1,071,265</u>	<u>1,173,329</u>
Total Liabilities	<u>1,340,411</u>	<u>1,498,434</u>
<b>NET POSITION</b>		
Net investment in capital assets	4,870,958	4,939,885
Unrestricted	<u>1,050,002</u>	<u>1,019,058</u>
Total Net Position	<u>\$ 5,920,960</u>	<u>\$ 5,958,943</u>

**CITY OF METTER, GEORGIA**  
**WATER AND SEWER SYSTEM FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**FUND NET POSITION**

	YEAR ENDED	
	JUNE 30, 2017	JUNE 30, 2016
<b>OPERATING REVENUES</b>		
Water and sewer sales	\$ 963,083	\$ 970,362
Penalties	26,554	26,792
Connection fees	36,168	36,115
Hay sales	8,550	7,600
Other	13,948	19,110
Total operating revenues	1,048,303	1,059,979
<b>OPERATING EXPENSES</b>		
Salaries	323,261	341,188
Employee benefits	93,142	103,000
Professional and technical services	18,065	19,010
Purchased services	305,250	336,881
Materials and supplies	59,612	62,618
Depreciation	253,290	256,389
Total operating expenses	1,052,620	1,119,086
<b>OPERATING LOSS</b>	<b>(4,317)</b>	<b>(59,107)</b>
<b>NON-OPERATING REVENUE ( EXPENSE)</b>		
Interest income	590	769
Gain on disposal of capital assets	-	11,000
Interest expense	(36,944)	(42,052)
Total non-operating revenue (expense)	(36,354)	(30,283)
<b>LOSS BEFORE TRANSFERS</b>	<b>(40,671)</b>	<b>(89,390)</b>
Transfers in	42,688	229,112
Transfers out	(40,000)	-
<b>CHANGE IN NET POSITION</b>	<b>(37,983)</b>	<b>139,722</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>5,958,943</b>	<b>5,819,221</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 5,920,960</b>	<b>\$ 5,958,943</b>



**CITY OF METTER, GEORGIA**  
**SCHEDULE OF PROJECTS PAID WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**2005 SPLOST**

	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Water system improvements	\$ 950,000	\$ 950,000	\$ 181,627	\$ 39,900	\$ 221,527	23%
Sewer system improvements	875,000	875,000	815,766	-	815,766	93%
Street and drainage improvements	630,000	630,000	619,337	-	619,337	98%
Public building projects	800,000	800,000	573,353	-	573,353	72%
Acquisition of new equipment	375,000	375,000	325,000	-	325,000	87%
<b>Totals</b>	<b>\$ 3,630,000</b>	<b>\$ 3,630,000</b>	<b>\$ 2,515,083</b>	<b>\$ 39,900</b>	<b>\$ 2,554,983</b>	<b>70%</b>

**2011 SPLOST**

	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Water and sewer system improvements	\$ 1,360,000	\$ 1,360,000	\$ 361,795	\$ 2,788	\$ 364,583	27%
Street improvements	600,000	600,000	286,476	251,272	537,748	90%
Drainage improvements	200,000	200,000	43,450	-	43,450	22%
Construction/improvements of public facilities	300,000	300,000	246,103	-	246,103	82%
Acquisition of vehicles and equipment	540,000	540,000	390,943	-	390,943	72%
Esthetic enhancements (City entrance signs)	100,000	103,510	103,510	(10,000)	93,510	90%
<b>Totals</b>	<b>\$ 3,100,000</b>	<b>\$ 3,103,510</b>	<b>1,432,277</b>	<b>\$ 244,060</b>	<b>\$ 1,676,337</b>	<b>54%</b>

# LANIER, DEAL & PROCTOR

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RICHARD N. DEAL II, CPA

## 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 Council  
City of Metter, Georgia

We have audited, in accordance with the 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 remaining fund information of City of Metter, Georgia, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise City of Metter, Georgia's basic financial statements, and have issued our report thereon dated January 12, 2018.

### Internal Control Over Financial Reporting

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

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

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

## **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lanier, Dahl & Proctor*

Statesboro, Georgia  
January 12, 2018