

THE CITY OF DONALSONVILLE, GEORGIA

**Annual Financial Report
For the fiscal year ended
May 31, 2020**

CITY OF DONALSONVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED May 31, 2020

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INTRODUCTORY SECTION

CITY OF DONALSONVILLE, GEORGIA
List of Elected and Appointed Officials
May 31, 2020

Elected Officials

Mayor
Council Member – District I, Post 1
Council Member – District I, Post 2
Council Member – District I, Post 3
Council Member – District II, Post 4
Council Member – District II, Post 5
Council Member – District II, Post 6

Ron Johnson, Jr.
Moses James, Jr.
Travis Brooks
Ed Bond
Flossie Smith
Mitchell Blanks
Lindsay C. Register, Sr.

Appointed Officials

City Manager
Attorney
Municipal Court Judge
Clerk
Police Chief
Fire Chief
City Superintendent

Steven Hicks
Billy Grantham
Joshua Bell
Christina Covers
Woodrow Blue, Jr.
Dean King
Bert Adams

FINANCIAL SECTION

William R. Burke, CPA, MAcc
Rebecca B. Worsham, CPA
John S. Buckhaulte, CPA, CFE
William J. Walker, Jr., CPA
Margaret B. Harrell, CPA, CFE
Kayla K. Calhoun, CPA
Dalisha C. Childree, CPA



Burke, Worsham & Harrell, LLC

Certified Public Accountants | Financial Consultants
Licensed in Georgia and Florida

Gloria J. Buice, CPA
Logan Holt, CPA
J. Alvin Newton, Jr., CPA, JD
Rebecca Rambo, CPA

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Donalsonville, 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 Donalsonville, Georgia as of and for the year ended May 31, 2020, 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, the aggregate remaining fund information, and the Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual for the major- general fund on page 18 of the City of Donalsonville, Georgia, as of May 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 and retirement system information on pages 6–11 and 45–48 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 Donalsonville, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements on pages 49-68, and statistical section on pages 69-70 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, pages 1 and 69-70, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by the Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of the City of Donalsonville, 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 the City of Donalsonville, Georgia's internal control over financial reporting and compliance.

Burke, Worsham & Harrell, LLC

Burke, Worsham & Harrell, LLC

November 30, 2020



Management's Discussion and Analysis

As management of the City of Donalsonville, Georgia, we offer readers of the City of Donalsonville's financial statements this narrative overview and analysis of the financial activities of the City of Donalsonville for the fiscal year ended May 31, 2020.

Financial Highlights

- The assets of the City of Donalsonville exceeded its liabilities at the close of the most recent fiscal year by \$14,253,143. Of this amount, \$1,761,546 may be used to meet the government's ongoing obligations to citizens and creditors. This is a decrease of \$340,681 from the prior year.
- The City's governmental activities net position increased by \$330,080 and the business-type activities decreased by \$158,092, for a total increase in net position of \$171,988.
- As of the close of the current fiscal year, the City's governmental fund reported ending fund balance of \$927,406, an increase of \$7,551 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$856,920, or 23% percent of total general fund expenditures. In the prior year, unassigned fund balance was 26% percent of total general fund expenditures.
- The City's total debt decreased by \$159,501 during the current fiscal year.
- In the City's business-type activities, operating revenues increased by \$92,389 from the prior year while operating expenses decreased by \$34,602, for a total operating income increase of \$126,991.
- The resources available for appropriation were \$199,387 less than budgeted for the general fund and our actual expenditures were \$178,001 less than budgeted.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Donalsonville's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. *The government-wide financial statements* are designed to provide readers with a broad overview of the City of Donalsonville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Donalsonville's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Donalsonville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the general fund which includes the general government, public safety, highways and streets, sanitation, economic development, and culture and recreation, as well as a Special Revenue Fund, which accounts for the Hotel/Motel Taxes and three Capital Project Funds, which account for the Special Purpose Local Option Sales Tax revenue, and Chip Grant. The business-type activities of the City include the Water and Sewer Fund, the Gas Fund, the Solid Waste Fund, and the E-Donalsonville Fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Downtown Development Authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City has five governmental funds. The general fund is a major fund, SPLOST V is a major Capital Project Fund, the Hotel/Motel Tax Fund is a nonmajor Special Revenue Fund, TSPLOST Fund is a major Capital Project Fund, and CHIP Grant Fund is a nonmajor Capital Project Fund.

The City adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided for the general fund and the special revenue fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 15 through 18 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Gas Fund, Solid Waste Fund and E-Donalsonville Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Gas Fund and the Solid Waste Fund. The Water and Sewer Fund and the Gas Fund are major funds and the City has elected to treat the Solid Waste Fund as a major fund also.

The basic proprietary fund financial statements can be found on pages 19 through 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 45-48 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$14,253,143 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (87 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Donalsonville's Net Position

	Governmental activities		Business-type activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 1,110,896	\$ 1,174,913	\$ 1,868,216	\$ 1,442,620	\$ 2,979,112	\$ 2,617,533
Capital assets	4,588,870	4,803,904	13,338,267	13,105,458	17,927,137	17,909,362
Total assets	5,699,766	5,978,817	15,206,483	14,548,078	20,906,249	20,526,895
Total deferred outflows of resources	293,967	389,694	18,764	24,874	312,731	414,568
Long-term liabilities outstanding	692,514	516,209	4,792,484	4,479,492	5,484,998	4,995,701
Other liabilities	763,546	1,064,293	729,531	553,410	1,493,077	1,617,703
Total liabilities	1,456,060	1,580,502	5,522,015	5,032,902	6,978,075	6,613,404
Total deferred inflows of resources	150,165	70,421	9,585	4,495	159,750	74,916
Net position:						
Net investment in capital assets	3,736,640	4,123,975	8,099,870	8,312,974	11,836,510	12,436,949
Restricted:	142,418	70,986	-	-	142,418	70,986
Unrestricted	508,450	522,627	1,593,777	1,222,581	2,102,227	1,745,208
Total net position	\$ 4,387,508	\$ 4,717,588	\$ 9,693,647	\$ 9,535,555	\$ 14,081,155	\$ 14,253,143

\$54,649 of the City's net position is restricted. The *unrestricted net position* of \$1,761,546 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as its business-type activities.

Governmental activities. Governmental activities increased the City's net position by \$330,080. Key elements of this increase are as follows:

City of Donalsonville's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$ 748,578	\$ 889,528	\$ 1,350,128	\$ 1,453,329	\$ 2,098,706	\$ 2,342,857
Capital grants and contributions	533,738	835,053	478,000	36,053	1,011,738	871,106
Operating grants and contributions	20,450	-	-	-	20,450	-
General revenues:						
Property taxes	1,091,471	1,072,339	-	-	1,091,471	1,072,339
Other taxes	999,959	964,768	-	-	999,959	964,768
Other	53,042	378,953	11,603	791	64,645	379,744
Total revenues	3,447,238	4,140,641	1,839,731	1,490,173	5,286,969	5,630,814
Expenses:						
General government	837,423	1,210,414	-	-	837,423	1,210,414
Public safety	1,837,738	1,789,745	-	-	1,837,738	1,789,745
Highways/streets	560,594	524,269	-	-	560,594	524,269
Sanitation	415,932	589,021	-	-	415,932	589,021
Culture and development	1,976	1,288	-	-	1,976	1,288
Economic development	54,612	30,927	-	-	54,612	30,927
Interest on long-term debt	14,899	14,897	-	-	14,899	14,897
Water/Sewer fund	-	-	831,729	864,544	831,729	864,544
Gas fund	-	-	335,674	307,973	335,674	307,973
E-Donalsonville fund	-	-	165,464	125,748	165,464	125,748
Total expenses	3,723,174	4,160,561	1,332,867	1,298,265	5,056,041	5,458,826
Increase in net position before transfers	(275,936)	(19,920)	506,864	191,908	230,928	171,988
Transfers	350,000	350,000	(350,000)	(350,000)	-	-
Increase in net position	74,064	330,080	156,864	(158,092)	230,928	171,988
Net position - beginning	4,313,444	4,387,508	9,536,783	9,693,647	13,850,227	14,081,155
Net position - ending	\$ 4,387,508	\$ 4,717,588	\$ 9,693,647	\$ 9,535,555	\$ 14,081,155	\$ 14,253,143

Business-type activities. Business-type activities decreased the City's net position by \$158,092, a decrease from the prior year in the amount of \$314,956.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is one of the governmental funds of the City. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$927,406, an increase of \$306,195 in comparison with the prior year. \$856,420 of this fund balance is available for spending at the City's discretion.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$704,466, the Gas Fund \$616,236, the Solid Waste Fund \$7,039, and the E-Donalsonville Fund (\$105,160), for a total unrestricted net position of \$1,222,581. Other factors covering the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were changes between the original budget and the final amended budget in total revenues and appropriations.

	Original	Final	Variance
Sales tax	\$ 411,588	\$ 425,680	\$ 14,092
Penalties and interest of taxes	1,000	47,440	46,440
Intergovernmental revenue	65,000	207,324	142,324
Miscellaneous revenues	69,471	483,990	414,519
Reserves	-	121,153	121,153
Total	\$ 547,059	\$ 1,285,587	\$ 738,528

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of May 31, 2020, amounts to \$12,264,507 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvement, machinery and equipment, park facilities, roads, and highways. The total increase in the City's investment in capital assets, net of depreciation and debt, for the current fiscal year was \$172,441.

City of Donalsonville's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 434,401	\$ 434,401	\$ 33,646	\$ 33,646	\$ 468,047	\$ 468,047
Buildings	2,036,485	2,036,485	24,924	24,924	2,061,409	2,061,409
Closing Costs	-	-	70,000	70,000	70,000	70,000
Improvements other than buildings	327,971	327,971	8,883	8,883	336,854	336,854
Machinery and equipment	3,700,082	3,908,326	504,702	504,702	4,204,784	4,413,028
Infrastructure	2,708,336	3,172,102	17,691,366	17,837,471	20,399,702	21,009,573
Accumulated depreciation/amortization	(4,618,405)	(5,075,381)	(4,995,254)	(5,374,168)	(9,613,659)	(10,449,549)
Total	\$ 4,588,870	\$ 4,803,904	\$ 13,338,267	\$ 13,105,458	\$ 17,927,137	\$ 17,909,362

Additional information on the City's capital assets can be found in Note III. C. on pages 30-31 of this report.

Long-term debt. At the end of the current fiscal year, the City had total capital leases outstanding in the amount of \$469,929 for its governmental funds and \$0 in the proprietary funds. Notes payable in the governmental funds were \$210,000 and proprietary funds were \$199,905. Bonds payable in the proprietary funds were \$4,592,579. Additional information on the City's long-term debt can be found in Note III. E. & F. on pages 33 through 35 of this report. Post closure costs in the general fund total \$12,800 and in the proprietary funds total \$0.

Economic Factors and Next Year's Budgets and Rates

Cost of living in this area has risen over the past few years and the future increases are projected to be significant. Adjustments will likely need to be made in future budgets to compensate for this decline.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information should be addressed to the City Manager, P.O. Box 308, Donalsonville, GA 39845.

BASIC FINANCIAL STATEMENTS

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF NET POSITION
MAY 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 788,480	\$ 1,128,985	\$ 1,917,465	\$ 12,933
Receivables (net of allowance for uncollectibles)	208,182	108,540	316,722	-
Intergovernmental receivables	49,049	32,059	81,108	-
Prepays	127,543	38,972	166,515	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	1,659	134,064	135,723	-
Capital assets:				
Land	434,401	33,646	468,047	-
Buildings	2,036,485	24,924	2,061,409	106,484
Closing Costs	-	70,000	70,000	-
Improvements other than buildings	327,971	8,883	336,854	-
Machinery and equipment	3,908,326	504,702	4,413,028	-
Infrastructure	3,172,102	17,837,471	21,009,573	-
Accumulated depreciation/amortization	(5,075,381)	(5,374,168)	(10,449,549)	(1,822)
Total assets	5,978,817	14,548,078	20,526,895	117,595
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Pension	389,694	24,874	414,568	-
Total of outflows of resources	389,694	24,874	414,568	-
LIABILITIES				
Accounts payable and other current liabilities	66,917	37,500	104,417	1,123
Bank Overdraft	-	7,585	7,585	-
Accrued interest payable	744	10,046	10,790	-
Liabilities payable from restricted assets	250	134,064	134,314	-
Noncurrent liabilities:				
Compensated absences	53,360	1,480	54,840	-
Net pension liability	779,302	49,743	829,045	-
Due within one year	163,720	312,992	476,712	1,200
Due in more than one year	516,209	4,479,492	4,995,701	7,800
Total liabilities	1,580,502	5,032,902	6,613,404	10,123
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension	70,421	4,495	74,916	-
Total deferred inflows of resources	70,421	4,495	74,916	-
NET POSITION				
Net investment in capital assets	4,123,975	8,312,974	12,436,949	95,662
Restricted for:				
Capital outlay	70,986	-	70,986	-
Unrestricted	522,627	1,222,581	1,745,208	11,810
Total net position	\$ 4,717,588	\$ 9,535,555	\$ 14,253,143	\$ 107,472

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2020

Functions/Programs	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business type Activities	Total	Downtown Development Authority
Primary government:								
Governmental activities:								
General government	\$ 1,210,414	\$ 194,596	\$ -	\$ 310,653	\$ (705,165)	\$ -	\$ (705,165)	\$ -
Public safety	1,789,745	158,137	-	145,770	(1,485,838)	-	(1,485,838)	-
Highways and streets	524,269	-	-	378,630	(145,639)	-	(145,639)	-
Sanitation	589,021	536,795	-	-	(52,226)	-	(52,226)	-
Economic development	30,927	-	-	-	(30,927)	-	(30,927)	-
Culture and recreation	1,288	-	-	-	(1,288)	-	(1,288)	-
Interest on long-term debt	14,897	-	-	-	(14,897)	-	(14,897)	-
Total governmental activities	4,160,561	889,528	-	835,053	(2,435,980)	-	(2,435,980)	-
Business-type activities:								
Water & Sewer	864,544	1,044,540	-	36,053	-	216,049	216,049	-
Gas	307,973	350,641	-	-	-	42,668	42,668	-
E-Donalsonville	125,748	58,148	-	-	-	(67,600)	(67,600)	-
Total business-type activities	1,298,265	1,453,329	-	36,053	-	191,117	191,117	-
Total primary government	\$ 5,458,826	\$ 2,342,857	\$ -	\$ 871,106	\$ (2,435,980)	\$ 191,117	\$ (2,244,863)	\$ -
Components units:								
Downtown Development Authority	101,973	101,219	-	99,999	-	-	-	99,245
Total component units	\$ 101,973	\$ 101,219	\$ -	\$ 99,999	\$ -	\$ -	\$ -	\$ 99,245
General revenues:								
Property taxes					1,072,339	-	1,072,339	-
Sales and use taxes					425,616	-	425,616	-
Franchise taxes					212,500	-	212,500	-
Business taxes					279,212	-	279,212	-
Interest and penalties on taxes					47,440	-	47,440	-
Unrestricted investment earnings					-	791	791	-
Gain/loss on sale of capital assets					9,666	-	9,666	-
Miscellaneous					369,287	-	369,287	-
Transfers					350,000	(350,000)	-	-
Total general revenues and transfers					2,766,060	(349,209)	2,416,851	-
Change in net position					330,080	(158,092)	171,988	99,245
Net position - beginning					4,387,508	9,693,647	14,081,155	8,227
Net position - ending					\$ 4,717,588	\$ 9,535,555	\$ 14,253,143	\$ 107,472

The notes to the financial statements are an integral part of this statement.

CITY OF DONALSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2020

	Major Funds			Non-Major Funds	Total
	General	Capital Project SPLOST V	Capital Project TSPLOST	Other Governmental Funds	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 373,691	\$ 378,842	\$ 31,602	\$ 4,345	\$ 788,480
Receivables (net of allowance for uncollectibles)	206,365	-	-	1,817	208,182
Intergovernmental	-	26,002	23,047	-	49,049
Due from other funds	394,664	-	-	-	394,664
Restricted assets:					
Cash and cash equivalents	1,659	-	-	-	1,659
Total assets	\$ 976,379	\$ 404,844	\$ 54,649	\$ 6,162	\$ 1,442,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	29,374	-	-	505	29,879
Accrued expenses	24,487	-	-	-	24,487
Due to other funds	-	388,507	-	6,157	394,664
Total liabilities	53,861	388,507	-	6,662	449,030
Deferred inflows of resources					
Unavailable revenues	65,598	-	-	-	65,598
Total liabilities and deferred inflows of resources	119,459	388,507	-	6,662	514,628
Fund balances					
Restricted for:					
Construction and capital outlay	-	16,337	54,649	-	70,986
Unassigned	856,920	-	-	(500)	856,420
Total fund balances	856,920	16,337	54,649	(500)	927,406
Total liabilities, deferred inflows of resources and fund balances	\$ 976,379	\$ 404,844	\$ 54,649	\$ 6,162	

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

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

4,803,904

Governmental funds recognized expenditures for insurance using this purchases method. However, the Statement of Activities
uses the accrual method and, thus, only the amount of insurance benefits are recognized as expense when it is consumed. The
unconsumed portion is recorded as an asset.

127,543

Deferred Inflows - Pensions

(70,421)

Deferred Outflows - Pensions

389,694

Net Pension Liability

(779,302)

Accrued interest

(745)

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

(679,929)

Compensated absences and post closure cost

(66,160)

Other assets are not available to pay for current-period expenditures, and
therefore are deferred in the funds.

65,598

Net position of governmental activities

\$ 4,717,588

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2020

	Major Funds			Nonmajor Funds	Total
	General	Capital Project Splost V	Capital Project Tsplost	Other Governmental Funds	Governmental Funds
REVENUES					
Taxes:					
Property	\$ 1,010,300	\$ -	\$ -	\$ -	\$ 1,010,300
Sales	425,616	-	-	-	425,616
Franchise	212,501	-	-	-	212,501
Business	243,136	-	-	36,076	279,212
Penalties and interest on taxes	47,440	-	-	-	47,440
Licenses and permits	51,454	-	-	-	51,454
Intergovernmental	279,338	304,576	322,171	-	906,085
Charges for services	540,974	-	-	-	540,974
Fines	70,813	-	-	-	70,813
Investment earnings	35,396	6,077	4,936	-	46,409
Miscellaneous revenues	478,132	-	-	-	478,132
Total revenues	3,395,100	310,653	327,107	36,076	4,068,936
EXPENDITURES					
Current:					
General government	988,771	-	-	-	988,771
Judicial	59,346	-	-	-	59,346
Public safety	1,639,965	-	-	-	1,639,965
Highways and streets	281,075	-	-	-	281,075
Sanitation	574,330	-	-	-	574,330
Economic development	-	-	-	30,927	30,927
Capital outlay:					
Public safety	165,425	24,470	-	-	189,895
Highways and streets	-	-	463,766	-	463,766
Sanitation	12,701	-	-	-	12,701
Debt service:					
Principal	-	159,501	-	-	159,501
Interest	-	15,125	-	-	15,125
Total expenditures	3,727,262	199,096	463,766	30,927	4,421,051
Excess (deficiency) of revenues over (under) expenditures	(332,162)	111,557	(136,659)	5,149	(352,115)
OTHER FINANCING SOURCES (USES)					
Transfers	301,110	-	48,890	-	350,000
Sale of capital assets	9,666	-	-	-	9,666
Total other financing sources and uses	310,776	-	48,890	-	359,666
Net change in fund balances	(21,386)	111,557	(87,769)	5,149	7,551
Fund balances - beginning	878,306	(95,220)	142,418	(5,649)	919,855
Fund balances - ending	\$ 856,920	\$ 16,337	\$ 54,649	\$ (500)	\$ 927,406

CITY OF DONALSONVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2020

Amounts reported for governmental activities in the statement of activities (page 10) are different because:

Net change in fund balances-total governmental funds (page 12)	\$ 7,551
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	215,034
The issuance of long-term debt (e.g., leases, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	159,501
Expenses reported in the statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(6,683)
Governmental funds defer all tax revenues not collected within 60 days of year-end. However, the Statement of Activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date.	62,040
Governmental funds recognize expenditures for insurance using the purchase method. However, the Statement of Activities uses the consumption method and, thus, only the amount of insurance benefits consumed are recognized.	8,549
Change in NPO and Deferred Inflows/Outflows	(115,912)
Change in net position of governmental activities (page 10)	<u><u>\$ 330,080</u></u>

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
GOVERNMENTAL FUND
MAJOR - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	\$ 1,098,569	\$ 1,098,569	\$ 1,010,300	\$ (88,269)
Sales	411,588	425,680	425,616	(64)
Franchise	214,728	214,728	212,501	(2,227)
Business	241,284	241,284	243,136	1,852
Penalties and interest on taxes	1,000	47,440	47,440	-
Licenses and permits	44,209	44,209	51,454	7,245
Intergovernmental	65,000	207,324	279,338	72,014
Charges for services	550,728	550,728	540,974	(9,754)
Fines	81,000	81,000	70,813	(10,187)
Investment earnings	33,158	33,158	35,396	2,238
Miscellaneous revenues	69,471	483,990	478,132	(5,858)
Total revenues	2,810,735	3,428,110	3,395,100	(33,010)
EXPENDITURES				
Current:				
General government:				
Council	25,800	25,800	21,000	4,800
Manager	114,009	114,009	111,609	2,400
Election	1,937	2,552	2,552	-
Finance and administration	533,709	891,404	859,259	32,145
Total general government	675,455	1,033,765	994,420	39,345
Judicial:				
Judicial	60,602	60,602	59,346	1,256
Total judicial	60,602	60,602	59,346	1,256
Public Safety:				
Police	952,287	1,099,047	1,042,772	56,275
Probation	52,785	60,508	58,132	2,376
Fire	653,569	705,002	704,486	516
Total public safety	1,658,641	1,864,557	1,805,390	59,167
Highways and streets:				
Maintenance	331,279	331,279	281,075	50,204
Total highway and streets	331,279	331,279	281,075	50,204
Sanitation	419,383	593,685	587,031	6,654
Debt service:				
Interest	21,375	21,375	-	21,375
Total debt service	21,375	21,375	-	21,375
Total expenditures	3,166,735	3,905,263	3,727,262	178,001
Excess of expenditures over revenues	(356,000)	(477,153)	(332,162)	144,991
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	350,000	301,110	(48,890)
Reserves	-	121,153	-	(121,153)
Sale of capital assets	6,000	6,000	9,666	3,666
Total other financing sources and uses	356,000	477,153	310,776	(166,377)
Net change in fund balance	-	-	(21,386)	(21,386)
Fund balances - beginning	878,306	878,306	878,306	-
Fund balances - ending	\$ 878,306	\$ 878,306	\$ 856,920	\$ (21,386)

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MAY 31, 2020

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
ASSETS					
Current assets:					
Cash and cash equivalent	\$ 643,054	\$ 485,931	\$ -	\$ -	\$ 1,128,985
Interest receivable	30	-	-	-	30
Accounts receivable (net of allowance for uncollectibles)	83,968	17,764	-	6,737	108,469
Due from other funds	-	114,325	-	-	114,325
Intergovernmental receivable	-	-	32,059	-	32,059
Prepaid Expenses	26,170	6,937	-	5,865	38,972
Total current assets	753,263	624,957	32,059	12,602	1,422,881
Noncurrent assets:					
Restricted cash, cash equivalents, and investments:					
Customer deposits	113,299	20,765	-	-	134,064
Total restricted assets	113,299	20,765	-	-	134,064
Capital assets:					
Land	33,646	-	-	-	33,646
Buildings	24,924	-	-	-	24,924
Closing cost	70,000	-	-	-	70,000
Improvements other than buildings	8,083	800	-	-	8,883
Machinery and equipment	355,779	148,923	-	-	504,702
Infrastructure	17,011,688	480,906	-	344,877	17,837,471
Less accumulated depreciation and amortization	(4,794,869)	(556,819)	-	(22,480)	(5,374,168)
Total capital assets (net of accumulated depreciation)	12,709,251	73,810	-	322,397	13,105,458
Total noncurrent assets	12,822,550	94,575	-	322,397	13,239,522
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - Pension	24,874	-	-	-	24,874
Total of outflows of resources	24,874	-	-	-	24,874
Total assets and deferred outflows of resources	13,600,687	719,532	32,059	334,999	14,687,277

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MAY 31, 2020

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 8,025	\$ 7,359	\$ -	\$ 3,046	\$ 18,430
Due to other funds	-	-	-	114,325	114,325
Bank Overdraft	-	-	7,585	-	7,585
Accrued expenses	622	622	17,435	391	19,070
Accrued interest payable	10,046	-	-	-	10,046
Bonds payable- current	291,653	-	-	-	291,653
Notes payable - current	21,339	-	-	-	21,339
Total current liabilities	331,685	7,981	25,020	117,762	482,448
Noncurrent liabilities payable from restricted assets:					
Customer deposits payable	113,299	20,765	-	-	134,064
Total noncurrent liabilities payable from from restricted assets	113,299	20,765	-	-	134,064
Noncurrent liabilities:					
Bonds payable	4,300,926	-	-	-	4,300,926
Compensated Absences	740	740	-	-	1,480
Notes payable	178,566	-	-	-	178,566
Total noncurrent liabilities	4,480,232	740	-	-	4,480,972
Total liabilities	4,925,216	29,486	25,020	117,762	5,097,484
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Pension	4,495	-	-	-	4,495
Net Pension Liability	49,743	-	-	-	49,743
Total deferred inflows of resources	54,238	-	-	-	54,238
Total liabilities and deferred inflows of resources	4,979,454	29,486	25,020	117,762	5,151,722
NET POSITION					
Net investment in capital assets	7,916,767	73,810	-	322,397	8,312,974
Unrestricted	704,466	616,236	7,039	(105,160)	1,222,581
Total net position	\$ 8,621,233	\$ 690,046	\$ 7,039	\$ 217,237	\$ 9,535,555
Total liabilities & net position	\$ 13,600,687	\$ 719,532	\$ 32,059	\$ 334,999	\$ 14,687,277

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED MAY 31, 2020

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
Operating revenues:					
Charges for sales and services:					
Water sales	\$ 488,806	\$ -	\$ -	\$ -	\$ 488,806
Sewer sales	479,906	-	-	-	479,906
Tap fees	14,345	3,790	-	-	18,135
Gas sales	-	334,461	-	-	334,461
E-Donalsonville	-	-	-	58,148	58,148
Other services	61,483	12,390	-	-	73,873
Total operating revenues	1,044,540	350,641	-	58,148	1,453,329
Operating expenses:					
Costs of sales and services	299,402	215,530	-	47,870	562,802
Administration	82,717	83,801	-	66,535	233,053
Depreciation	358,929	8,642	-	11,343	378,914
Total operating expenses	741,048	307,973	-	125,748	1,174,769
Operating income	303,492	42,668	-	(67,600)	278,560
Nonoperating revenues (expenses):					
Government grants	36,053	-	-	-	36,053
Investment earnings	791	-	-	-	791
Interest expense	(123,496)	-	-	-	(123,496)
Total nonoperating revenue (expense)	(86,652)	-	-	-	(86,652)
Income before contributions and transfers	216,840	42,668	-	(67,600)	191,908
Transfers in	-	-	-	68,894	68,894
Transfers out	(90,140)	(328,754)	-	-	(418,894)
Change in net position	126,700	(286,086)	-	1,294	(158,092)
Total net position - beginning	8,494,533	976,132	7,039	215,943	9,693,647
Total net position - ending	\$ 8,621,233	\$ 690,046	\$ 7,039	\$ 217,237	\$ 9,535,555

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MAY 31, 2020

	Business-type Activities-Enterprise Funds				
	Major Funds				
	Water and Sewer Fund	Gas Fund	Solid Waste Fund	E-Donalsonville Fund	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,032,066	\$ 352,502	\$ -	\$ 56,779	1,441,347
Receipts from reimbursement of costs		-	19,666	-	19,666
Payments to suppliers	(353,097)	(197,017)	(25,132)	(57,522)	(632,768)
Payments to employees	(93,129)	(104,366)	-	(60,298)	(257,793)
Net cash provided (used) by operating activities	585,840	51,119	(5,466)	(61,041)	570,452
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to other funds	(90,140)	(328,754)	-	-	(418,894)
Payments from other funds	-	-	-	68,894	68,894
Cash Inflow	-	-	7,585	-	7,585
Net cash provided by noncapital and related financing activities	(90,140)	(328,754)	7,585	68,894	(342,415)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(138,253)	-	-	(7,853)	(146,106)
Proceeds from grants	36,053	-	-	-	36,053
Principal paid on capital debt	(445,912)	-	-	-	(445,912)
Interest paid on capital debt	(123,496)	-	-	-	(123,496)
Net cash used by capital and related financing activities	(671,608)	-	-	(7,853)	(679,461)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends received	791	-	-	-	791
Net cash provided by investing activities	791	-	-	-	791
Net increase (decrease) in cash and cash equivalents	(175,117)	(277,635)	2,119	-	(450,633)
Cash and cash equivalents - beginning of year	931,470	784,331	(2,119)	-	1,713,682
Cash and cash equivalents - ending of year (Including \$113,299 and \$20,765 for restricted cash in the water/sewer and gas funds respectively and an overdraft of \$7,585.)	\$ 756,353	\$ 506,696	\$ -	\$ -	\$ 1,263,049
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 303,492	\$ 42,668	\$ -	\$ (67,600)	\$ 278,560
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	358,929	8,641	-	11,344	378,914
(Increase) decrease in accounts receivable	(17,961)	1,441	(5,466)	(1,370)	(23,356)
(Increase) decrease in prepaid insurance	(7,066)	1,956	-	(4,801)	(9,911)
(Increase) decrease in other receivable	2	-	-	-	2
Increase (decrease) in customer deposits	5,486	420	-	-	5,906
Increase (decrease) in accounts payable	(4,917)	(1,262)	-	1,374	(4,805)
Increase (decrease) in accrued expenses	(52,125)	(2,745)	-	12	(54,858)
Total adjustments	282,348	8,451	(5,466)	6,559	291,892
Net cash provided (used) by operating activities	\$ 585,840	\$ 51,119	\$ (5,466)	\$ (61,041)	\$ 570,452

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Donalsonville is a municipal corporation governed by an elected mayor and six-member council and provides the following services: public safety, highways and streets, culture and recreation, public improvements and general and administrative services. In addition, the City operates public utilities (water, sewer, natural gas and sanitation).

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely Presented Component Units. The Downtown Development Authority of Donalsonville assists local merchants with low interest loans for renovations of downtown properties. The authority consists of a board of seven directors appointed by the City Council. The authority is dependent upon the City at this time for revenue, and the City contributes one-half of the motel and hotel tax collected. The authority is presented as a governmental fund type. Separate financial statements may be obtained by contacting: Downtown Development Authority, P.O. Box 308, Donalsonville, Georgia 39845.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The City does not allocate indirect costs.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financing statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The *SPLOST V fund* is the government's major capital project fund. This fund accounts for all SPLOST revenue and the accompanying capital outlay.

The *TSPLOST* fund is the government's major capital project fund. This fund accounts for all TSPLOST revenue and the accompanying capital outlay.

The government reports the following major proprietary funds:

The *water and sewer fund* operates the water distribution system, the sewer treatment plant, sewage pumping stations and collection systems, and the sanitation collection within the City.

The *gas fund* operates the distribution of natural gas to the City residents.

The *solid waste fund* does not meet the qualifications for a major fund, but management elected to treat it as a major fund, as it is the only remaining proprietary fund. This Fund accounts for the expenses associated with the closure of a landfill and the revenues received from the city and county for these expenses per their agreement.

The *E-Donalsonville* fund does not meet the qualifications for a major fund, but management elected to treat it as a major fund. This Fund accounts for the expenses associated with the city's wireless internet service.

The government reports the following nonmajor governmental funds:

The *hotel/motel tax fund* is the government's only special revenue fund. This fund accounts for all hotel/motel tax revenue received and the accompanying expenditures.

The *CHIP fund* is the government's nonmajor capital project fund. This fund accounts for all CHIP revenue and the accompanying expenditures.

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function, gas function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and net position or equity

1. Deposits and investments

The City of Donalsonville's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City has authorized its governing officials to maintain deposit investments with financial institutions. There were no legal or contractual violations in regard to these investments during the year.

Investments are stated at cost or amortized cost.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of the first day of October each year and are payable by December 20. Property taxes are recognized in income in October upon completion of the tax digest. At May 31, 2020, uncollected property taxes amounted to \$76,846. The City estimates that substantially all of the remaining balances will be received in the subsequent period. After December 20, applicable property will be subject to liens, penalty and interest.

3. *Inventories and prepaid items*

Expendable supplies are recorded as expenditures at the time items are purchased. The City does not record inventories of supplies on the books.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and proprietary fund financial statements. In the governmental fund statements those prepaid are recognized when purchased.

Prepaid expenses of the City consist of insurance expenses. The City had prepaid insurance expenses totaling \$166,515.

4. *Restricted assets*

The City of Donalsonville's restricted assets are cash. They consist of customer deposits and confiscated funds held for the use of the Police Department.

5. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City had historical cost records of its infrastructure, thereby allowing us to record infrastructure acquired prior to implementing Statement 34. Capital assets are defined by the government as assets with an individual cost of \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lines:

<u>Assets</u>	<u>Years</u>
Buildings	40 years
Building improvements	20 years

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Improvements other than buildings	20-50 years
Public domain infrastructure	50 years
System infrastructure	30 years
Machinery and equipment	3 to 20 years
Trucks and tractors	4 to 10 years
Office equipment	5 to 15 years

6. *Compensated absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary funds financial statements.

7. *Long-term obligations*

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

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

8. *Categories and classifications of Fund Balance*

The City has implemented GASB 54 during fiscal year 2012 [Note IV. H. Fund Balance Determinations and Classifications]. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned and Unassigned.

9. *Net Position*

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of assets.

Restricted – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted – This amount is all net position that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net position”.

10. *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position reports 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports one of these items. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable

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revenues from property taxes. The amounts are deferred and recognized as inflow of resources in the period that the amounts become available.

10. Comparative data/reclassifications

Comparative total data for the prior year have not been presented.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds and proprietary funds. The City's annual budget is prepared based on anticipated revenues and appropriated expenditures. Revenue anticipations, generally conservative, are designed to help insure fiscal responsibility and maintain a balanced budget. Sums sufficient to provide for debt service may not be diverted to any other purpose by the Mayor and the Council. The budget is prepared by fund and department. The legal level of budgetary control is the department level. Transfers between departments require approval of governing council.

According to the Charter and Code of the City, the City Manager has the responsibility for developing both the annual budget and capital budget for the city, which is done in conjunction with input and assistance from the City Clerk. These two budgets are developed separately, and then combined into one budget document, with the budgets for capital expenditures being incorporated as line items in the budget for each general government department.

The budget process begins shortly after the results for the third quarter of the fiscal year are determined, usually in early March. Budget proposals or development forms are issued to department heads for those departments where the budget is developed outside City Hall, along with budget results for the department for the first three quarters of the year. The department heads then compare the performance numbers for their respective departments for the current fiscal year, along with the results of the last quarter of the previous fiscal year to their annual budget expenditures, and from that comparison they structure their budgets and make projections of budget and capital needs for the next fiscal year. When they have completed their projections, they return the budget development forms to the City Manager's office at City Hall.

The City Manager is, during this same period of time, completing the budget development forms for those sections of the budget that are developed within City Hall, such as revenues and general government expenditures, using comparative numbers and information from a budget development file maintained in City Hall where pertinent data is filed as it is gathered throughout the year. The City Manager must also compute the requirements for all sections of the budget dealing with lease/purchase and capital outlays or expenditures.

When the budget development forms for all departments have been turned in to, or completed by City Hall, they are combined into a draft budget document. At this point in the process, usually in early April, budget meetings are held with each department head to discuss their projected budget needs. This step is often completed when the budget development forms are returned. If it is determined during these meetings that adjustments need to be made to any line item in the budget, those adjustments are made and total projected budget expenditures are recalculated and compared with projected revenues to determine the projected ad valorem tax requirements. The projected ad valorem tax requirement is entered as a line item in the revenue section of the general fund budget. The completed document becomes the first draft of a proposed City budget for the next fiscal year.

When the proposed budget for the next fiscal year is completed, it is reproduced in quantity and distributed to the Mayor and Council for their review and study. Next, the first public hearing for the proposed budget

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is scheduled to review the budget and receive public input into the budgeting process. This is usually done in mid-to-late April. After this hearing is held, and input is received from both the public and the Mayor and Council, further refinements and helpful suggestions are incorporated and the second draft budget document is produced and distributed to the Mayor and Council. Of course, copies of the budget at each stage of the budget process are available for public review at City Hall at all times. Next, a final budget hearing is scheduled and advertised. When possible, this hearing is held in conjunction with the regularly scheduled meeting of the Mayor and Council in May. At this hearing, any final public input is received, and final refinements or changes to the budget are made by the Mayor and Council, after which the budget is adopted as the official budget for the City for the upcoming fiscal year which begins on June 1st of each year. Any changes to the budget thereafter must be adopted as amendments to the official city budget.

Encumbrance accounting is employed in governmental funds. Encumbrances recognize purchase orders, contracts, and other commitments for expenditures not fully expended at year end. The City's outstanding encumbrances do not constitute expenditures or liabilities. The commitments will be re-appropriated and honored during the subsequent year.

B. Deficit fund balance

During the current fiscal year, the Hotel/Motel Tax Fund had a deficit fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

At year end, the City of Donalsonville's carrying amount of deposits was \$2,045,097 and the bank balance was \$2,088,757. All deposits are entirely insured or collateralized. Of the bank balance, \$250,000 was covered by federal depository insurance or by collateral held by the City's agent in the City's name. The remaining balance of \$1,808,757 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name, and \$0.00 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name.

The following ties the carrying amounts to the Statement of Net Position:

Cash & cash equivalents	\$ 1,917,465
Restricted cash	135,723
Bank overdraft	(7,585)
Total Statement of Net Position	<u>\$ 2,045,603</u>
Less:	
Cash on hand	(506)
Total carrying amount	<u>\$ 2,045,097</u>

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds and major business-type funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental				Business-type				
	General Fund	SPLOST IV Fund	TSPLOST Fund	Hotel/Motel Tax Fund	Water/Sewer Fund	Gas Fund	Solid Waste Fund	City of Donalsonville Fund	Total
Receivables:									
Interest	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 30
Taxes	161,414	-	-	1,817	-	-	-	-	163,231
Accounts	44,951	-	-	-	83,968	17,764	-	6,737	153,420
Intergovernmental	-	26,002	23,047	-	-	-	32,059	-	81,108
Other	-	-	-	-	-	-	-	-	-
Gross receivables	<u>206,365</u>	<u>26,002</u>	<u>23,047</u>	<u>1,817</u>	<u>83,998</u>	<u>17,764</u>	<u>32,059</u>	<u>6,737</u>	<u>397,789</u>
Net total receivables	<u>\$ 206,365</u>	<u>\$ 26,002</u>	<u>\$ 23,047</u>	<u>\$ 1,817</u>	<u>\$ 83,998</u>	<u>\$ 17,764</u>	<u>\$ 32,059</u>	<u>\$ 6,737</u>	<u>\$ 397,789</u>

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Receivables of the General Fund, Water and Sewer Fund and the Gas Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are as follows:

Uncollectibles related to water and sewer sales	\$ 42,594
Uncollectibles related to gas sales	718
Uncollectibles related to E-Donalsonville sales	4,852
Uncollectibles related to sanitation fees, general fund	18,440
Total uncollectibles for the current fiscal year	<u>\$ 66,604</u>

C. Capital assets

Capital assets for the year ended May 31, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 434,401	\$ -	\$ -	\$ 434,401
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>434,401</u>	<u>-</u>	<u>-</u>	<u>434,401</u>
Capital assets, being depreciated:				
Buildings	2,036,485	-	-	2,036,485
Improvements other than buildings	327,971	-	-	327,971
Machinery and equipment	3,700,082	208,244	-	3,908,326
Infrastructure	2,708,336	463,766	-	3,172,102
Total capital assets being depreciated	<u>8,772,874</u>	<u>672,010</u>	<u>-</u>	<u>9,444,884</u>
Less accumulated depreciation for:				
Buildings	(504,383)	(48,389)	-	(552,772)
Improvements other than buildings	(163,274)	(11,188)	-	(174,462)
Machinery and equipment	(2,615,044)	(300,084)	-	(2,915,128)
Infrastructure	(1,335,704)	(97,315)	-	(1,433,019)
Total accumulated depreciation	<u>(4,618,405)</u>	<u>(456,976)</u>	<u>-</u>	<u>(5,075,381)</u>
Total capital assets, being depreciated, net	<u>4,154,469</u>	<u>215,034</u>	<u>-</u>	<u>4,369,503</u>
Governmental activities capital assets, net	<u>\$ 4,588,870</u>	<u>\$ 215,034</u>	<u>\$ -</u>	<u>\$ 4,803,904</u>

CITY OF DONALSONVILLE, GEORGIA
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	Beginning Balance	Increases	Decreases / Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 33,646	\$ -	\$ -	\$ 33,646
Total capital assets, not being depreciated	<u>33,646</u>	<u>-</u>	<u>-</u>	<u>33,646</u>
Capital assets, being depreciated:				
Buildings	24,924	-	-	24,924
Improvements other than buildings	8,883	-	-	8,883
Machinery and equipment	504,702	-	-	504,702
Infrastructure	17,761,366	146,105	-	17,907,471
Total capital assets being depreciated	<u>18,299,875</u>	<u>146,105</u>	<u>-</u>	<u>18,445,980</u>
Less accumulated depreciation for:				
Buildings	(24,738)	(25)	-	(24,763)
Improvements other than buildings	(7,885)	(181)	-	(8,066)
Machinery and equipment	(455,932)	(4,314)	-	(460,246)
Infrastructure	(4,506,699)	(374,394)	-	(4,881,093)
Total accumulated depreciation	<u>(4,995,254)</u>	<u>(378,914)</u>	<u>-</u>	<u>(5,374,168)</u>
Total capital assets, being depreciated, net	<u>13,304,621</u>	<u>(232,809)</u>	<u>-</u>	<u>13,071,812</u>
Business-type activities capital assets, net	<u>\$ 13,338,267</u>	<u>\$ (232,809)</u>	<u>\$ -</u>	<u>\$ 13,105,458</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 46,216
Public safety	163,478
Highways and streets, including depreciation of general infrastructure assets	239,369
Sanitation	6,625
Culture and recreation	1,288
Total depreciation expense-governmental activities	<u>\$ 456,976</u>

Business-type activities:

Water/Sewer Fund	358,929
Gas Fund	8,642
E-Donalsonville Fund	11,343
Total depreciation expense-business-type activities	<u>\$ 378,914</u>

Discretely presented component units

The Downtown Development Authority capital asset activity is as follows:

Discretely Presented Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings	\$ -	\$ 106,484	\$ -	\$ 106,484
Less accumulated depreciation for:				
Buildings	-	(1,822)	-	(1,822)
Total capital assets, being depreciated, net	<u>\$ -</u>	<u>\$ 104,662</u>	<u>\$ -</u>	<u>\$ 104,662</u>

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D. Interfund receivables, payables and transfers

The City uses interfund transfers for general operating purposes.

This activity was as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
General	\$ 350,000	\$ 48,890
SPLOST V	-	-
TSPLOST	48,890	-
Proprietary Fund:		
Water and Sewer	-	90,140
Gas	-	259,860
E-Donalsonville	-	-
	<u>\$ 398,890</u>	<u>\$ 398,890</u>

The City uses interfund receivables/payables for general operating purposes. These interfund receivables/payables were repaid after fiscal year end.

The composition of interfund balances as of May 31, 2020 is as follows:

	<u>Interfund Receivable (Due From)</u>	<u>Interfund Payable (Due To)</u>
General Fund:		
General	\$ 394,664	-
CHIP Grant Fund		100
SPLOST V		388,507
Hotel/Motel Fund		6,057
Proprietary Fund:		
Gas	114,325	
E-Donalsonville		114,325
	<u>\$ 508,989</u>	<u>\$ 508,989</u>

E. Leases

Operating Leases

The city has no operating leases at year ended May 31, 2020.

Capital Leases

The City of Donalsonville has a lease agreement as lessee for financing the acquisition of equipment with Ameris Bank dated May 19, 2017. The lease went into repayment on January 10, 2018 with the principal amount of \$466,165. The lease bears an interest rate at 70% of the Wall Street Journal prime rate or such other national publication selected by the lessor that quotes a standard rate if the Wall Street Journal is no longer published. The lease is payable at equal installments of \$5,771 (except for the final payment). The final installment, if not sooner paid, shall be due and payable on January 10, 2023. As of May 31, 2020, the principal balance was \$319,976.

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	69,258	62,736	6,522
2022	69,258	64,156	5,102
2023	195,688	193,075	2,613
Total	<u>\$ 334,204</u>	<u>\$ 319,967</u>	<u>\$ 14,237</u>

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The City of Donalsonville has a lease agreement as lessee for financing the acquisition of equipment. The amount of the lease shall not exceed \$350,000 which is available for advance up to December 15, 2018. Each advance will bear an interest rate of 3.73% per annum beginning on the date of each such advance, calculated on the basis of a year of 360 days and the actual number of days elapsed. Beginning on January 10, 2019, and on the same day of each month until April 10, 2024, the Lessee will make monthly payments of principal of the lease amount and interest thereon at the rate of 3.73%, in equal amortized installments (except for the final payment which may be a different amount), until the lease amount is paid in full. The final installment, if not sooner paid, shall be due and payable on April 10, 2024. As of May 31, 2020, the principal balance was \$149,954.

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	75,368	70,984	4,384
2022	75,368	73,678	1,690
2023	5,308	5,292	16
Total	<u>\$ 156,044</u>	<u>\$ 149,954</u>	<u>\$ 6,090</u>

The assets acquired through capital leases for various funds are as follows:

	Governmental Activities	Water/Sewer Fund Activities	Gas Fund Activities
Asset:			
Machinery and equipment	\$ 1,080,136	\$ 108,046	\$ 25,517
Less: accumulated depreciation	(668,094)	(91,446)	(19,138)
Total	<u>\$ 412,042</u>	<u>\$ 16,600</u>	<u>\$ 6,379</u>
Current FY Depreciation	<u>\$ 104,900</u>	<u>\$ 10,182</u>	<u>\$ 2,552</u>

F. Long-term debt

Revenue Bonds

On December 1, 2017, the Downtown Development Authority of Donalsonville issued Series 2017 Revenue Bonds for the purpose of prepaying the outstanding loans to the City from GEFA. The City entered into an Intergovernmental Installment Sale Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under the Installment Sale Agreement arrangement until the full debt is satisfied.

	<u>Balance 5/31/2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 5/31/2020</u>
Series 2017, Water & Sewer Revenue Bond dated November 13, 2017 with interest currently at 2.49% beginning November 1, 2018 and ending November 1, 2032. Original loan \$5,142,242.00				
	\$ 5,017,576	\$ -	\$ 424,997	\$ 4,592,579
	<u>\$ 5,017,576</u>	<u>\$ -</u>	<u>\$ 424,997</u>	<u>\$ 4,592,579</u>

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Annual debt service requirements to maturity for the revenue bonds are as follows:

Fiscal Year	Total	Principal	Interest
2021	\$ 455,729	\$ 291,653	\$ 164,076
2022	404,232	298,977	105,255
2023	404,249	306,485	97,764
2024	404,920	314,181	90,739
2025	404,300	322,070	82,230
2026-2030	1,928,011	1,638,914	289,097
2031-2034	1,486,998	1,420,299	66,699
Total	<u>\$ 5,488,439</u>	<u>\$ 4,592,579</u>	<u>\$ 895,860</u>

Notes payable

The City of Donalsonville has six (2) notes payable. One is resolution of the City Council to the Three Notch Electrical Management Corporation, and one by resolution of the City Council to the Georgia Environmental Facilities

Governmental Activities

Note one is dated September 13, 2017 with Three Notch Electric Membership in the principal amount of \$300,000 and was used to help with payment of the new Fire Department. The note is interest free and payable in 10 annual payments of \$30,000. As of May 31, 2020, the principal balance was \$210,000.

Annual debt requirements to maturity on Note one are as follows:

Fiscal Year	Total	Principal	Interest
2021	\$ 30,000	\$ 30,000	\$ -
2022	30,000	30,000	-
2023	30,000	30,000	-
2024	30,000	30,000	-
2025	30,000	30,000	-
2026-2027	60,000	60,000	-
Total	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ -</u>

Business-type Activities

Note two was originally dated March 20, 2012 and then converted on January 1, 2014 to an amortizing loan in the principal amount of \$325,583, and was used for the conversion of the existing water meters to a radio read system is rehabilitation to the City's sewer main system. The note bears an interest rate of 2.00% and is payable in 179 monthly payments of \$2,095. As of May 31, 2020, the principal balance was \$199,905.

Fiscal Year	Total	Principal	Interest
2021	25,142	21,339	3,803
2022	25,142	21,769	3,373
2023	25,142	22,209	2,933
2024	25,142	22,657	2,485
2025	25,142	23,114	2,028
2026-2029	92,187	88,817	3,370
Total	<u>\$ 217,897</u>	<u>\$ 199,905</u>	<u>\$ 17,992</u>

CITY OF DONALSONVILLE, GEORGIA
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Changes in long-term liabilities

During the year ended May 31, 2020, the following changes occurred in liabilities reported in the general long-term debt account group:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 46,449	\$ -	\$ 6,911	\$ 53,360	\$ -
Capital leases	599,430	-	(129,501)	469,929	133,720
Notes payable	240,000	-	(30,000)	210,000	30,000
Post closure costs					
Note V.H.	12,800	-	-	12,800	-
Governmental activities					
Long-term liabilities	<u>\$ 898,679</u>	<u>\$ -</u>	<u>\$ (152,590)</u>	<u>\$ 746,089</u>	<u>\$ 163,720</u>
Business-type activities:					
Compensated absences	\$ 6,876	\$ -	\$ (214)	\$ 6,662	\$ -
Bonds payable	5,017,576	-	(424,997)	4,592,579	291,653
Notes payable	220,821	-	(20,916)	199,905	21,339
Business-type activities					
Long-term liabilities	<u>\$ 5,245,273</u>	<u>\$ -</u>	<u>\$ (446,127)</u>	<u>\$ 4,799,146</u>	<u>\$ 312,992</u>

Compensated absences and post closure costs of the City's governmental funds will generally be liquidated by the general fund. Long-term liabilities of the business-type activities will generally be paid from the fund that incurred the liability.

G. Restricted asset

There is no restrictions of net position.

The balances of the City's restricted asset accounts are as follows:

Customer deposit	\$134,064
Police department	1,659
Total restricted assets	<u>\$135,723</u>

H. Fund balance determination and classification

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" established that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Restricted or committed specific revenue sources should comprise a substantial portion of the fund's resources. If revenues are initially received in another fund, they should not be reported as revenues in the fund receiving them; instead, they should be recognized in the special revenue fund where they will be spent. *The proceeds from these special revenue sources should be expected to continue to comprise a substantial portion of inflows.*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays. Capital projects' funds exclude those types of capital related outflows financed by proprietary funds.

CITY OF DONALSONVILLE, GEORGIA
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Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The following classifications are used by the City:

General, Special Revenue and Capital Project Funds:

Restricted Fund Balance: the portion of a fund balance that reflects constraints placed on the use of resources other than nonspendable items that are either externally imposed by creditors {debt agreements, grantors, contributors, or laws or regulations of other governments}, or be imposed by law through constitutional provisions or enabling legislation.

Unassigned Fund Balance: that portion of a fund balance that includes amounts that do not fall into one of the above categories. The General Fund is the only fund that should report a positive unassigned balance.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds. The City does not have a formal minimum fund balance policy.

IV. OTHER INFORMATION

A. Risk Management

The City of Donalsonville is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all events of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Coverages are as follows:

COVERAGE DESCRIPTION – PROPERTY:

Buildings and Contents (Blanket)
Automobile Physical Damage

\$18,922,651
Per Application on file with GIRMA

COVERAGE DESCRIPTION – CASUALTY:

Comprehensive General Liability
Law Enforcement Liability

\$1,000,000
\$1,000,000

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

Automobile Liability	\$1,000,000
Errors and Omissions (Public Officials) Liability	\$1,000,000
Employee Benefits Liability	\$1,000,000

COVERAGE DESCRIPTION – CRIME:

Blanket Bond	\$500,000
Depositors Forgery	\$500,000
Money and Securities – Loss Inside & Outside the Premises	\$500,000

DEDUCTIBLE:

All coverages are subject to a per occurrence deductible of	\$1,000
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COVERAGE EXCEPTIONS:

None

COVERAGES SUBJECT TO A RETROACTIVE DATE: (unless stated otherwise in the Coverage Exceptions)

Public Officials Liability	12/01/87
Employee Benefits Liability	12/01/87
Pollution Liability	12/01/87

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Donalsonville must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agent's reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.
- To follow all loss reduction and prevention procedures established by GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay a claim for loss to

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City of Donalsonville retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$1,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

During the year ended May 31, 2020, the City paid no (0) claims (up to the \$1,000 deductible) totaling \$0. The City has not compiled a record of the claims paid up to the \$1,000 deductible for the prior years. The City is not aware of any claims which the City is liable for (up to the \$1,000) which were outstanding and unpaid at May 31, 2020. No provisions have been made in the financial statements for the year ended May 31, 2020 for any estimate of potential unpaid claims.

The City of Donalsonville provides worker's compensation for its employees through GMA.

The City of Donalsonville also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

B. Related Party Transaction

The City has no outstanding contracts with any related parties.

C. Subsequent Events

There are no significant subsequent events that the City is aware of as of the date of the audit report.

D. Joint Ventures

The City is currently involved in a joint venture with Seminole County, Georgia for the operation of the Donalsonville-Seminole County Airport. The airport is financially independent of the City and County, and the governments do not retain an equity interest in the airport. All real estate is owned equally by the City and County governments, with the City's respective portion included in its capital assets. A copy of the joint venture's separate financial statements can be obtained from:

Jerry Isler
P.O. Box 671
Donalsonville, Georgia

Under Georgia law, the County, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Southwest Georgia Regional Commission (SWGARC) and is required to pay annual dues thereto. During its year ended May 31, 2020, the city paid \$2,806 in such dues. Membership in SWGARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the SWGARC in Georgia. The SWGARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of SWGARC. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
P.O. Box 346
Camilla, Georgia 31730-0346

CITY OF DONALSONVILLE, GEORGIA
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E. Employee retirement systems and pension plans

Plan description. The City maintains an agent multiple employee defined benefit pension plan with the Georgia Municipal Employees Benefit System (GMEBS). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Participation in the plan was approved by resolution of the City Council. The benefits provided by the plan, as well as the obligation to contribute to the plan, can only be amended by the approval of the City Council. Employees are not required to contribute to the plan. The Plan is not included in the City's financial statement. A financial report is available by contacting the Burgess Building, Atlanta, Georgia.

The City also participates in the State of Georgia Police Officer's Annuity Program. The City makes no contribution to this plan. Contributions are collected by the CitNotesy as an agent for this fund through its municipal court system. This plan is administered through the State and is not included in the City's financial statements.

Employees covered by benefit terms. At May 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Inactive employees entitled to but not yet receiving benefits	29
Active employees and elected officials	48
	<hr/>
	105
	<hr/>

Funding Policy. The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in paragraphs 9 – 10 of GASB statement 27. These contributions are determined under the projected unit credit actuarial cost method. The annual recommended contribution is the sum of the normal cost and the level dollar amortization of the unfunded actuarial liability. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. The remaining amortization period varies for the bases, with a net effective amortization period of 10 years. The current rate of contribution for the City is 7.57% of annual covered payroll. Annual covered payroll for May 31, 2020 was \$1,586,681.

Net Investment Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

CITY OF DONALSONVILLE, GEORGIA
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Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00%	6.41%
International equity	20.00%	6.96%
Real estate	10.00%	4.76%
Global Fixed income	5.00%	3.06%
Domestic Fixed income	20.00%	1.96%
Cash	0.00%	
 Total	 <u>100.00%</u>	

Rate of Return: 7.375% On-going basis, based on long-term expected rate of return on pension plan investments.

Significant actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

The significant actuarial assumptions used in the current valuation, as of July 1, 2020 are:

Net Investment Rate of Return	7.375 % per year
Projected Salary Increases	2.25 % plus service based merit
Cost of Living Adjustments	0.00%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonable reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

Net Pension Liability. The components of the net pension liability of participating entities were as follows:

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balance at May 31, 2019 *	\$ 3,803,659	\$ 3,284,596	\$ 519,063
Changes for the year:			
Service Cost	75,435	-	75,435
Interest	281,571	-	281,571
Difference between expected and actual experience	263,248	-	263,248
Contributions - employer	-	120,116	(120,116)
Contributions - employee	-	-	-
Net Investment Income	-	240,543	(240,543)
Benefit Payments, including refunds of employee contributions	(249,617)	(249,617)	-
Administrative Expense	-	(12,131)	12,131
Other	38,256	-	38,256
Net Changes	408,893	98,911	309,982
Balance at May 31, 2020 **	<u>\$ 4,212,552</u>	<u>\$ 3,383,507</u>	<u>\$ 829,045</u>

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

**Entry Age Normal liabilities calculated using ages and service months as of July 1, 2019 are used to measure TPL as of May 31, 2019. The balances as of May 31, 2019 constitute measurements of the NPL for the fiscal year ending May 31, 2020.*

***Entry Age Normal liabilities calculated using ages and service months as of July 1, 2020 are used to measure TPL as of May 31, 2020. The balances as of May 31, 2020 constitute measurements of the NPL for the fiscal year ending May 31, 2021.*

Discount Rate. The discount rate used to measure the total pension liability was 7.3750%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.3750%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.3750%) or 1-percentage-point higher (8.3750%) than the current rate:

	1% Decreases 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 1,293,529	\$ 829,045	\$ 435,186

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

Pension expense for the year ended May 31, 2020.

Service Cost	\$ 75,435
Interest on TPL	281,571
Employee contributions	-
Administrative expenses	12,131
Expected return on assets	(241,034)
Expensed portion of current year period differences between expected and actual experience in TPL	65,812
Expensed portion of current year period assumption changes	9,564
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	99
Current year recognition of deferred inflows and outflows established in prior years	39,849
Total expense	<u>\$ 243,427</u>

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

Deferred outflows/inflows of resources related to pensions:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 236,447	\$ -
Changes in assumptions	42,171	-
Net differences between projected and actual earnings on pension plan investments.	135,950	(74,916)
Total	\$ 414,568	\$ (74,916)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Projected recognition of deferred outflows/(inflows)										
Fiscal Year Established	Year Established	Outstanding Balance at June 1, 2020	Amount Recognized During FYE May 31, 2021	Outstanding Balance at May 31, 2021	Deferred Outflows/(Inflows) Recognized in Future Years					
					2022	2023	2024	2025	2026	2027 and Thereafter
Fiscal Year Outflows										
Total Outflows		614,726	200,158	414,568	154,337	139,473	120,660	98	--	--
Fiscal Year Inflows										
Total Inflows		(159,750)	(84,834)	(74,916)	(54,518)	(20,398)	--	--	--	--
Total		454,976	115,324	339,652	99,819	119,075	120,660	98	--	--

Projected recognition of deferred outflows/(inflows) due to differences between expected and actuarial experience in TPL										
Fiscal Year	Year Established	Outstanding Balance at June 1, 2020	Amount Recognized During FYE May 31, 2021	Outstanding Balance at May 31, 2021	Deferred Outflows/(Inflows) Recognized in Future Years					
					2022	2023	2024	2025	2026	2027 and Thereafter
Fiscal Year Outflows										
	Demographic	2019	2,770	1,385	1,385	--	--	--	--	--
	Demographic	2020	56,439	18,813	37,626	18,813	18,813	--	--	--
	Demographic	2021	263,248	65,812	197,436	65,812	65,812	65,812	--	--
Total Outflows			322,457	86,010	236,447	86,010	84,625	65,812	--	--
Fiscal Year Inflows										
	Demographic	2018	(30,316)	(30,316)	--	--	--	--	--	--
Total Inflows			(30,316)	(30,316)	--	--	--	--	--	--
Total			292,141	55,694	236,447	86,010	84,625	65,812	--	--

Projected recognition of deferred outflows/(inflows) due to assumption changes										
Fiscal Year	Year Established	Outstanding Balance at June 1, 2020	Amount Recognized During FYE May 31, 2021	Outstanding Balance at May 31, 2021	Deferred Outflows/(Inflows) Recognized in Future Years					
					2022	2023	2024	2025	2026	2027 and Thereafter
Fiscal Year Outflows										
Assumption	2019	26,958	13,479	13,479	13,479	--	--	--	--	--
Assumption	2021	38,256	9,564	28,692	9,564	9,564	9,564	--	--	--
Total Outflows		65,214	23,043	42,171	23,043	9,564	9,564	--	--	--
Fiscal Year Inflows										
Total Inflows		--	--	--	--	--	--	--	--	--
Total		65,214	23,043	42,171	23,043	9,564	9,564	--	--	--

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

Projected recognition of deferred outflows/(inflows) due to differences between projected and actual investment earnings

Fiscal Year	Year Established	Outstanding Balance at June 1, 2020	Amount Recognized During FYE May 31, 2021	Outstanding Balance at May 31, 2021	Deferred Outflows/(Inflows) Recognized in Future Years					
					2022	2023	2024	2025	2026	2027 and Thereafter
Outflows										
Investment	2017	45,820	45,820	--	--	--	--	--	--	--
Investment	2020	180,744	45,186	135,558	45,186	45,186	45,186	--	--	--
Investment	2021	491	99	392	98	98	98	98	--	--
Total Outflows		227,055	91,105	135,950	45,284	45,284	45,284	98	--	--
Fiscal Year Inflows										
Investment	2018	(68,240)	(34,120)	(34,120)	(34,120)	--	--	--	--	--
Investment	2019	(61,194)	(20,398)	(40,796)	(20,398)	(20,398)	--	--	--	--
Total Inflows		(129,434)	(54,518)	(74,916)	(54,518)	(20,398)	--	--	--	--
Total		97,621	36,587	61,034	(9,234)	24,886	45,284	98	--	--

Table of Plan Coverage as of Valuation Date

Category	For Valuation as of		Change From Prior Year
	July 1, 2020	July 1, 2019	
Active participants in valuation			
Number of employees	42	42	0.0%
Number of elected officials	6	6	0.0%
Average age	44.2	45.1	N/A
Average service	8.5	9.0	N/A
Total valuation payroll	\$1,611,305	\$1,586,681	1.6%
Average valuation payroll	38,364	37,778	1.6%
Account balances	N/A	N/A	N/A
Total active vested participants	25	30	-16.7%
Vested terminated participants	29	25	16.0%
Retired participants			
Number in pay status	20	19	5.3%
Average age	75.8	75.2	N/A
Average monthly benefit	\$954	\$794	20.2%
Disabled participants			
Number in pay status	2	1	100.0%
Average age	57.5	65.0	N/A
Average monthly benefit	\$913	\$1,108	-17.6%
Beneficiaries	6	6	0.0%

F. Defined Contribution Plan

The City has elected to participate in a retirement plan administered by Georgia Municipal Association, Inc. The plan is a governmental qualified defined contribution money purchase plan.

Under the plan, the City allows employees the option of contributing up to 100% of their earnings to the plan. The City does not make any contributions to the plan.

Benefits depend upon the sum of the employee's contributions to the plan with investment earnings. Upon retirement or employment termination, employees are entitled to either a lump sum distribution of the employee and employer contributions with investment earnings or the option of receiving monthly, semi-annual or annual payments based on an amount equal to the amount of the employee contributions with investment earnings.

There was one employee who contributed \$16,573 to the plan for the fiscal year ending May 31, 2020.

CITY OF DONALSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2020

G. Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its solid waste landfill and to perform certain maintenance and monitoring functions at the site for a period of five years. This 5-year period is an exception to the 30-year period for monitoring landfills granted to those sites which are not contaminating groundwater and which cease to accept solid waste as of April 8, 1994. The City qualified for this exception. Although closure and postclosure care costs will be paid after the date that the landfill stopped accepting waste, the City reports a portion of these costs as an operating expense in this fiscal year, and the balance of the current estimated closure and postclosure costs are recorded as a liability in the Solid Waste Fund, an Enterprise Fund of the City. Estimates must be used and these estimates may change on account of a variety of factors including inflation or deflation, technology, or applicable laws or regulations.

The City and Seminole County, Georgia have an agreement in which the County contributes 60% of the closure and post-closure cost. An intergovernmental receivable is recorded for 60% of the current estimated cost.

The current estimated closure and post-closure cost at May 31, 2020 for the governmental fund is \$12,800. No capacity remains to calculate the annual accrual due to the closure of the landfill.

H. Motel/Hotel Tax

The City of Donalsonville collected 5% motel taxes and is in compliance with OCGA 48-13-51. The City collected \$36,076 in taxes and expended \$30,927 for economic development, which is 86% of taxes collected. The balance is restricted for economic development.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF DONALSONVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE FISCAL YEAR ENDED MAY 31, 2020

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2021	2020	2019	2018	2017	2016
Service cost	\$ 75,435	\$ 64,654	\$ 67,055	\$ 68,145	\$ 60,905	\$ 49,358
Interest	281,571	267,012	256,165	254,974	248,392	241,276
Differences between expected and actual experience	263,248	75,252	5,540	(121,264)	(32,025)	26,355
Changes of assumption	-	-	53,916	-	-	-
Changes in benefit terms	-	-	-	-	914	(30,497)
Benefit payments, including refunds of employee contributions	(249,617)	(197,519)	(187,529)	(185,471)	(201,022)	(188,321)
Other	38,256	-	-	-	-	-
Net change in total pension liability	408,893	209,399	195,147	16,384	77,164	98,171
Total Pension Liability as of beginning	3,803,659	3,594,260	3,399,113	3,382,729	3,305,565	3,207,394
Total Pension Liability as of ending (a)	<u>\$ 4,212,552</u>	<u>\$ 3,803,659</u>	<u>\$ 3,594,260</u>	<u>\$ 3,399,113</u>	<u>\$ 3,382,729</u>	<u>\$ 3,305,565</u>
Employer contributions	\$ 120,116	\$ 115,599	\$ 151,408	\$ 138,429	\$ 153,584	\$ 178,075
Net investment income	240,543	22,370	338,040	381,392	(12,774)	259,710
Benefit payments, including refunds of employer contributions	(249,617)	(197,519)	(187,529)	(185,471)	(201,022)	(188,321)
Administrative expense	(12,131)	(14,898)	(13,476)	(14,319)	(8,525)	(9,515)
Net Change in fiduciary net position	98,911	(74,448)	288,443	320,031	(68,737)	239,949
Plan fiduciary net position - beginning	3,284,596	3,359,044	3,070,601	2,750,570	2,819,307	2,579,358
Plan fiduciary net position - ending (b)	<u>\$ 3,383,507</u>	<u>\$ 3,284,596</u>	<u>\$ 3,359,044</u>	<u>\$ 3,070,601</u>	<u>\$ 2,750,570</u>	<u>\$ 2,819,307</u>
Net Pension Liability - ending: (a)-(b)	<u>\$ 829,045</u>	<u>\$ 519,063</u>	<u>\$ 235,216</u>	<u>\$ 328,512</u>	<u>\$ 632,159</u>	<u>\$ 486,258</u>
Plan's fiduciary net position as a percentage of the total pension liability	80.32%	86.35%	93.46%	90.34%	81.31%	85.29%
Covered-employee payroll	\$ 1,611,305	\$ 1,586,681	\$ 1,308,205	\$ 1,339,942	\$ 1,330,209	\$ 1,138,480
Net pension liability as a percentage of covered-employee payroll	51.45%	32.71%	17.98%	24.52%	47.52%	42.71%

Note: This schedule will present 10 years of information once the data is available.

CITY OF DONALSONVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE FISCAL YEAR ENDED MAY 31, 2020

SCHEDULE OF CONTRIBUTIONS FOR LAST TWO FISCAL YEARS

	<u>2021</u>	<u>2020</u>	
Actuarially determined contribution	*	\$ 120,116	
Contributions in relation to the actuarially determined contribution	*	120,116	**
Contribution deficiency (excess)	*	-	
Covered-employee payroll	*	1,586,681	***
Contributions as a percentage of covered employee payroll	*	7.57%	

* 2021 information will be determined after fiscal year end and will be included in the 2021 valuation report.

** Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

*** 2020 covered payroll is based on data collected as of March 31, 2019 for the 2019 actuarial valuation.

CITY OF DONALSONVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE FISCAL YEAR ENDED MAY 31, 2020

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date	The actuarially determined contribution was determined as of July 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending May 31, 2022.
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Retirement Age	
age 65-69	60%
70 and over	100%
Mortality	RP-2000-Combined

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF DONALSONVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUE BY SOURCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Taxes:				
General property taxes				
Real property	\$ 1,008,243	\$ 1,008,243	\$ 920,544	\$ (87,699)
Personal property				
Motor vehicle	78,213	78,213	75,988	(2,225)
Mobile home	3,061	3,061	5,392	2,331
Timber	1,811	1,811	3,407	1,596
Real estate transfers/ intangible	7,241	7,241	4,969	(2,272)
Franchise				
Electric	180,876	180,876	182,075	1,199
Cable	15,883	15,883	16,808	925
Telephone	17,969	17,969	13,618	(4,351)
Total general property taxes	1,313,297	1,313,297	1,222,801	(90,496)
General sales and use taxes				
Local option sales and use	318,784	332,876	341,111	8,235
Total general sales and use taxes	318,784	332,876	341,111	8,235
Selective sales and use taxes				
Alcoholic beverage excise	92,804	92,804	84,505	(8,299)
Total selective sales and use taxes	92,804	92,804	84,505	(8,299)
Business taxes				
Business and occupation	51,344	51,344	41,379	(9,965)
Insurance	189,940	189,940	201,757	11,817
Total business taxes	241,284	241,284	243,136	1,852
Penalties and interest on delinquent taxes				
General property - real	1,000	47,440	47,440	-
Total penalties and interest on delinquent taxes	1,000	47,440	47,440	-
Total taxes	1,967,169	2,027,701	1,938,993	(88,708)
Licenses and permits:				
Business licenses and permits				
General business licenses	21,657	21,657	30,368	8,711
Total business licenses and permits	21,657	21,657	30,368	8,711
Non-business licenses and permits				
Building structures and equipment	22,552	22,552	21,086	(1,466)
Total non-business licenses and permits	22,552	22,552	21,086	(1,466)
Total licenses and permits	44,209	44,209	51,454	7,245

CITY OF DONALSONVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUE BY SOURCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL
Intergovernmental revenues:			
Public safety grants	-	-	20,491
USDA grant	-	120,000	120,000
School board income	65,000	87,324	87,324
State government grants	-	-	51,523
Intergovernmental revenues	65,000	207,324	279,338
Charges for services:			
Public safety			
School crossing guard	3,246	3,246	-
Fire Recovery	2,124	2,124	4,179
Utilities			
Sanitation fees	545,358	545,358	536,795
Total charges for services	550,728	550,728	540,974
Fines and forfeitures:			
Fines	63,000	63,000	61,000
Probation	8,000	8,000	9,813
Confiscated Assets	5,000	5,000	-
State Forfeitures	5,000	5,000	-
Total fines and forfeitures	81,000	81,000	70,813
Investment income:			
Interest revenue	33,158	33,158	35,396
Total investment income	33,158	33,158	35,396
Miscellaneous revenue:			
Rents	54,830	75,197	74,997
Hurricane Michael	-	331,194	331,194
Other	14,641	77,599	71,941
Total miscellaneous revenue	69,471	483,990	478,132
Other financing sources:			
Transfers	350,000	350,000	301,110
Sale of capital assets	6,000	6,000	9,666
Reserve	-	121,153	-
Total other financing sources	356,000	477,153	310,776
Total revenues and other financing sources	\$ 3,166,735	\$ 3,905,263	\$ 3,705,876
			\$ (199,387)

CITY OF DONALSONVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
General government				
Legislative				
Mayor and council	25,800	25,800	21,000	4,800
Executive				
City manager salary	99,100	99,100	103,766	(4,666)
City manager benefits	8,009	8,009	7,843	166
City manager travel	6,900	6,900	-	6,900
Elections	1,937	2,552	2,552	-
General administration				
Advertising	8,550	8,550	9,938	(1,388)
Chamber of Commerce	41,080	41,080	31,100	9,980
City park	-	1,116	1,116	-
Computer support	58,874	87,639	87,639	-
Dues and subscriptions	13,737	13,737	13,511	226
Janitorial	3,384	5,610	5,610	-
Library support	320	320	-	320
Machine Lease/Purchase	6,000	6,000	6,000	-
Materials and supplies	8,350	8,350	9,711	(1,361)
Miscellaneous	2,600	2,600	9,698	(7,098)
Postage	2,250	2,250	4,232	(1,982)
Printing	2,100	2,100	1,888	212
Professional fees	38,445	321,245	299,050	22,195
S.W. GA R.D.C.	-	3,000	3,000	-
Salaries	113,152	113,152	109,564	3,588
Telephone	3,749	12,591	12,591	-
Employee Benefits	577	577	1,011	(434)
Travel	39,122	43,429	43,429	-
Law	6,296	6,296	4,875	1,421
Human resources				
Health insurance costs	19,138	19,138	17,903	1,235
Retirement costs	128,988	144,217	132,028	12,189
Social security costs	8,516	8,516	9,689	(1,173)
Risk management				
Insurance	8,011	10,258	10,258	-
General government buildings and plant				
Heat, lights and water	12,102	21,265	21,265	-
Repairs building and equipment	6,868	6,868	6,096	772
Repairs building - rental property	1,500	1,500	2,408	(908)
Capital outlay	-	-	5,649	(5,649)
Total general government	675,455	1,033,765	994,420	39,345

CITY OF DONALSONVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Judicial				
Salaries	49,883	49,883	44,382	5,501
Employee benefits	8,994	8,994	10,902	(1,908)
Materials and supplies	-	-	1,035	(1,035)
Professional services	1,725	1,725	2,802	(1,077)
Travel and school	-	-	225	(225)
Total judicial	60,602	60,602	59,346	1,256
Public safety				
Police department				
Police administration				
Computer Maintenance	-	-	3,060	(3,060)
Gas and oil	60,204	60,204	44,871	15,333
Insurance	20,518	20,518	27,567	(7,049)
Janitorial	-	-	600	(600)
Materials and supplies	24,120	24,120	15,475	8,645
Miscellaneous	864	864	360	504
Postage	180	180	30	150
Printing	216	216	-	216
Telephone	7,000	7,000	11,320	(4,320)
Uniforms	4,320	4,320	3,955	365
Salaries	559,417	559,417	517,253	42,164
Employee benefits	173,846	173,846	156,556	17,290
Other Services	18,516	18,516	20,385	(1,869)
Crime control and investigation				
Employee testing	200	200	-	200
DUI test charges	20	20	80	(60)
Jailer services	42,621	42,621	43,893	(1,272)
Prisoner meals	2,922	2,922	1,000	1,922
State Forfeiture Expense	2,000	2,000	-	2,000
Drug Task Force	1,000	1,000	-	1,000
Police training				
Travel and school	14,000	14,000	19,234	(5,234)
Police stations and buildings				
Heat, lights and water	8,097	8,097	10,511	(2,414)
Repairs building and equipment	2,226	2,226	9,862	(7,636)
Capital outlay	10,000	156,760	156,760	-
Total police department	952,287	1,099,047	1,042,772	56,275
Probation Department				
Probation administration				
Salaries	42,728	50,451	47,765	2,686
Employee benefits	10,057	10,057	10,367	(310)
Total probation department	52,785	60,508	58,132	2,376

CITY OF DONALSONVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Fire Department				
Fire administration				
Freight	225	225	150	75
Telephone	13,412	16,615	16,615	-
Gas and oil	9,833	9,833	9,996	(163)
Insurance	8,377	11,286	11,286	-
Linen service	1,509	1,509	1,508	1
Materials and supplies	13,300	13,300	15,445	(2,145)
Postage	135	135	125	10
Dues & Subscriptions	864	864	30	834
Miscellaneous	5,453	5,453	4,544	909
Salaries	425,971	429,159	428,925	234
Employee benefits	134,398	139,334	138,009	1,325
Uniforms	9,875	9,875	10,284	(409)
Fire training				
Travel and school	8,000	8,000	6,445	1,555
Medical services				
Medical	1,000	1,000	733	267
Heat, lights and water	9,126	9,126	16,103	(6,977)
Repairs building and equipment	10,525	40,623	35,623	5,000
Capital outlay	1,566	8,665	8,665	-
Total fire department	653,569	705,002	704,486	516
Total public safety	1,658,641	1,864,557	1,805,390	59,167
Public works				
Street department				
Street administration				
Equipment rental	500	500	112	388
Freight	96	96	61	35
Gas and oil	21,000	21,000	14,086	6,914
Insurance	3,140	3,140	4,020	(880)
Materials and supplies	1,200	1,200	1,372	(172)
Miscellaneous	6,260	6,260	3,784	2,476
Telephone/Internet	710	710	2,476	(1,766)
Roadways and walkways				
Repairs and maintenance - other	11,500	11,500	19,799	(8,299)
Salaries	135,370	135,370	100,083	35,287
Employee benefits	69,859	69,859	53,486	16,373
Exterior lighting	80,144	80,144	75,915	4,229
Street signs	1,500	1,500	5,881	(4,381)
Total street department	331,279	331,279	281,075	50,204

CITY OF DONALSONVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Sanitation department				
Sanitation administration				
Salaries	152,429	152,429	165,041	(12,612)
Employee benefits	83,459	83,459	82,840	619
Repairs and maintenance	5,000	5,000	5,292	(292)
Miscellaneous	500	500	127	373
Materials and supplies	2,000	2,000	2,348	(348)
Insurance	5,496	5,496	8,060	(2,564)
Gas and oil	27,395	27,395	14,002	13,393
Postage	1,100	1,100	1,256	(156)
Sewage collection and disposal				
Postclosure costs	-	174,302	184,355	(10,053)
Tipping fees to Seminole County	130,004	130,004	111,009	18,995
Capital outlay	12,000	12,000	12,701	(701)
Total sanitation department	419,383	593,685	587,031	6,654
Total public works	750,662	924,964	868,106	56,858
Debt service				
Interest	21,375	21,375	-	21,375
Total debt service	21,375	21,375	-	21,375
Total expenditures	3,166,735	3,905,263	3,727,262	178,001

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hotel/Motel Taxes- This fund is used to account for the monies received in taxes from the local hotels and motels. These taxes are used for economic development.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

CHIP- This fund is used for the collection of Grant Revenues.

CITY OF DONALSONVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MAY 31, 2020

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>		
	<u>Hotel/Motel Tax Fund</u>	<u>Total</u>	<u>CHIP Fund</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Current assets:					
Cash and cash equivalent	\$ 4,245	\$ 4,245	\$ 100	\$ 100	\$ 4,345
Accounts receivable (net of allowance for uncollectibles)	1,817	1,817	-	-	1,817
Total current assets	6,062	6,062	100	100	6,162
Total assets	6,062	6,062	100	100	6,162
LIABILITIES					
Current liabilities:					
Accounts payable	505	505	-	-	505
Due to other funds	6,057	6,057	100	100	6,157
Total current liabilities	6,562	6,562	100	100	6,662
FUND BALANCE					
Restricted for:					
Construction and capital outlay	-	-	-	-	-
Unrestricted	(500)	(500)	-	-	(500)
Total fund balance	(500)	(500)	-	-	(500)
Total liabilities and fund balance	\$ 6,062	\$ 6,062	\$ 100	\$ 100	\$ 6,162

CITY OF DONALSONVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	<u>Special Revenue Fund</u>		<u>Capital Project Fund</u>		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Total	CHIP Fund	Total	
Revenues:					
Hotel/Motel tax	\$ 36,076	\$ 36,076	\$ -	\$ -	\$ 36,076
Total revenues	36,076	36,076	-	-	36,076
Expenditures:					
Economic development	30,927	30,927	-	-	30,927
Total expenditures	30,927	30,927	-	-	30,927
Excess of revenues over (under) expenditures	5,149	5,149	-	-	5,149
Net change in fund balances	5,149	5,149	-	-	5,149
Fund balance- beginning	(5,649)	(5,649)	-	-	(5,649)
Fund balance- ending	\$ (500)	\$ (500)	\$ -	\$ -	\$ (500)

CITY OF DONALSONVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR - SPECIAL REVENUE FUND
HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED MAY 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Hotel/Motel taxes	\$ 28,805	\$ 32,186	\$ 36,076	\$ 3,890
Total revenues	28,805	32,186	36,076	3,890
EXPENDITURES				
Current:				
Economic development	32,186	32,186	30,927	1,259
Total expenditures	32,186	32,186	30,927	1,259
Excess of expenditures over revenues	(3,381)	-	5,149	5,149
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	(3,381)	-	5,149	5,149
Fund balances - beginning	(5,649)	(5,649)	(5,649)	(5,649)
Fund balances - ending	\$ (9,030)	\$ (5,649)	\$ (500)	\$ (500)

**CITY OF DONALSONVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
MAY 31, 2020**

Special Purpose Local Option Sales Tax #5

<u>Project No.</u>	<u>Project Description</u>	<u>Original Estimated Costs</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Percentage of Completion</u>
1	LMIG Program	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	0.00%
2	Industrial Park expansion & improvements	200,000	200,000	-	-	-	0.00%
3	Services Expansion (Gas, Water, Sewer)	125,000	125,000	-	-	-	0.00%
4	Fire Station	100,000	100,000	-	-	-	0.00%
5	Sanitation Department capital outlay	156,158	156,158	-	-	-	0.00%
6	Fire Department capital outlay	256,158	256,158	962,512	24,470	986,982	385.30%
7	Street Department capital outlay	406,158	406,158	662,476	-	662,476	163.11%
8	Police Department capital outlay	206,158	206,158	135,421	-	135,421	65.69%
9	General Government capital outlay	107,260	107,260	225,064	-	225,064	209.83%
10	Community Enrichment Program	406,158	406,158	-	-	-	0.00%
	Totals	\$ 2,163,050	\$ 2,163,050	\$ 1,985,473	\$ 24,470	\$ 2,009,943	

**Reconciliation of current year SPLOST expenditures to the
Statement of Revenue, Expenses, and Changes in Fund Balances**

Current year expenditures as shown above	24,470
Retirement of debt	159,501
Interest expense	15,125
Total current year SPLOST expenditures	<u>\$ 199,096</u>

Transportation Special Purpose Local Option Sales Tax

<u>Project No.</u>	<u>Project Description</u>	<u>Original Estimated Costs</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Percentage of Completion</u>
1	Transportation Projects	\$ 1,669,800	\$ 1,669,800	\$ -	\$ 463,766	\$ 463,766	27.77%
	Totals	\$ 1,669,800	\$ 1,669,800	\$ -	\$ 463,766	\$ 463,766	

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF DONALSONVILLE, GEORGIA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
MAY 31, 2020

	<u>May 31, 2020</u>
Governmental funds capital assets:	
Land	434,401
Buildings	2,036,485
Improvements other than buildings	327,971
Machinery and equipment	3,908,326
Infrastructure	3,172,102
Total governmental funds capital assets	<u><u>\$ 9,879,285</u></u>
Investments in governmental funds capital assets by source:	
General fund	<u>\$ 9,879,285</u>
Total governmental funds capital assets	<u><u>\$ 9,879,285</u></u>

CITY OF DONALSONVILLE, GEORGIA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
MAY 31, 2020

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
General government:						
Finance and administration	\$ 86,417	\$ 464,284	\$ 13,417	\$ 337,629	\$ -	\$ 901,747
Other - unclassified	42,151	40,141	145,693	17,504	23,660	269,149
Total general government	<u>128,568</u>	<u>504,425</u>	<u>159,110</u>	<u>355,133</u>	<u>23,660</u>	<u>1,170,896</u>
Public safety:						
Police	-	130,520	53,530	845,894	-	1,029,944
Fire	256,733	1,381,425	49,536	1,152,771	-	2,840,465
Total public safety	<u>256,733</u>	<u>1,511,945</u>	<u>103,066</u>	<u>1,998,665</u>	<u>-</u>	<u>3,870,409</u>
Highways and streets:						
Maintenance	-	10,313	-	419,653	-	429,966
Street system	2,500	1,250	-	813,540	3,148,442	3,965,732
Total highways and streets	<u>2,500</u>	<u>11,563</u>	<u>-</u>	<u>1,233,193</u>	<u>3,148,442</u>	<u>4,395,698</u>
Sanitation	<u>600</u>	<u>8,552</u>	<u>3,095</u>	<u>313,335</u>	<u>-</u>	<u>325,582</u>
Culture and recreation	<u>46,000</u>	<u>-</u>	<u>62,700</u>	<u>8,000</u>	<u>-</u>	<u>116,700</u>
Total governmental funds capital assets	<u>\$ 434,401</u>	<u>\$ 2,036,485</u>	<u>\$ 327,971</u>	<u>\$ 3,908,326</u>	<u>\$ 3,172,102</u>	<u>\$ 9,879,285</u>

CITY OF DONALSONVILLE, GEORGIA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED MAY 31, 2020

	Governmental Funds Capital Assets Jun 1,2020	Additions	Deletions	Transfer between Departments	Governmental Funds capital Assets May 31, 2020
Function and Activity					
General government:					
Finance and administration	\$ 896,098	\$ 5,649	\$ -	\$ -	\$ 901,747
Other - unclassified	269,149	-	-	-	269,149
Total general government	<u>1,165,247</u>	<u>5,649</u>	<u>-</u>	<u>-</u>	<u>1,170,896</u>
Public safety:					
Police	873,184	156,760	-	-	1,029,944
Fire	2,807,330	33,134	-	-	2,840,464
Total public safety	<u>3,680,514</u>	<u>189,894</u>	<u>-</u>	<u>-</u>	<u>3,870,408</u>
Highways and streets:					
Maintenance	429,966	-	-	-	429,966
Street system	<u>3,501,967</u>	<u>463,766</u>	<u>-</u>	<u>-</u>	<u>3,965,733</u>
Total highways and streets	<u>3,931,933</u>	<u>463,766</u>	<u>-</u>	<u>-</u>	<u>4,395,699</u>
Sanitation	<u>312,881</u>	<u>12,701</u>	<u>-</u>	<u>-</u>	<u>325,582</u>
Culture and recreation	<u>116,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,700</u>
Total governmental funds capital assets	<u>\$ 9,207,275</u>	<u>\$ 672,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,879,285</u>

SUPPLEMENTAL INFORMATION

CITY OF DONALSONVILLE, GEORGIA
GOVERNMENT-WIDE EXPENSES BY FUNCTION
CURRENT FISCAL YEAR

Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Economic Develop- ment	Culture and Recreation	Interest on Long-term Debt	Water and Sewer	Gas	E-Donalsonville	Total
2008	345,283	1,279,194	360,527	449,038	25,391	1,995	3,887	534,762	415,053	-	3,415,130
2009	343,289	1,342,750	372,948	470,757	27,509	1,968	4,764	544,662	465,337	-	3,573,984
2010	457,455	1,411,835	358,725	476,272	25,144	1,788	3,936	603,043	335,511	-	3,673,709
2011	375,167	1,377,738	370,045	478,855	23,296	2,796	3,116	559,678	300,628	-	3,491,319
2012	421,542	1,396,574	393,880	479,363	18,634	2,844	2,583	611,305	304,992	-	3,631,717
2013	472,076	1,381,243	391,088	461,133	8,468	3,429	2,174	672,834	333,236	-	3,725,681
2014	472,903	1,515,834	384,076	439,377	21,311	2,386	3,784	799,204	322,060	-	3,960,935
2015	547,621	1,567,906	440,192	459,045	24,322	2,376	3,943	858,534	298,161	-	4,202,100
2016	835,345	1,433,559	411,103	400,038	24,523	1,876	3,608	960,374	234,028	-	4,304,454
2017	848,660	1,655,059	437,849	392,295	237,854	1,676	1,238	781,440	289,924	-	4,645,995
2018	779,152	1,737,681	464,158	398,117	82,170	1,976	6,278	874,145	303,960	114,480	4,762,117
2019	837,423	1,837,738	560,594	415,932	54,612	1,976	14,899	831,729	335,674	165,464	5,056,041
2020	1,210,414	1,789,745	524,269	589,021	30,927	1,288	14,897	864,544	307,973	125,748	5,458,826

CITY OF DONALSONVILLE, GEORGIA
GOVERNMENT-WIDE REVENUES
CURRENT FISCAL YEAR

Program Revenues				General Revenues				
Fiscal Year	Charges for Services	Operating Grant and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Income	Miscellaneous	Total
2008	626,919	-	341,604	1,721,671	-	67,892	26,508	2,784,594
2009	679,321	-	246,906	1,755,721	-	49,646	1,990	2,733,584
2010	1,730,552	-	-	2,267,396	-	-	-	3,997,948
2011	708,102	-	402,011	1,795,492	-	29,643	428	2,935,676
2012	712,612	-	406,643	1,839,957	-	19,540	20,650	2,999,402
2013	671,573	-	423,719	1,857,232	-	12,147	8,745	2,973,416
2014	753,443	13,048	404,793	1,767,865	-	8,223	8,094	2,955,466
2015	708,924	9,320	709,273	1,824,388	-	431	19,601	3,271,937
2016	2,051,735	-	564,715	1,856,562	-	10,280	17,011	4,500,303
2017	2,048,264	202,557	702,511	1,966,337	-	5,721	15,521	4,940,911
2018	2,085,991	42,518	617,298	1,943,652	-	1,435	32,561	4,723,455
2019	2,098,706	20,450	1,011,738	2,091,430	-	14,661	49,984	5,286,969
2020	2,342,857	-	871,106	2,037,107	-	791	378,953	5,630,814

CITY OF DONALSONVILLE, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEARS ENDED
MAY 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011

	Fiscal Year Ended 5/31/2020	Fiscal Year Ended 5/31/2019	Fiscal Year Ended 5/31/2018	Fiscal Year Ended 5/31/2017	Fiscal Year Ended 5/31/2016	Fiscal Year Ended 5/31/2015	Fiscal Year Ended 5/31/2014	Fiscal Year Ended 5/31/2013	Fiscal Year Ended 5/31/2012	Fiscal Year Ended 5/31/2011
General Fund										
Revenues:										
Property taxes	\$ 1,010,300	\$ 1,108,974	\$ 1,048,127	\$ 1,056,775	\$ 961,927	\$ 986,576	\$ 918,075	\$ 902,387	\$ 894,838	\$ 850,818
Sales tax	425,616	454,643	397,546	399,750	398,057	364,973	410,532	507,488	512,336	482,361
Other taxes	503,077	512,026	487,840	474,746	481,787	456,918	419,900	413,964	420,587	424,306
Licenses and permits	51,454	45,242	43,869	43,280	33,741	34,515	23,325	17,848	27,888	13,065
Charges for services	540,974	547,276	553,040	537,230	513,442	500,713	497,128	486,628	461,099	458,492
Fines and forfeitures	70,813	83,390	97,255	69,364	94,942	121,064	181,149	119,256	172,241	144,941
Interest	35,396	25,425	9,931	9,663	6,683	7,953	8,241	12,445	20,008	31,811
Miscellaneous and intergovernmental	757,470	130,386	370,201	264,333	101,222	112,556	148,783	86,870	96,174	147,269
Total revenues	\$ 3,395,100	\$ 2,907,362	\$ 3,007,809	\$ 2,855,141	\$ 2,591,801	\$ 2,585,268	\$ 2,607,133	\$ 2,546,886	\$ 2,605,171	\$ 2,553,063
Expenditures:										
General government	\$ 988,771	\$ 734,086	\$ 748,851	\$ 850,730	\$ 753,921	\$ 525,433	\$ 483,052	\$ 477,763	\$ 593,117	\$ 427,933
Recreation department	-	-	-	-	-	-	-	1,054	325	634
Police department	1,042,772	976,003	948,480	961,599	851,848	941,590	1,047,541	799,252	853,503	849,018
Probation department	58,132	59,515	55,044	52,055	46,793	38,011	36,734	34,936	32,994	34,377
Fire department	704,486	707,944	923,171	633,528	509,760	489,644	481,762	472,879	470,909	466,047
Street department	281,075	355,918	368,994	404,664	316,227	375,111	355,732	327,627	317,270	346,347
Sanitation department	587,031	433,237	398,878	401,090	408,561	446,301	438,768	443,331	464,772	462,341
Housing and development	-	-	-	-	-	-	-	-	-	-
Park Pavillion	-	-	-	-	-	-	-	-	-	5,000
Total expenditures	\$ 3,662,267	\$ 3,266,703	\$ 3,443,418	\$ 3,303,666	\$ 2,887,110	\$ 2,816,090	\$ 2,843,589	\$ 2,556,842	\$ 2,732,890	\$ 2,591,697

CITY OF DONALSONVILLE, GEORGIA
MISCELLANEOUS STATISTICAL DATA
MAY 31, 2020
"UNAUDITED"

Description	Data
Date of incorporation	1897
Date first charter adopted	1897
Date present charter adopted	1997
Form of government:	
Type: Mayor	
Council - six (6) members	
City Manager	
Term of office:	
Mayor - four (4) year term	
Council members - four (4) year term	
Area:	4 sq miles
Community facilities	
Sewer system:	
Miles of sanitary sewers	44
Number of lift stations	6
Daily average treatment (gal)	400,000
Maximum treatment plant capacity (gal)	1,000,000
Number of disposal plants	1
Number of service connections	1,120
Water system:	
Miles of water mains	50
Daily average consumption (gal)	700,000
Plant capacity (gal)	2,000,000
Number of service connections	1,200
Deep wells	2
Number of fire hydrants	202
Gas system:	
Miles of gas lines	22.29
Daily average consumptions (MCF)	250
Plant capacity (MCF)	500
Number of service connections	305
Number of street lights	480
Miles of streets:	
Streets - paved	49

CITY OF DONALSONVILLE, GEORGIA
CURRENT RATE SCHEDULE
MAY 31, 2020
"UNAUDITED"

Utility rates:

Water:

Residential Equivalency Unit Fee of \$8.32
Commercial Equivalency Unit Fee of \$17.64 and up depending on consumption.
\$2.70 per thousand gallons used between 0 and 5,000 gallons.
\$2.86 per thousand gallons used between 5,001 and 10,000 gallons.
\$2.96 per thousand gallons used between 10,001 and 15,000 gallons.
\$3.12 per thousand gallons used between 15,001 and 20,000 gallons.
\$3.33 per thousand gallons used between 20,001 gallons and 25,000 gallons.
\$3.54 per thousand gallons used for 25,001 gallons and over.

Sewer:

Residential Equivalency Unit Fee of \$10.40
Commercial Equivalency Unit Fee of \$21.80 and up depending on consumption.
\$3.02 per thousand gallons used between 0 and 5,000 gallons.
\$3.12 per thousand gallons used between 5,001 and 10,000 gallons.
\$3.22 per thousand gallons used between 10,001 and 15,000 gallons.
\$3.44 per thousand gallons used between 15,001 and 20,000 gallons.
\$3.54 per thousand gallons used between 20,001 gallons and 25,000 gallons.
\$3.64 per thousand gallons used for 25,001 gallons and over.

Sanitation:

\$22.50 flat rate - residential
\$30.00 - \$2,042.40 - commercial (based on \$3.85 cu/yd per pickup)

Gas:

\$2.37 minimum
\$12.58 per 100 cubic feet average
Gas price based on spot market price and distributed costs
Gas price varies month-to-month based on market cost

COMPLIANCE SECTION

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

To the Mayor and City Council
City of Donalsonville, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Donalsonville, Georgia, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Donalsonville, Georgia's basic financial statements and have issued our report thereon dated November 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Donalsonville, 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 the City of Donalsonville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Donalsonville, Georgia's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the deficiencies described below to be material weaknesses.

Item 2020-1

Finding: Inadequate separation of duties in the Governmental Funds and the Proprietary Funds.

Cause: The City does not have enough staff to segregate the various functions.

Effect: This could result in misappropriation of assets.

Planned Corrective Action: The mayor and council take an active role in reviewing the monthly financials and other monthly checks and balances.

Response by Responsible Officials: The mayor and council are aware of this issue, but it is not economically feasible to correct.

Response by Auditor: We did not audit the entity's response and, accordingly, express no opinion on it.

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.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the City of Donalsonville, Georgia in a separate letter dated November 30, 2020.

City of Donalsonville, Georgia's Response to Findings

The City of Donalsonville, Georgia's response to the findings identified in our audit is described above with each finding. The City of Donalsonville, 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

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Burke, Worsham & Harrell, LLC

Burke, Worsham & Harrell, LLC

November 30, 2020

