

CITY OF METTER, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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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 aggregate remaining fund information of the City of Metter, Georgia, as of and for the year ended June 30, 2019, 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 aggregate remaining fund information of the City of Metter, Georgia, as of June 30, 2019, 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 5–12 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 combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules 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 May 28, 2020, 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, Deal & Proctor

Statesboro, Georgia
May 28, 2020

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, 2019. 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 \$25,793,037 at June 30, 2019.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$21,921,350 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 \$2,134,755 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$1,736,931 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 \$2,772,427, compared to \$3,568,145 for the year ended June 30, 2018. This is a \$795,718 (or 22.3%) decrease.
- At June 30, 2019, unassigned fund balance for the General Fund was \$407,534, or 12.8% 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

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 and sanitation services.

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 proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass 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 and sanitation services.

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, 2019 was \$25,793,037, compared to the year ended June 30, 2018 figure of \$26,007,549. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Assets:						
Current assets	\$ 3,516,167	\$ 4,111,664	\$ 1,224,652	\$ 1,224,672	\$ 4,740,819	\$ 5,336,336
Capital assets	16,966,106	16,860,118	6,215,431	5,795,225	23,181,537	22,655,343
Total assets	20,482,273	20,971,782	7,440,083	7,019,897	27,922,356	27,991,679
Liabilities:						
Current liabilities	722,328	548,012	230,875	203,144	953,203	751,156
Long-term liabilities	324,241	274,777	851,875	958,197	1,176,116	1,232,974
Total liabilities	1,046,569	822,789	1,082,750	1,161,341	2,129,319	1,984,130
Net position:						
Net investment in capital assets	16,654,475	16,592,475	5,266,875	4,737,781	21,921,350	21,330,256
Restricted	2,134,755	2,690,784	-	-	2,134,755	2,690,784
Unrestricted	646,474	865,734	1,090,458	1,120,775	1,736,932	1,986,509
Total net position	\$19,435,704	\$20,148,993	\$ 6,357,333	\$5,858,556	\$25,793,037	\$26,007,549

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, 2019, the current ratio for governmental activities is 4.9 and 5.3 for business type activities. For the year ended June 30, 2018, the current ratio for governmental activities was 7.5, and for business type activities 6.0. For the City, overall, the current ratio for June 30, 2019 is 5.0, compared to 7.1 for the year ended June 30, 2018.

The City reported positive balances in net position for both governmental and business-type activities. Net position decreased by \$713,289 for governmental activities and increased by \$498,777 for business-type activities. The City's overall financial position decreased \$214,512 during the year ended June 30, 2019.

Note that 85.7% 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 82.8% 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. 85.0% of the City's total net position was included in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended June 30, 2019

City of Metter, Georgia

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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program:						
Charges for services	\$ 471,901	\$ 930,981	\$1,518,452	\$1,087,259	\$ 1,990,353	\$ 2,018,240
Operating grants	794,696	838,515	-	-	794,696	838,515
Capital grants and contributions	588,799	398,784	-	-	588,799	398,784
General:						
Taxes	2,531,538	2,298,826	-	-	2,531,538	2,298,826
Other	53,583	33,681	7,788	855	61,371	34,536
Total revenues	4,440,517	4,500,787	1,526,240	1,088,114	5,966,757	5,588,901
Program Expenses:						
General government	1,056,072	1,222,409	-	-	1,056,072	1,222,409
Municipal court	13,228	12,710	-	-	13,228	12,710
Public safety	2,494,808	2,292,482	-	-	2,494,808	2,292,482
Public works	815,903	1,060,312	-	-	815,903	1,060,312
Health and welfare	19,546	17,797	-	-	19,546	17,797
Culture and recreation	66,326	482,511	-	-	66,326	482,511
Housing and development	283,154	191,923	-	-	283,154	191,923
Interest	10,045	2,713	-	-	10,045	2,713
Water and sewer	-	-	1,057,592	1,031,106	1,057,592	1,031,106
Sanitation	-	-	364,595	-	364,595	-
Total expenses	4,759,082	5,282,857	1,422,187	1,031,106	6,181,269	6,313,963
Excess (deficiency)	(318,565)	(782,070)	104,053	57,008	(214,512)	(725,062)
Transfers	(394,724)	119,412	394,724	(119,412)	-	-
Change in net position	(713,289)	(662,658)	498,777	(62,404)	(214,512)	(725,062)
Beginning net position	20,148,993	20,811,651	5,858,556	5,920,960	26,007,549	26,732,611
Ending net position	\$19,435,704	\$20,148,993	\$6,357,333	\$5,858,556	\$25,793,037	\$26,007,549

GOVERNMENTAL REVENUES

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 57.0% of revenues, as compared to 51.1% for the year ended June 30, 2018. Sales taxes provided \$651,688 or 14.7% of the City's total governmental activities revenues, as compared to 13.4% for the year ended June 30, 2018. Property taxes are the largest revenue source totaling \$1,086,359 of revenues or 24.5% of total revenues as compared to 20.3% for the year ended June 30, 2018.

Capital grants include \$425,372 in special purpose local option sales taxes (SPLOST) received from Candler County for capital projects and \$94,535 in transportation special purpose local option sales taxes (T-SPLOST). SPLOST and T-SPLOST revenue provided 11.7% of the City's total governmental revenues as compared to 6.9% for the year ended June 30, 2018.

Also, note that program revenues covered 39.0% for the year ended June 30, 2019, and 41.0% for the year ended June 30, 2018 of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues funded the remaining 61.0% for the year ended June 30, 2019, and 59.0% for the year ended June 30, 2018 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 52.4% of the City's total governmental activity expenses as compared to 43.4% for the year ended June 30, 2018. The public works function comprises 17.1% of the total governmental activity expenses as compared to 20.1% for the year ended June 30, 2018. Of the total \$4,759,082 of governmental activity expenses, depreciation is \$752,545 or 15.8% 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, 2019		June 30, 2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 1,056,072	\$ 958,027	\$ 1,222,409	\$1,124,753
Municipal court	13,228	13,228	12,710	12,710
Public safety	2,494,808	1,421,935	2,292,482	1,025,577
Public works	815,903	224,538	1,060,312	275,983
Health and welfare	19,546	19,546	17,797	17,797
Culture and recreation	66,326	66,126	482,511	482,261
Housing and development	283,154	190,241	191,923	172,783
Interest	10,045	10,045	2,713	2,713
Total	\$ 4,759,082	\$ 2,903,686	\$ 5,282,857	\$3,114,577

For the year ended June 30, 2019, all functions required a subsidy from general revenues.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Expenses

The City's enterprise funds consist of the water and sewer system fund and sanitation fund. Overall, the change in net position was a increase of \$498,777 as compared to an decrease of \$62,404 for the year ended June 30, 2018.

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 \$2,772,427, as compared to \$3,568,145 at June 30, 2018. Of this year-end total, \$407,534 was unassigned indicating availability for continuing City service requirements. \$932,810 in fund balance is restricted for capital projects, \$829,784 is restricted for the regional drug task force, \$194,459 is restricted for road projects, \$100,000 is restricted for the animal shelter and \$49,122 is restricted for tourism.

The total ending fund balances of governmental funds show a decrease for the year ended June 30, 2019 of \$795,718 or 22.3% compared to a increase for the year ended June 30, 2018 of \$212,046, or 6.3%.

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 \$114,276 or 11.4% as compared to a \$154,943 or 13.3% decrease for the year ended June 30, 2018.

The General Fund's ending unassigned fund balance of \$407,534 is considered adequate, representing the equivalent of 12.8% of annual expenditures as compared to 21.6% at June 30, 2018.

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, 2019 on public safety totaled \$578,061. Revenue recognized in this fund totaled \$630,593 for the year ended June 30, 2019.

2005 SPLOST Fund – There were no amounts expended for the year ended June 30, 2019 on projects approved in this SPLOST referendum.

2011 SPLOST Fund – The amount expended for the year ended June 30, 2019 on projects approved in this SPLOST referendum included the following:

- Acquisition of new vehicles and equipment (\$172,084)
- Street and drainage improvements (\$4,700)
- Water and Sewer system improvements (\$413,944)
- Debt service expenditures (\$71,773)

2018 SPLOST Fund – The amount expended for the year ended June 30, 2019 on projects approved in this SPLOST referendum included the following:

- Acquisition of new vehicles and equipment (\$405,211)
- Economic development projects (\$14,020)
- Public utilities rehabilitation and expansion (\$40,000)

The City recognized \$425,372 for its share of the Candler County SPLOST. This amount compares to \$267,308 recognized in the year ended June 30, 2018.

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 105.6% of budgeted revenues in the final appropriated budget. Overall, the City recognized expenditures equal to \$149,262 less than, or 4.5% under budgeted expenditures in the final appropriated budget.

On the revenue side of the budget, tax revenue came in \$54,176 higher than the amount budgeted. In total, General Fund revenues came in \$163,540 more than the budgeted amount.

On the expenditure side, the roadways and walkways budget was over spent by \$28,234. Fire was \$61,776 under spent and financial administration was \$64,975 under spent.

Fund Balance decreased by \$348,218 less 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, 2019 was \$16,966,106 and \$6,215,431, respectively, for a total of \$23,181,537. This net investment increased by 0.6% for governmental activities and increased by 7.3% for business-type activities. The overall increase was 2.3% 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	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$ 525,603	\$ 525,603	\$ 492,280	\$ 492,280	\$ 1,017,883	\$ 1,017,883
Construction in progress	110,821	24,540	113,909	46,653	224,730	71,193
Total non-depreciable assets	636,424	550,143	606,189	538,933	1,242,613	1,089,076
Depreciable assets:						
Buildings	13,181,300	13,181,300	94,767	94,767	13,276,067	13,276,067
Land improvements	265,450	265,450	-	-	265,450	265,450
Water and sewer system	-	-	10,795,646	10,246,421	10,795,646	10,246,421
Machinery and equipment	3,512,882	3,239,652	1,173,671	963,760	4,686,553	4,203,412
Infrastructure	11,834,172	11,632,847	-	-	11,834,172	11,632,847
Total depreciable assets	28,793,804	28,319,249	12,064,084	11,304,948	40,857,888	39,624,197
Less accumulated depreciation	12,464,122	12,009,274	6,454,842	6,048,656	18,918,964	18,057,930
Book value - depreciable assets	16,329,682	16,309,975	5,609,242	5,256,292	21,938,924	21,566,267
Percentage depreciated	43%	42%	54%	54%	46%	46%
Total book value	<u>\$ 16,966,106</u>	<u>\$ 16,860,118</u>	<u>\$ 6,215,431</u>	<u>\$ 5,795,225</u>	<u>\$ 23,181,537</u>	<u>\$ 22,655,343</u>

At June 30, 2019, the depreciable capital assets for governmental activities were 43% depreciated, compared to 42% at June 30, 2018.

With the City's business type activities, 54% of the asset values were depreciated at June 30, 2019 and 54% at June 30, 2018.

Long-term Debt

At June 30, 2019, the City had capital leases and GEFA notes outstanding. During the year ended June 30, 2019, the City increased outstanding capital lease obligations by \$43,988 or 16.4%. The City's notes payable for business-type activities decreased by 10.3%. Total compensated absences payable increased 2.3% from the June 30, 2018 balance.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Capital Leases	\$ 311,631	\$ 267,643	-	-	\$ 311,631	\$ 267,643
Notes Payable	-	-	\$ 948,556	\$ 1,057,444	948,556	1,057,444
Compensated Absences	79,796	86,115	20,631	12,049	100,427	98,164
Total book value	<u>\$ 391,427</u>	<u>\$ 353,758</u>	<u>\$ 969,187</u>	<u>\$ 1,069,493</u>	<u>\$ 1,360,614</u>	<u>\$1,423,251</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 March 2020 Candler County's unemployment rate averaged 3.7% (Georgia Department of Labor), compared to the state's average of 4.5% (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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 2,632,091	\$ 1,063,357	\$ 3,695,448	-
Certificates of deposit	202,624	65,489	268,113	-
Receivables:				
Taxes	136,424	-	136,424	-
Accounts	-	150,642	150,642	-
Intergovernmental	245,247	-	245,247	-
Other	105,716	-	105,716	-
Internal balances	81,577	(81,577)	-	-
Prepaid items	112,488	26,741	139,229	-
Total Current Assets	<u>3,516,167</u>	<u>1,224,652</u>	<u>4,740,819</u>	<u>-</u>
Capital Assets:				
Nondepreciable capital assets	636,424	606,189	1,242,613	-
Depreciable capital assets, net	16,329,682	5,609,242	21,938,924	-
Total Capital Assets	<u>16,966,106</u>	<u>6,215,431</u>	<u>23,181,537</u>	<u>-</u>
Total Assets	<u>20,482,273</u>	<u>7,440,083</u>	<u>27,922,356</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	285,598	22,392	307,990	-
Unearned revenue	1,775	-	1,775	-
Customer deposits	-	91,171	91,171	-
Compensated absences	15,959	4,126	20,085	-
Notes payable	-	113,186	113,186	-
Capital leases payable	51,228	-	51,228	-
Other	367,768	-	367,768	-
Total Current Liabilities	<u>722,328</u>	<u>230,875</u>	<u>953,203</u>	<u>-</u>
Long-Term Liabilities:				
Compensated absences	63,838	16,505	80,343	-
Notes payable (net of current portion)	-	835,370	835,370	-
Capital leases payable (net of current portion)	260,403	-	260,403	-
Total Long-Term Liabilities	<u>324,241</u>	<u>851,875</u>	<u>1,176,116</u>	<u>-</u>
Total Liabilities	<u>1,046,569</u>	<u>1,082,750</u>	<u>2,129,319</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	16,654,475	5,266,875	21,921,350	-
Restricted for:				
Capital projects	1,127,268	-	1,127,268	-
Program purposes	1,007,487	-	1,007,487	-
Unrestricted	646,474	1,090,458	1,736,932	-
Total Net Position	<u>\$ 19,435,704</u>	<u>\$ 6,357,333</u>	<u>\$ 25,793,037</u>	<u>-</u>

See accompanying notes to the basic financial statements.

CITY OF METTER, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

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	
Primary Government								
Governmental Activities:								
General government	\$ 1,056,072	\$ 79,879	\$ 18,166	-	\$ (958,027)	-	\$ (958,027)	-
Judicial	13,228	-	-	-	(13,228)	-	(13,228)	-
Public safety	2,494,808	391,456	681,417	-	(1,421,935)	-	(1,421,935)	-
Public works	815,903	366	2,200	\$ 588,799	(224,538)	-	(224,538)	-
Health and welfare	19,546	-	-	-	(19,546)	-	(19,546)	-
Culture and recreation	66,326	200	-	-	(66,126)	-	(66,126)	-
Housing and development	283,154	-	92,913	-	(190,241)	-	(190,241)	-
Interest	10,045	-	-	-	(10,045)	-	(10,045)	-
Total Governmental Activities	4,759,082	471,901	794,696	588,799	(2,903,686)	-	(2,903,686)	-
Business-Type Activities:								
Water and sewer	1,057,592	1,131,279	-	-	-	\$ 73,687	73,687	-
Sanitation	364,595	387,173	-	-	-	22,578	22,578	-
Total Business-Type Activities	1,422,187	1,518,452	-	-	-	96,265	96,265	-
Total Primary Government	\$ 6,181,269	1,990,353	\$ 794,696	\$ 588,799	(2,903,686)	96,265	(2,807,421)	-
Component Unit								
Downtown Development Authority of Metter	-	-	-	-	-	-	-	-
General Revenues								
Property taxes levied for:								
General purposes					1,086,359	-	1,086,359	-
Sales taxes					651,688	-	651,688	-
Insurance premium tax					295,874	-	295,874	-
Franchise taxes					287,028	-	287,028	-
Hotel/motel taxes					67,404	-	67,404	-
Other taxes					143,185	-	143,185	-
Gain on sale of capital assets					9,152	7,200	16,352	-
Interest earned					3,318	588	3,906	-
Miscellaneous					41,113	-	41,113	-
Total General Revenues					2,585,121	7,788	2,592,909	-
Transfers					(394,724)	394,724	-	-
Total General Revenues and Transfers					2,190,397	402,512	2,592,909	-
Change in Net Position					(713,289)	498,777	(214,512)	-
Net Position, July 1, 2018					20,148,993	5,858,556	26,007,549	-
Net Position, June 30, 2019					\$ 19,435,704	\$ 6,357,333	\$ 25,793,037	-

See accompanying notes to the basic financial statements.

CITY OF METTER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Regional Drug Task Force	2005 SPLOST	2011 SPLOST	2018 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 551,754	\$ 1,182,185	\$ 89,458	\$ 411,528	\$ 326,561	\$ 70,605	\$ 2,632,091
Certificates of deposit	202,624	-	-	-	-	-	202,624
Receivables:							
Taxes	130,637	-	-	-	-	5,787	136,424
Intergovernmental	84,122	84,218	-	-	72,978	3,928	245,247
Other	-	-	-	-	105,716	-	105,716
Interfund	28,170	-	440,210	-	-	14,646	483,026
Prepaid items	83,908	2,643	-	-	-	25,937	112,488
TOTAL ASSETS	\$ 1,081,215	\$ 1,269,046	\$ 529,668	\$ 411,528	\$ 505,255	\$ 120,903	\$ 3,917,615
LIABILITIES							
Accounts payable	\$ 51,258	\$ 80,182	\$ 74,914	\$ 940	\$ 72,265	\$ 6,039	\$ 285,598
Unearned revenue	1,775	-	-	-	-	-	1,775
Due to other funds	35,927	-	-	-	365,522	-	401,449
Other	11,331	356,437	-	-	-	-	367,768
Total liabilities	100,291	436,619	74,914	940	437,787	6,039	1,056,590
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	88,598	-	-	-	-	-	88,598
FUND BALANCE							
Nonspendable	83,908	2,643	-	-	-	25,937	112,488
Restricted	254,654	829,784	\$ 454,754	410,588	67,468	88,927	2,106,175
Assigned	146,230	-	-	-	-	-	146,230
Unassigned	407,534	-	-	-	-	-	407,534
Total fund balance	892,326	832,427	454,754	410,588	67,468	114,864	2,772,427
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,081,215	\$ 1,269,046	\$ 529,668	\$ 411,528	\$ 505,255	\$ 120,903	\$ 3,917,615

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, 2019

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

Total Governmental Fund Balances \$ 2,772,427

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

	\$	29,430,228	
Cost			
Less accumulated depreciation		(12,464,122)	16,966,106

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

Property taxes			88,598
----------------	--	--	--------

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:

	\$	(311,631)	
Capital leases			
Compensated absences		(79,796)	(391,427)

Net Position Of Governmental Activities \$ 19,435,704

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, 2019

	General	Regional Drug Task Force	2005 SPLOST	2011 SPLOST	2018 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 2,450,024	-	-	-	-	\$ 67,404	\$ 2,517,428
Licenses and permits	75,000	-	-	-	-	-	75,000
Charges for services	24,554	-	-	-	-	-	24,554
Intergovernmental	325,343	\$ 374,438	-	-	\$ 425,372	221,998	1,347,151
Fines and forfeitures	116,118	256,155	-	-	-	-	372,273
Interest	3,317	-	\$ 224	\$ 374	745	63	4,723
Miscellaneous	66,909	-	-	-	-	9,218	76,127
Total revenues	<u>3,061,265</u>	<u>630,593</u>	<u>224</u>	<u>374</u>	<u>426,117</u>	<u>298,683</u>	<u>4,417,256</u>
EXPENDITURES							
Current:							
General government	759,266	-	-	-	-	-	759,266
Judicial	13,228	-	-	-	-	-	13,228
Public safety	1,700,780	578,061	-	-	510,927	-	2,789,768
Public works	555,692	-	-	-	-	-	555,692
Health and welfare	13,799	-	-	-	-	-	13,799
Culture and recreation	46,941	-	-	-	-	-	46,941
Housing and development	93,853	-	-	-	14,020	173,095	280,968
Capital outlay:							
General government	-	-	-	-	-	46,008	46,008
Public safety	-	-	-	159,124	-	27,725	186,849
Public works	-	-	-	17,660	-	224,754	242,414
Health and welfare	-	-	-	-	-	3,605	3,605
Debt service							
Principal	-	-	-	61,728	-	-	61,728
Interest	-	-	-	10,045	-	-	10,045
Total expenditures	<u>3,183,558</u>	<u>578,061</u>	<u>-</u>	<u>248,557</u>	<u>524,947</u>	<u>475,187</u>	<u>5,010,310</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(122,293)</u>	<u>52,532</u>	<u>224</u>	<u>(248,183)</u>	<u>(98,830)</u>	<u>(176,504)</u>	<u>(593,054)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from capital leases	-	-	-	-	105,716	-	105,716
Sale of capital assets	9,152	-	-	-	-	-	9,152
Transfers in	136,412	-	-	-	-	137,547	273,959
Transfers out	(137,547)	-	-	(413,944)	(40,000)	-	(591,491)
Total other financing sources (uses)	<u>8,017</u>	<u>-</u>	<u>-</u>	<u>(413,944)</u>	<u>65,716</u>	<u>137,547</u>	<u>(202,664)</u>
NET CHANGE IN FUND BALANCE	(114,276)	52,532	224	(662,127)	(33,114)	(38,957)	(795,718)
FUND BALANCE, JULY 1, 2018	<u>1,006,602</u>	<u>779,895</u>	<u>454,530</u>	<u>1,072,715</u>	<u>100,582</u>	<u>153,821</u>	<u>3,568,145</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 892,326</u>	<u>\$ 832,427</u>	<u>\$ 454,754</u>	<u>\$ 410,588</u>	<u>\$ 67,468</u>	<u>\$ 114,864</u>	<u>\$ 2,772,427</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, 2019

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

Net Change In Fund Balance - Governmental Funds \$ (795,718)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays differed from depreciation expense in the current period.

	Depreciation expense	\$ (752,545)	
	Capital outlays	<u>935,725</u>	183,180

Governmental funds do not report the transfer of capital assets from governmental activities to business-type activities but the transfer is recorded as an interfund transfer in the statement of activities. (77,192)

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 6/30/19	88,598	
	Unavailable revenue at 6/30/18	<u>(74,488)</u>	14,110

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. (105,716)

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. 61,728

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 6/30/19	(79,796)	
	Liability at 6/30/18	<u>86,115</u>	<u>6,319</u>

Change In Net Position of Governmental Activities \$ (713,289)

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 2,395,848	\$ 2,395,848	\$ 2,450,024	\$ 54,176
Licenses and permits	77,602	77,602	75,000	(2,602)
Charges for services	3,527	3,527	24,554	21,027
Intergovernmental	313,148	313,148	325,343	12,195
Fines and forfeitures	81,000	81,000	116,118	35,118
Interest	300	300	3,317	3,017
Miscellaneous	26,300	26,300	66,909	40,609
Total revenues	<u>2,897,725</u>	<u>2,897,725</u>	<u>3,061,265</u>	<u>163,540</u>
EXPENDITURES				
Current:				
General government:				
Governing body	104,070	104,070	95,813	8,257
Financial administration	666,711	666,711	601,736	64,975
General government buildings	57,521	57,521	61,718	(4,197)
Total general government	<u>828,302</u>	<u>828,302</u>	<u>759,266</u>	<u>69,036</u>
Judicial - Municipal court	<u>13,300</u>	<u>18,300</u>	<u>13,228</u>	<u>5,072</u>
Public safety:				
Police	1,059,267	1,092,003	1,062,415	29,588
Fire	597,861	597,861	536,085	61,776
Animal control	104,324	104,324	102,280	2,044
Total public safety	<u>1,761,452</u>	<u>1,794,188</u>	<u>1,700,780</u>	<u>93,408</u>
Public works:				
Roadways and walkways	457,818	457,818	486,052	(28,234)
Maintenance and shop	70,164	70,164	69,640	524
Total public works	<u>527,982</u>	<u>527,982</u>	<u>555,692</u>	<u>(27,710)</u>
Health and welfare:				
Community center	17,416	17,416	7,199	10,217
Public education	6,600	6,600	6,600	-
Total health and welfare	<u>24,016</u>	<u>24,016</u>	<u>13,799</u>	<u>10,217</u>
Culture and recreation - Libraries	<u>46,927</u>	<u>46,927</u>	<u>46,941</u>	<u>(14)</u>
Housing and development:				
Building inspections	2,517	2,517	2,037	480
Economic development	70,000	70,000	71,160	(1,160)
Tourism	10,793	10,793	10,860	(67)
Airport	9,795	9,795	9,795	-
Total housing and development	<u>93,105</u>	<u>93,105</u>	<u>93,853</u>	<u>(748)</u>
Total expenditures	<u>\$ 3,295,084</u>	<u>\$ 3,332,820</u>	<u>\$ 3,183,558</u>	<u>\$ 149,262</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(397,359)	(435,095)	(122,293)	312,802
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	9,152	9,152
Transfers in	136,142	136,142	136,412	270
Transfers out	(163,541)	(163,541)	(137,547)	25,994
Total other financing sources (uses)	(27,399)	(27,399)	8,017	35,416
NET CHANGE IN FUND BALANCE	<u>\$ (424,758)</u>	<u>\$ (462,494)</u>	(114,276)	<u>\$ 348,218</u>
FUND BALANCE, JULY 1, 2018			<u>1,006,602</u>	
FUND BALANCE, JUNE 30, 2019			<u>\$ 892,326</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, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 357,609	\$ 374,438	\$ 16,829
Fines and forfeitures	-	256,155	256,155
Total revenues	<u>357,609</u>	<u>630,593</u>	<u>272,984</u>
EXPENDITURES			
Public Safety	<u>357,609</u>	<u>578,061</u>	<u>(220,452)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>52,532</u>	<u>\$ 52,532</u>
FUND BALANCE, JULY 1, 2018		<u>779,895</u>	
FUND BALANCE, JUNE 30, 2019		<u><u>\$ 832,427</u></u>	

See accompanying notes to the basic financial statements.

CITY OF METTER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water and Sewer	Sanitation	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,038,489	\$ 24,868	\$ 1,063,357
Certificates of deposit	65,489	-	65,489
Accounts receivable	105,596	45,046	150,642
Interfund receivable	-	8,182	8,182
Prepaid insurance	17,322	9,419	26,741
Total Current Assets	<u>1,226,896</u>	<u>87,515</u>	<u>1,314,411</u>
Capital Assets			
Land	492,280	-	492,280
Construction in progress	87,093	26,816	113,909
Water and sewer system	10,795,646	-	10,795,646
Buildings	94,767	-	94,767
Machinery and equipment	942,592	231,079	1,173,671
Less accumulated depreciation	(6,274,489)	(180,353)	(6,454,842)
Total Capital Assets	<u>6,137,889</u>	<u>77,542</u>	<u>6,215,431</u>
Total Assets	<u>7,364,785</u>	<u>165,057</u>	<u>7,529,842</u>
LIABILITIES			
Current Liabilities			
Accounts payable	13,293	9,099	22,392
Customer deposits	91,171	-	91,171
Compensated absences	2,155	1,971	4,126
Notes payable	113,186	-	113,186
Interfund payable	48,860	40,899	89,759
Total Current Liabilities	<u>268,665</u>	<u>51,969</u>	<u>320,634</u>
Long-Term Liabilities			
Compensated absences (net of current portion)	8,621	7,884	16,505
Notes payable (net of current portion)	835,370	-	835,370
Total Long-Term Liabilities	<u>843,991</u>	<u>7,884</u>	<u>851,875</u>
Total Liabilities	<u>1,112,656</u>	<u>59,853</u>	<u>1,172,509</u>
NET POSITION			
Net investment in capital assets	5,189,333	77,542	5,266,875
Unrestricted	1,062,796	27,662	1,090,458
Total Net Position	<u>\$ 6,252,129</u>	<u>\$ 105,204</u>	<u>\$ 6,357,333</u>

See accompanying notes to the basic financial statements.

CITY OF METTER, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water and Sewer	Sanitation	Total
OPERATING REVENUES			
Charges for services	\$ 1,061,491	\$ 377,182	\$ 1,438,673
Penalties	29,877	9,845	39,722
Other	39,911	146	40,057
Total operating revenues	<u>1,131,279</u>	<u>387,173</u>	<u>1,518,452</u>
OPERATING EXPENSES			
Salaries	188,301	197,342	385,643
Employee benefits	72,295	54,798	127,093
Professional and technical services	19,622	-	19,622
Purchased services	329,178	72,829	402,007
Materials and supplies	83,522	13,160	96,682
Depreciation	246,999	26,466	273,465
Bad debts	88,860	-	88,860
Total operating expenses	<u>1,028,777</u>	<u>364,595</u>	<u>1,393,373</u>
OPERATING INCOME	<u>102,502</u>	<u>22,578</u>	<u>125,079</u>
NON-OPERATING REVENUE (EXPENSE)			
Interest income	554	34	588
Gain on sale of capital assets	1,800	5,400	7,200
Interest expense	(28,815)	-	(28,815)
Total non-operating revenue (expense)	<u>(26,461)</u>	<u>5,434</u>	<u>(21,027)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	76,041	28,012	104,052
Capital contributions	-	77,192	77,192
Transfers in	453,944	-	453,944
Transfers out	(136,412)	-	(136,412)
CHANGE IN NET POSITION	393,573	105,204	498,777
NET POSITION, JULY 1, 2018	<u>5,858,556</u>	<u>-</u>	<u>5,858,556</u>
NET POSITION, JUNE 30, 2019	<u>\$ 6,252,129</u>	<u>\$ 105,204</u>	<u>\$ 6,357,333</u>

See accompanying notes to the basic financial statements.

CITY OF METTER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water and Sewer	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,106,792	\$ 342,127	\$ 1,448,919
Cash payments to employees for services	(261,870)	(242,285)	(504,155)
Cash payments for goods and services	(447,793)	(53,592)	(501,385)
Net cash provided by operating activities	<u>397,130</u>	<u>46,250</u>	<u>443,380</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to general fund	<u>(136,412)</u>	-	<u>(136,412)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(589,665)	(26,816)	(616,481)
Transfers from SPLOST funds	453,944	-	453,944
Proceeds from sale of capital assets	1,800	5,400	7,200
Interest paid	(28,815)	-	(28,815)
Principal paid on long-term debt	(108,888)	-	(108,888)
Net cash used by capital and related financing activities	<u>(271,624)</u>	<u>(21,416)</u>	<u>(293,040)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in certificates of deposit	(309)	-	(309)
Interest received	554	34	588
Net cash provided by investing activities	<u>245</u>	<u>34</u>	<u>279</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,661)	24,868	14,207
CASH AND CASH EQUIVALENTS, JULY 1, 2018	<u>1,049,150</u>	<u>-</u>	<u>1,049,150</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2019	<u>\$ 1,038,489</u>	<u>\$ 24,868</u>	<u>\$ 1,063,357</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 102,502	\$ 22,578	\$ 125,080
Adjustments:			
Depreciation	246,999	26,466	273,465
(Increase) decrease in operating assets:			
Accounts receivable	64,439	(45,046)	19,393
Interfund receivable	-	(8,182)	(8,182)
Prepaid items	(5,120)	(9,419)	(14,539)
Increase (decrease) in operating liabilities:			
Accounts payable	12,683	9,099	21,782
Compensated absences payable	(1,273)	9,855	8,582
Interfund payable	(23,035)	40,899	17,864
Customer deposits	(66)	-	(66)
Net cash provided by operating activities	<u>\$ 397,130</u>	<u>\$ 46,250</u>	<u>\$ 443,380</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributions of capital assets	-	\$ 77,192	\$ 77,192

See accompanying notes to the basic financial statements.

CITY OF METTER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 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, 2019.

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

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

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, 2011 SPLOST Fund and 2018 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.

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 has two enterprise funds. The City accounts for its water and sewer operations in the water and sewer fund and solid waste collection and disposal in the sanitation fund.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, 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.

CITY OF METTER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2019.

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

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

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 and sanitation services. Operating expenses are necessary costs incurred to provide the water and sewer services and sanitation 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.

CITY OF METTER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2019, expenditures exceeded appropriations for the following departments within the general fund:

General government buildings	\$	4,197
Roadways and walkways		28,234
Libraries		14
Economic development		1,160
Tourism		67

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

Expenditures exceeded appropriations in the Regional drug task force special revenue fund by \$220,452 and these over expenditures were funded by additional revenues over amounts budgeted.

Expenditures exceeded appropriations for Tourism for the Hotel/Motel tax special revenue fund by \$19,182 and these over expenditures were funded by under expenditures for Economic Development.

CITY OF METTER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2019, the carrying amount of the City’s deposits (checking and certificates of deposit) was \$3,963,561 and the bank balance was \$4,122,709. Of the bank balance, \$995,886 was covered by federal depository insurance, and \$3,126,823 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, 2019, 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, 2019 consisted of \$12,225 for the general fund, \$17,796 for the sanitation fund and \$133,037 for the water and sewer system fund.

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 20th 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, 2019, property taxes were levied on October 5, 2018, and were due on December 20, 2018.

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sanitation Fund	\$ 14,082
	Water and Sewer System Fund	13,862
	2018 SPLOST Fund	226
Hotel Motel Fund	General Fund	14,646
Sanitation Fund	Water and Sewer System Fund	8,182
2005 SPLOST Fund	General Fund	21,281
	Sanitation Fund	26,817
	Water and Sewer System Fund	26,816
	2018 SPLOST Fund	365,296
		<u>\$ 491,208</u>

Interfund balances at June 30, 2019 represent charges for services or reimbursable expenses. The City expects to repay all interfund balances within one year.

CITY OF METTER, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund transfers for the year ended June 30, 2019 consisted of \$413,944 in transfers to the water and sewer system fund from the 2011 SPLOST fund for capital projects, \$40,000 in transfers to the water and sewer system fund from the 2018 SPLOST fund for capital projects, \$25,884 in transfers to the capital improvements program fund from the general fund for capital projects, \$111,663 in transfers to the hotel/motel tax fund from the general fund for operations and \$136,412 in transfers to the general fund from the water and sewer system fund for indirect cost allocation.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 525,603	-	-	\$ 525,603
Construction in progress	24,540	\$ 91,126	\$ 4,845	110,821
Total capital assets not being depreciated	<u>550,143</u>	<u>91,126</u>	<u>4,845</u>	<u>636,424</u>
Other capital assets being depreciated:				
Buildings and improvements	13,181,300	-	-	13,181,300
Land improvements	265,450	-	-	265,450
Machinery and equipment	3,239,652	648,119	374,889	3,512,882
Infrastructure	11,632,847	201,325	-	11,834,172
Total capital assets being depreciated	<u>28,319,249</u>	<u>849,444</u>	<u>374,889</u>	<u>28,793,804</u>
Total capital assets	<u>28,869,392</u>	<u>940,570</u>	<u>379,734</u>	<u>29,430,228</u>
Accumulated depreciation:				
Buildings and improvements	1,890,246	322,626	-	2,212,872
Land improvements	149,144	13,190	-	162,334
Machinery and equipment	2,455,154	171,189	297,697	2,328,646
Infrastructure	7,514,730	245,540	-	7,760,270
Total accumulated depreciation	<u>12,009,274</u>	<u>752,545</u>	<u>297,697</u>	<u>12,464,122</u>
Governmental activities capital assets, net	<u>\$ 16,860,118</u>	<u>\$ 188,025</u>	<u>\$ 82,037</u>	<u>\$ 16,966,106</u>

Governmental activities depreciation expense:

General government	\$ 307,199
Public safety	148,088
Public works	275,731
Health and welfare	2,142
Culture and recreation	<u>19,385</u>
Total governmental activities depreciation expense	<u>\$ 752,545</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 funds:

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 492,280	-	-	\$ 492,280
Construction in progress	46,653	\$ 99,883	\$ 32,627	113,909
Total capital assets not being depreciated	<u>538,933</u>	<u>99,883</u>	<u>32,627</u>	<u>606,189</u>
Other capital assets being depreciated:				
Water and sewer system	10,246,421	549,225	-	10,795,646
Buildings	94,767	-	-	94,767
Machinery and equipment	963,760	261,279	51,368	1,173,671
Total capital assets being depreciated	<u>11,304,948</u>	<u>810,504</u>	<u>51,368</u>	<u>12,064,084</u>
Total capital assets	<u>11,843,881</u>	<u>910,387</u>	<u>83,995</u>	<u>12,670,273</u>
Accumulated depreciation:				
Water and sewer system	5,054,399	227,070	-	5,281,469
Buildings	81,147	2,099	-	83,246
Machinery and equipment	913,110	228,385	51,368	1,090,127
Total accumulated depreciation	<u>6,048,656</u>	<u>457,554</u>	<u>51,368</u>	<u>6,454,842</u>
Business-type activities capital assets, net	<u>\$ 5,795,225</u>	<u>\$ 452,833</u>	<u>\$ 32,627</u>	<u>\$ 6,215,431</u>

NOTE 8 – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2019, fund balances are composed of the following:

	General Fund	Regional Drug Task Force	2005 SPLOST Fund	2011 SPLOST Fund	2018 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ 83,908	\$ 2,643	-	-	-	\$ 25,937	\$ 112,488
Restricted:							
Capital projects	-	-	\$ 454,754	\$ 410,588	\$ 67,468	-	932,810
Drug task force	-	829,784	-	-	-	-	829,784
Road projects	125,521	-	-	-	-	68,938	194,459
Animal shelter	100,000	-	-	-	-	-	100,000
Tourism	29,133	-	-	-	-	19,989	49,122
Total restricted	<u>254,654</u>	<u>829,784</u>	<u>454,754</u>	<u>410,588</u>	<u>67,468</u>	<u>88,927</u>	<u>2,106,175</u>
Assigned:							
Fire department	11,745	-	-	-	-	-	11,745
Subsequent year's budget	134,485	-	-	-	-	-	134,485
Total assigned	<u>146,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,230</u>
Unassigned	407,534	-	-	-	-	-	407,534
Total fund balances	<u>\$ 892,326</u>	<u>\$ 832,427</u>	<u>\$ 454,754</u>	<u>\$ 410,588</u>	<u>\$ 67,468</u>	<u>\$ 114,864</u>	<u>\$ 2,772,427</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, 2019, 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	\$ 147,695
GEFA (2013-L20WQ), payable in monthly installments of \$4,985 including interest at 2.40% through August 1, 2035	800,861
	<u>\$ 948,556</u>

Annual debt service requirements to amortize all notes payable outstanding at June 30, 2019 are as follows:

Year	<u>Business - Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 113,186	\$ 24,517	137,703
2021	117,600	20,172	137,772
2022	43,062	16,755	59,817
2023	44,107	15,710	59,817
2024	45,177	14,640	59,817
2025-2029	242,872	56,213	299,085
2030-2034	273,805	25,280	299,085
2035-2036	68,747	1,036	69,783
Total	<u>\$ 948,556</u>	<u>\$ 174,323</u>	<u>\$ 1,122,879</u>

CITY OF METTER, GEORGIA
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LONG-TERM DEBT (Continued)

Capital Leases – The City has entered into lease agreements to purchase vehicles costing \$369,930 for governmental activities. Annual depreciation expense on these capital assets was \$54,616, and accumulated depreciation was \$73,033 at June 30, 2019.

The capital leases require annual payments including interest as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2020	\$ 51,228	\$ 7,603	\$ 58,831
2021	72,697	9,767	82,464
2022	75,432	7,063	82,495
2023	67,591	4,258	71,849
2024	21,922	1,711	23,633
2025	22,761	872	23,633
Total	<u>\$ 311,631</u>	<u>\$ 31,274</u>	<u>\$ 342,905</u>

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Outstanding 7/1/2018	Additions	Reductions	Outstanding 6/30/2019	Amounts Due in One Year
Governmental Activities					
Capital leases	\$ 267,643	\$ 105,716	\$ 61,728	\$ 311,631	\$ 51,228
Compensated absences	86,115	-	6,319	79,796	15,959
Total Governmental Activities	<u>\$ 353,758</u>	<u>\$ 105,716</u>	<u>\$ 68,047</u>	<u>\$ 391,427</u>	<u>\$ 67,187</u>
Business-Type Activities					
Notes payable	\$ 1,057,444	-	\$ 108,888	\$ 948,556	\$ 113,186
Compensated absences	12,049	8,582	-	20,631	4,126
Total Business-Type Activities	<u>\$ 1,069,493</u>	<u>\$ 8,582</u>	<u>\$ 108,888</u>	<u>\$ 969,187</u>	<u>\$ 117,312</u>

The capital lease obligations for governmental funds will be paid from the SPLOST Funds. 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 and Sanitation 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

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 2018 calendar year covered payroll was \$1,734,196 and the total 2018 calendar year payroll was \$1,879,809. 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, 2019 to the City funded plan was \$91,203 which is 5.26% of the 2018 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, 2019, 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, 2019. No provisions have been made in the financial statements for the year ended June 30, 2019 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

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, 2019, 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, 2019 follows:

Lodging tax receipts	\$ 67,404
Expenditures	<u>(67,404)</u>
	<u><u>\$ -</u></u>

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

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 28, 2020, the date the financial statements were available for issue. No subsequent events requiring disclosure in the financial statements were noted.

CITY OF METTER, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2019	JUNE 30, 2018
ASSETS		
Cash and cash equivalents	\$ 551,754	\$ 810,133
Certificates of deposit	202,624	201,622
Receivables:		
Taxes	130,637	110,248
Accounts	-	43,159
Intergovernmental	84,122	128,992
Interfund	28,170	107,263
Prepaid items	83,908	77,866
TOTAL ASSETS	\$ 1,081,215	\$ 1,479,283
LIABILITIES		
Accounts payable	\$ 51,258	\$ 312,567
Unearned revenue	1,775	2,025
Due to other funds	35,927	64,239
Other	11,331	19,362
Total liabilities	100,291	398,193
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	88,598	74,488
FUND BALANCE		
Nonspendable	83,908	77,866
Restricted	254,654	829,784
Assigned	146,230	-
Unassigned	407,534	98,952
Total fund balance	892,326	1,006,602
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,081,215	\$ 1,479,283

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

	YEAR ENDED	
	JUNE 30, 2019	JUNE 30, 2018
REVENUES		
Taxes:		
Property	\$ 931,430	\$ 759,805
Motor vehicle	140,819	155,708
Sales	651,688	603,636
Franchise	287,028	301,058
Insurance premium	295,874	274,456
Alcoholic beverage	102,314	102,509
Other	40,871	37,928
Licenses and permits	75,000	77,752
Charges for services	24,554	401,401
Intergovernmental	325,343	388,406
Fines and forfeitures	116,118	95,986
Interest	3,317	4,062
Miscellaneous	66,909	45,604
Total revenues	<u>3,061,265</u>	<u>3,248,311</u>
EXPENDITURES		
Current:		
General government	759,266	917,043
Judicial	13,228	12,710
Public safety	1,700,780	1,518,933
Public works	555,692	752,840
Health and welfare	13,799	15,655
Culture and recreation	46,941	130,453
Housing and development	93,853	80,371
Total expenditures	<u>3,183,558</u>	<u>3,428,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(122,293)</u>	<u>(179,694)</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	9,152	1,001
Transfers in	136,412	127,092
Transfers out	(137,547)	(103,342)
Total other financing sources (uses)	<u>8,017</u>	<u>24,751</u>
NET CHANGE IN FUND BALANCE	(114,276)	(154,943)
FUND BALANCE, BEGINNING OF YEAR	<u>1,006,602</u>	<u>1,161,545</u>
FUND BALANCE, END OF YEAR	<u>\$ 892,326</u>	<u>\$ 1,006,602</u>

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

A S S E T S

	<u>JUNE 30,</u> <u>2019</u>	<u>JUNE 30,</u> <u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,182,185	\$ 815,301
Intergovernmental receivable	84,218	97,199
Prepaid insurance	<u>2,643</u>	<u>2,472</u>
 TOTAL ASSETS	 <u>\$ 1,269,046</u>	 <u>\$ 914,972</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	\$ 80,182	\$ 66,548
Unearned revenue	-	4,167
Other	<u>356,437</u>	<u>64,362</u>
 TOTAL LIABILITIES	 <u>436,619</u>	 <u>135,077</u>
 FUND BALANCE		
Nonspendable	2,643	2,472
Restricted	<u>829,784</u>	<u>777,423</u>
Total fund balance	<u>832,427</u>	<u>779,895</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,269,046</u>	 <u>\$ 914,972</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, 2019	JUNE 30, 2018
REVENUES		
Intergovernmental	\$ 374,438	\$ 436,917
Fines and forfeitures	256,155	336,722
Total revenues	<u>630,593</u>	<u>773,639</u>
EXPENDITURES		
Public safety	<u>578,061</u>	<u>525,536</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	52,532	248,103
FUND BALANCE, BEGINNING OF YEAR	<u>779,895</u>	<u>531,792</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 832,427</u></u>	<u><u>\$ 779,895</u></u>

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

A S S E T S

	JUNE 30, 2019	JUNE 30, 2018
ASSETS		
Cash and cash equivalents	\$ 89,458	\$ 454,530
Interfund receivable	440,210	-
	\$ 529,668	\$ 454,530

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	\$ 74,914	-
FUND BALANCE - Restricted	454,754	\$ 454,530
TOTAL LIABILITIES AND FUND BALANCE	\$ 529,668	\$ 454,530

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

	YEAR ENDED	
	JUNE 30, 2019	JUNE 30, 2018
REVENUES		
Interest	\$ 224	\$ 264
EXPENDITURES		
Capital outlay:		
Public safety	-	69,908
NET CHANGE IN FUND BALANCE	224	(69,644)
FUND BALANCE, BEGINNING OF YEAR	454,530	524,174
FUND BALANCE, END OF YEAR	\$ 454,754	\$ 454,530

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

	JUNE 30, 2019	JUNE 30, 2018
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 411,528	\$ 816,043
Receivables:		
Lease	-	216,223
Interfund	-	40,449
	\$ 411,528	\$ 1,072,715
TOTAL ASSETS	\$ 411,528	\$ 1,072,715

LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 940	-
FUND BALANCE - Restricted	410,588	\$ 1,072,715
TOTAL LIABILITIES AND FUND BALANCE	\$ 411,528	\$ 1,072,715

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

	YEAR ENDED	
	JUNE 30, 2019	JUNE 30, 2018
REVENUES		
Intergovernmental	-	\$ 166,733
Interest	\$ 374	545
Total revenues	<u>374</u>	<u>167,278</u>
EXPENDITURES		
Capital outlay:		
General government	-	1,113
Public safety	159,124	312,120
Public works	17,660	12,921
Debt service:		
Principal	61,728	28,346
Interest	10,045	2,713
Total expenditures	<u>248,557</u>	<u>357,213</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(248,183)</u>	<u>(189,935)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from capital leases	-	216,223
Transfers out	(413,944)	(7,680)
Total other financing sources (uses)	<u>(413,944)</u>	<u>208,543</u>
NET CHANGE IN FUND BALANCE	(662,127)	18,608
FUND BALANCE, BEGINNING OF YEAR	<u>1,072,715</u>	<u>1,054,107</u>
FUND BALANCE, END OF YEAR	<u>\$ 410,588</u>	<u>\$ 1,072,715</u>

CITY OF METTER, GEORGIA
2018 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

A S S E T S

	JUNE 30, 2019	JUNE 30, 2018
ASSETS		
Cash and cash equivalents	\$ 326,561	\$ 72,451
Receivables:		
Intergovernmental	72,978	68,580
Lease	105,716	-
	\$ 505,255	\$ 141,031
TOTAL ASSETS	\$ 505,255	\$ 141,031

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	\$ 72,265	-
Due to other funds	365,522	\$ 40,449
	437,787	40,449
TOTAL LIABILITIES	437,787	40,449
FUND BALANCE - Restricted	67,468	100,582
	\$ 505,255	\$ 141,031
TOTAL LIABILITIES AND FUND BALANCE	\$ 505,255	\$ 141,031

CITY OF METTER, GEORGIA
2018 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	YEAR ENDED	
	JUNE 30, 2019	JUNE 30, 2018
REVENUES		
Intergovernmental	\$ 425,372	\$ 100,575
Interest	745	7
Total revenues	<u>426,117</u>	<u>100,582</u>
EXPENDITURES		
Capital outlay:		
Public safety	510,927	-
Housing and development	14,020	-
Total expenditures	<u>524,947</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(98,830)</u>	<u>100,582</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from capital leases	105,716	-
Transfers out	(40,000)	-
Total other financing sources (uses)	<u>65,716</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(33,114)	100,582
FUND BALANCE, BEGINNING OF YEAR	<u>100,582</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 67,468</u>	<u>\$ 100,582</u>

CITY OF METTER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Nonmajor Capital Projects Funds	Hotel/Motel Tax Special Revenue Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 68,010	\$ 2,595	\$ 70,605
Receivables:			
Taxes	-	5,787	5,787
Intergovernmental	3,928	-	3,928
Interfund	-	14,646	14,646
Prepaid items	-	25,937	25,937
TOTAL ASSETS	\$ 71,938	\$ 48,965	\$ 120,903
LIABILITIES			
Accounts payable	\$ 3,000	\$ 3,039	\$ 6,039
Total liabilities	<u>3,000</u>	<u>3,039</u>	<u>6,039</u>
FUND BALANCE			
Nonspendable	-	25,937	25,937
Restricted	68,938	19,989	88,927
Total fund balance	<u>68,938</u>	<u>45,926</u>	<u>114,864</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 71,938	\$ 48,965	\$ 120,903

CITY OF METTER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Capital Projects Funds	Hotel/Motel Tax Special Revenue Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	-	\$ 67,404	\$ 67,404
Intergovernmental	\$ 162,022	59,976	221,998
Interest	62	1	63
Miscellaneous	-	9,218	9,218
Total revenues	<u>162,084</u>	<u>136,599</u>	<u>298,683</u>
EXPENDITURES			
Current:			
Housing and development	-	173,095	173,095
Capital outlay:			
General government	46,008	-	46,008
Public safety	27,725	-	27,725
Public works	224,754	-	224,754
Health and welfare	3,605	-	3,605
Total expenditures	<u>302,092</u>	<u>173,095</u>	<u>475,187</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(140,008)</u>	<u>(36,496)</u>	<u>(176,504)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	25,884	111,663	137,547
Total other financing sources (uses)	<u>25,884</u>	<u>111,663</u>	<u>137,547</u>
NET CHANGE IN FUND BALANCE	(114,124)	75,167	(38,957)
FUND BALANCE, JULY 1, 2018	<u>183,062</u>	<u>(29,241)</u>	<u>153,821</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 68,938</u>	<u>\$ 45,926</u>	<u>\$ 114,864</u>

CITY OF METTER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	T-SPLOST Fund	Capital Improvements Program Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 68,010	-	\$ 68,010
Intergovernmental receivable	3,928	-	3,928
TOTAL ASSETS	\$ 71,938	\$ -	\$ 71,938
LIABILITIES			
Accounts payable	\$ 3,000	-	\$ 3,000
FUND BALANCE			
Restricted	68,938	-	68,938
TOTAL LIABILITIES AND FUND BALANCE	\$ 71,938	\$ -	\$ 71,938

CITY OF METTER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	T-SPLOST Fund	Capital Improvements Program Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Intergovernmental	\$ 94,535	\$ 67,488	\$ 162,022
Interest	62	-	62
Total revenues	<u>94,597</u>	<u>67,488</u>	<u>162,084</u>
EXPENDITURES			
Capital outlay:			
General government	-	46,008	46,008
Public safety	-	27,725	27,725
Public works	144,482	80,272	224,754
Health and welfare	-	3,605	3,605
Total expenditures	<u>144,482</u>	<u>157,610</u>	<u>302,092</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(49,885)</u>	<u>(90,122)</u>	<u>(140,008)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	25,884	25,884
Total other financing sources (uses)	<u>-</u>	<u>25,884</u>	<u>25,884</u>
NET CHANGE IN FUND BALANCE	(49,885)	(64,239)	(114,124)
FUND BALANCE, JULY 1, 2018	<u>118,823</u>	<u>64,239</u>	<u>183,062</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 68,938</u>	<u>\$ -</u>	<u>\$ 68,938</u>

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

ASSETS

	<u>JUNE 30,</u> <u>2019</u>	<u>JUNE 30,</u> <u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 68,010	\$ 115,170
Intergovernmental receivable	3,928	3,653
TOTAL ASSETS	<u>\$ 71,938</u>	<u>\$ 118,823</u>

LIABILITIES AND
FUND BALANCE

LIABILITIES		
Accounts payable	\$ 3,000	-
FUND BALANCE - Restricted	<u>68,938</u>	<u>\$ 118,823</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 71,938</u>	<u>\$ 118,823</u>

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

	YEAR ENDED	
	JUNE 30, 2019	JUNE 30, 2018
REVENUES		
Intergovernmental	\$ 94,535	\$ 43,668
Interest	62	58
Total revenues	<u>94,597</u>	<u>43,726</u>
EXPENDITURES		
Capital outlay:		
Public works	<u>144,482</u>	<u>9,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,885)	34,342
FUND BALANCE, BEGINNING OF YEAR	<u>118,823</u>	<u>84,481</u>
FUND BALANCE, END OF YEAR	<u>\$ 68,938</u>	<u>\$ 118,823</u>

CITY OF METTER, GEORGIA
CAPITAL IMPROVEMENTS PROGRAM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

A S S E T S

	JUNE 30, 2019	JUNE 30, 2018
ASSETS		
Interfund receivable	\$ -	\$ 64,239
TOTAL ASSETS	\$ -	\$ 64,239

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	\$ -	\$ 64,239
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 64,239

CITY OF METTER, GEORGIA
CAPITAL IMPROVEMENTS PROGRAM CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

	YEAR ENDED	
	JUNE 30, 2019	JUNE 30, 2018
REVENUES		
Intergovernmental	\$ 67,488	\$ 86,934
EXPENDITURES		
Capital outlay:		
General government	46,008	30,672
Public safety	27,725	47,767
Public works	80,272	47,598
Health and welfare	3,605	-
Total expenditures	157,610	126,037
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(90,122)	(39,103)
OTHER FINANCING SOURCES (USES)		
Transfers in	25,884	103,342
NET CHANGE IN FUND BALANCE	(64,239)	64,239
FUND BALANCE, BEGINNING OF YEAR	64,239	-
FUND BALANCE, END OF YEAR	\$ -	\$ 64,239

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

ASSETS

	JUNE 30, 2019	JUNE 30, 2018
ASSETS		
Cash and cash equivalents	\$ 2,595	-
Receivables:		
Taxes	5,787	\$ 5,583
Interfund	14,646	-
Prepaid items	25,937	544
TOTAL ASSETS	\$ 48,965	\$ 6,127

LIABILITIES AND
FUND BALANCE

LIABILITIES		
Accounts payable	\$ 3,039	-
Due to other funds	-	\$ 35,368
TOTAL LIABILITIES	3,039	35,368
FUND BALANCE		
Nonspendable	25,937	544
Restricted	19,989	-
Unassigned	-	(29,785)
Total fund balance	45,926	(29,241)
TOTAL LIABILITIES AND FUND BALANCE	\$ 48,965	\$ 6,127

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, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Hotel/Motel tax	\$ 70,000	\$ 67,404	\$ (2,596)	\$ 66,119
Charges for services	-	-	-	11,250
Intergovernmental	-	59,976	59,976	-
Interest	-	1	1	-
Miscellaneous	-	9,218	9,218	4,076
Total revenues	<u>70,000</u>	<u>136,599</u>	<u>66,599</u>	<u>81,445</u>
EXPENDITURES				
Current:				
Housing and development				
Economic development	135,549	89,921	45,628	46,465
Tourism	63,992	83,174	(19,182)	64,221
Total expenditures	<u>199,541</u>	<u>173,095</u>	<u>26,446</u>	<u>110,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(129,541)	(36,496)	93,045	(29,241)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>129,541</u>	<u>111,663</u>	<u>(17,878)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>75,167</u>	<u>\$ 75,167</u>	<u>(29,241)</u>
FUND BALANCE, JULY 1, 2018		<u>(29,241)</u>		
FUND BALANCE, JUNE 30, 2019		<u>\$ 45,926</u>		

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

	June 30, 2019	June 30, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,038,489	\$ 1,049,150
Certificates of deposit	65,489	65,180
Accounts receivable	105,596	170,035
Prepaid insurance	17,322	12,202
Total Current Assets	<u>1,226,896</u>	<u>1,296,567</u>
Capital Assets		
Land	492,280	492,280
Construction in progress	87,093	46,653
Water and sewer system	10,795,646	10,246,421
Buildings	94,767	94,767
Machinery and equipment	942,592	963,760
Less accumulated depreciation	(6,274,489)	(6,048,656)
Total Capital Assets	<u>6,137,889</u>	<u>5,795,225</u>
Total Assets	<u>7,364,785</u>	<u>7,091,792</u>
LIABILITIES		
Current Liabilities		
Accounts payable	13,293	611
Customer deposits	91,171	91,237
Compensated absences	2,155	2,410
Notes payable	113,186	108,886
Interfund payable	48,860	71,895
Total Current Liabilities	<u>268,665</u>	<u>275,039</u>
Long-Term Liabilities		
Compensated absences (net of current portion)	8,621	9,639
Notes payable (net of current portion)	835,370	948,558
Total Long-Term Liabilities	<u>843,991</u>	<u>958,197</u>
Total Liabilities	<u>1,112,656</u>	<u>1,233,236</u>
NET POSITION		
Net investment in capital assets	5,189,333	4,737,781
Unrestricted	1,062,796	1,120,775
Total Net Position	<u>\$ 6,252,129</u>	<u>\$ 5,858,556</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, 2019	JUNE 30, 2018
OPERATING REVENUES		
Charges for services	\$ 1,061,491	\$ 1,033,260
Penalties	29,877	25,670
Other	39,911	28,329
Total operating revenues	<u>1,131,279</u>	<u>1,087,259</u>
OPERATING EXPENSES		
Salaries	188,301	223,927
Employee benefits	72,295	61,713
Professional and technical services	19,622	15,189
Purchased services	329,178	375,564
Materials and supplies	83,522	73,852
Depreciation	246,999	247,922
Bad debts	88,860	-
Total operating expenses	<u>1,028,777</u>	<u>998,167</u>
OPERATING INCOME (LOSS)	<u>102,502</u>	<u>89,092</u>
NON-OPERATING REVENUE (EXPENSE)		
Interest income	554	855
Gain on sale of capital assets	1,800	-
Interest expense	(28,815)	(32,939)
Total non-operating revenue (expense)	<u>(26,461)</u>	<u>(32,084)</u>
INCOME (LOSS) BEFORE TRANSFERS	76,041	57,008
Transfers in	453,944	7,680
Transfers out	(136,412)	(127,092)
CHANGE IN NET POSITION	393,573	(62,404)
NET POSITION, BEGINNING OF YEAR	<u>5,858,556</u>	<u>5,920,960</u>
NET POSITION, END OF YEAR	<u>\$ 6,252,129</u>	<u>\$ 5,858,556</u>

CITY OF METTER, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2019

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	\$ 221,527	-	\$ 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	394,908	394,908	-	394,908	100%
Totals	\$ 3,630,000	\$ 3,649,908	\$ 2,624,891	\$ -	\$ 2,624,891	72%

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	\$ 372,263	\$ 413,944	\$ 786,207	58%
Street improvements	600,000	600,000	537,748	4,700	542,448	90%
Drainage improvements	200,000	200,000	45,650	-	45,650	23%
Construction/improvements of public facilities	300,000	300,000	246,103	-	246,103	82%
Acquisition of vehicles and equipment	540,000	762,869	519,012	243,857	762,869	100%
Esthetic enhancements (City entrance signs)	100,000	104,231	104,231	-	104,231	100%
Totals	\$ 3,100,000	\$ 3,327,100	1,825,007	\$ 662,501	\$ 2,487,508	75%

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

Total 2011 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 248,557
Transfer to other funds	<u>413,944</u>
Total current year expenditures per above	<u><u>662,501</u></u>

CITY OF METTER, GEORGIA
SCHEDULE OF PROJECTS PAID WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2019

2018 SPLOST

	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Fire station construction	\$ 1,000,000	\$ 1,000,000	-	-	-	0%
Economic development projects	300,000	300,000	-	\$ 14,020	\$ 14,020	5%
Public utilities rehabilitation and expansion	490,000	490,000	-	40,000	40,000	8%
Drainage Improvements	100,000	100,000	-	-	-	0%
Acquisition of vehicles and equipment	470,000	470,000	-	405,211	405,211	86%
Totals	\$ 2,360,000	\$ 2,360,000	\$ -	\$ 459,231	\$ 459,231	19%

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

Total 2018 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 524,947
Transfer to other funds	40,000
Less proceeds from capital lease	<u>(105,716)</u>
Total current year expenditures per above	<u>459,231</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and 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 aggregate remaining fund information of City of Metter, Georgia, as of and for the year ended June 30, 2019 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 May 28, 2020.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described below as 2019-1 through 2019-4, that we consider to be material weaknesses.

2019-1 Interfund Balances Not Reconciled

Interfund receivables/payables between multiple funds did not balance on the June 30, 2019 trial balances provided for the annual audit. Interfund receivables/payables should be reconciled on a monthly basis.

City Response: We concur with this finding and we will implement procedures to make sure interfund receivables/payables are reconciled on a monthly basis.

2019-2 Recording of Year End Accounts Payable for the Financial Statements

Accounts payable intended to be recorded on the June 30, 2019 trial balances provided for the annual audit were posted to the subsequent fiscal year. Adjusting journal entries were needed to record these accruals in the City's financial statements.

City Response: We concur with this finding and we will implement procedures to make sure all applicable accounts payable accruals are included in the year end financial statements for the appropriate period.

2019-3 Utility Billing Transaction Posting

During our audit we noted that certain utility billing transactions were not posted to the appropriate accounts on the general ledger. Customer accounts receivable and customer deposit reports should be reconciled on a monthly basis to the general ledger to determine any balancing and posting issues on a timely basis.

City Response: We concur with this finding and we will begin reconciling the customer accounts receivable detail and customer deposits detail to the general ledger each month to ensure that all utility billing transactions are properly posted.

2019-4 Unrecorded Transactions

During our audit we discovered transaction activity for the Metter Depot account was not being recorded in the financial software causing financial records to be inaccurate and incomplete.

City response: We concur with this finding and will implement procedures to record the Metter Depot account activity in the financial software and prepare a bank reconciliation for the account on a monthly basis.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described below as 2019-5.

2019-5 Interfund balances due to 2005 SPLOST Fund

At June 30, 2019 the general fund owed the 2005 SPLOST fund \$21,281, the sanitation fund owed the 2005 SPLOST \$26,817, and the water and sewer system fund owed the 2005 SPLOST fund \$26,816. In addition, the 2018 SPLOST fund owed the 2005 SPLOST \$365,296 for expenditures incurred under the incorrect SPLOST referendum. SPLOST funds are not to be commingled with other funds of the City.

City Response: We concur with this finding and we will reimburse the 2005 SPLOST fund in the current fiscal year.

City of Metter, Georgia's Response to Findings

City of Metter, Georgia's response to the findings identified in our audit is described above. City of Metter, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Statesboro, Georgia
May 28, 2020