

**CITY OF METTER, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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# LANIER, DEAL & PROCTOR

WILLIAM RUSSELL LANIER, CPA  
RICHARD N. DEAL, CPA, CGMA  
KAY S. PROCTOR, CPA, CFE, CGMA  
WILLIAM BLAKE BLOSER, CPA  
TIFFANY D. JENKINS, CPA, CGMA  
RICHARD N. DEAL II, CPA

CERTIFIED PUBLIC ACCOUNTANTS  
201 SOUTH ZETTEROWER AVENUE  
P.O. BOX 505  
STATESBORO, GEORGIA 30459  
PHONE (912) 489-8756  
FAX (912) 489-1243

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
GEORGIA SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Metter, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Metter, Georgia, as of and for the year ended June 30, 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, and the aggregate remaining fund information of the City of Metter, Georgia, as of June 30, 2020, and the respective

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5–12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the City of Metter, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Metter, Georgia's internal control over financial reporting and compliance.

*Janis, Deal + Proctor*

Statesboro, Georgia  
March 29, 2021

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Metter, Georgia's (the City's) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the year ended June 30, 2020. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The City had total net position (assets exceeded liabilities) of \$27,037,275 at June 30, 2020.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$22,306,594 includes property and equipment, net of accumulated depreciation, reduced by outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$2,510,419 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$2,220,262 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$3,506,496, compared to \$2,772,427 for the year ended June 30, 2019. This is a \$734,069 (or 26.5%) increase.
- At June 30, 2020, unassigned fund balance for the General Fund was \$751,990, or 22.2% of total General Fund expenditures.

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

### Overview of the Financial Statements

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

### Government-wide Financial Statements

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

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

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

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

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

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

***Fund Financial Statements***

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

The City has two kinds of funds:

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

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

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

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

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

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

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

**Financial Analysis of the City as a Whole**

The City's net position at June 30, 2020 was \$27,037,275, compared to the year ended June 30, 2019 figure of \$25,793,037. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2017
<b>Assets:</b>						
Current assets	\$ 4,209,205	\$ 3,516,167	\$ 1,421,831	\$ 1,224,652	\$ 5,631,036	\$ 4,740,819
Capital assets	17,404,731	16,966,106	6,609,114	6,215,431	24,013,845	23,181,537
<b>Total assets</b>	<b>21,613,936</b>	<b>20,482,273</b>	<b>8,030,945</b>	<b>7,440,083</b>	<b>29,644,881</b>	<b>27,922,356</b>
<b>Liabilities:</b>						
Current liabilities	731,704	722,328	358,589	230,875	1,090,293	953,203
Long-term liabilities	618,866	324,241	898,447	851,875	1,517,313	1,176,116
<b>Total liabilities</b>	<b>1,350,570</b>	<b>1,046,569</b>	<b>1,257,036</b>	<b>1,082,750</b>	<b>2,607,606</b>	<b>2,129,319</b>
<b>Net position:</b>						
Net investment in capital assets	16,738,947	16,654,475	5,567,647	5,266,875	22,306,594	21,921,350
Restricted	2,510,419	2,134,755	-	-	2,510,419	2,134,755
Unrestricted	1,014,000	646,474	1,206,262	1,090,458	2,220,262	1,736,932
<b>Total net position</b>	<b>\$ 20,263,366</b>	<b>\$ 19,435,704</b>	<b>\$ 6,773,909</b>	<b>\$ 6,357,333</b>	<b>\$ 27,037,275</b>	<b>\$ 25,793,037</b>

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities, and is an indication of the ability to pay current obligations. For June 30, 2020, the current ratio for governmental activities is 5.8 and 4.0 for business type activities. For the year ended June 30, 2019, the current ratio for governmental activities was 4.9, and for business type activities 5.3. For the City, overall, the current ratio for June 30, 2020 is 5.2, compared to 5.0 for the year ended June 30, 2019.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased by \$827,662 for governmental activities and increased by \$416,576 for business-type activities. The City's overall financial position increased \$1,244,238 during the year ended June 30, 2020.

Note that 82.6% of the governmental activities' net position was invested in capital assets. The City uses these capital assets to provide services to its citizens. On the business type activities, the City has spent 82.2% of its net position on capital assets. Capital assets in the business type activities provide utility services, which generate revenues for this fund. Expansion of these systems is necessary for the continued growth of the City and for its financial position, as this utility system generates considerable revenue for all the City's operations. 82.5% of the City's total net position was included in capital assets.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**For the Year Ended June 30, 2020**

**City of Metter, Georgia**

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

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program:						
Charges for services	\$ 653,174	\$ 471,901	\$ 1,962,528	\$ 1,518,452	\$ 2,615,702	\$ 1,990,353
Operating grants	642,862	794,696	-	-	642,862	794,696
Capital grants and contributions	1,265,822	588,799	-	-	1,265,822	588,799
General:						
Taxes	2,577,141	2,531,538	-	-	2,577,141	2,531,538
Other	40,493	53,583	1,123	7,788	41,616	61,371
<b>Total revenues</b>	<b>5,179,492</b>	<b>4,440,517</b>	<b>1,963,651</b>	<b>1,526,240</b>	<b>7,143,143</b>	<b>5,966,757</b>
Program Expenses:						
General government	1,025,950	1,056,072	-	-	1,025,950	1,056,072
Municipal court	19,231	13,228	-	-	19,231	13,228
Public safety	2,256,171	2,494,808	-	-	2,256,171	2,494,808
Public works	713,254	815,903	-	-	713,254	815,903
Health and welfare	16,842	19,546	-	-	16,842	19,546
Culture and recreation	70,043	66,326	-	-	70,043	66,326
Housing and development	316,767	283,154	-	-	316,767	283,154
Interest	6,609	10,045	-	-	6,609	10,045
Water and sewer	-	-	1,074,013	1,057,592	1,074,013	1,057,592
Sanitation	-	-	400,025	364,595	400,025	364,595
<b>Total expenses</b>	<b>4,424,867</b>	<b>4,759,082</b>	<b>1,474,038</b>	<b>1,422,187</b>	<b>5,898,905</b>	<b>6,181,269</b>
Excess (deficiency)	754,625	(318,565)	489,613	104,053	1,244,238	(214,512)
Transfers	73,037	(394,724)	(73,037)	394,724	-	-
Change in net position	827,662	(713,289)	416,576	498,777	1,244,238	(214,512)
Beginning net position	19,435,704	20,148,993	6,357,333	5,858,556	25,793,037	26,007,549
Ending net position	<u>\$ 20,263,366</u>	<u>\$ 19,435,704</u>	<u>\$ 6,773,909</u>	<u>\$ 6,357,333</u>	<u>\$ 27,037,275</u>	<u>\$ 25,793,037</u>

**GOVERNMENTAL REVENUES**

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 49.8% of revenues, as compared to 57.0% for the year ended June 30, 2019. Sales taxes provided \$671,741 or 13.0% of the City's total governmental activities revenues, as compared to 14.7% for the year ended June 30, 2019. Property taxes are the largest revenue source totaling \$1,092,544 of revenues or 21.1% of total revenues as compared to 24.5% for the year ended June 30, 2019.

Capital grants include \$438,541 in special purpose local option sales taxes (SPLOST) received from Candler County for capital projects and \$388,989 in transportation special purpose local option sales taxes (T-SPLOST). SPLOST and T-SPLOST revenue provided 16.0% of the City's total governmental revenues as compared to 11.7% for the year ended June 30, 2019.

Also, note that program revenues covered 57.9% for the year ended June 30, 2020, and 39.0% for the year ended June 30, 2019 of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues funded the remaining 42.1% for the year ended June 30, 2019, and 61.0% for the year ended June 30, 2019 of the governmental activities. As this documents, the general economy and the local businesses have a major impact on the City's revenue streams.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The public safety function comprises 51.0% of the City's total governmental activity expenses as compared to 52.4% for the year ended June 30, 2019. The public works function comprises 16.1% of the total governmental activity expenses as compared to 17.1% for the year ended June 30, 2019. Of the total \$4,424,867 of governmental activity expenses, depreciation is \$835,760 or 18.9% of that total.

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

	Governmental Activities		June 30, 2019	
	June 30, 2020	June 30, 2019	June 30, 2019	June 30, 2019
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 1,025,950	\$ 905,026	\$ 1,056,072	\$ 958,027
Municipal court	19,231	19,231	13,228	13,228
Public safety	2,256,171	1,057,510	2,494,808	1,421,935
Public works	713,254	(270,728)	815,903	224,538
Health and welfare	16,842	16,842	19,546	19,546
Culture and recreation	70,043	70,043	66,326	66,126
Housing and development	316,767	58,476	283,154	190,241
Interest	6,609	6,609	10,045	10,045
Total	<u>\$ 4,424,867</u>	<u>\$ 1,863,009</u>	<u>\$ 4,759,082</u>	<u>\$ 2,903,686</u>

For the year ended June 30, 2020, all functions required a subsidy from general revenues except for public works.

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

The City's enterprise funds consist of the water and sewer system fund and sanitation fund. Overall, the change in net position was an increase of \$416,576 as compared to an increase of \$498,777 for the year ended June 30, 2019.

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

**Governmental Funds**

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,506,496, as compared to \$2,772,427 at June 30, 2019. Of this year-end total, \$751,990 was unassigned indicating availability for continuing City service requirements. \$1,126,183 in fund balance is restricted for capital projects, \$1,012,476 is restricted for the regional drug task force, \$211,197 is restricted for road projects, \$100,000 is restricted for the animal shelter and \$57,169 is restricted for tourism.

The total ending fund balances of governmental funds show a increase for the year ended June 30, 2020 of \$734,069 or 26.5% compared to an increase for the year ended June 30, 2019 of \$795,718, or 22.3%.

**Major Governmental Funds**

**General Fund** - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$410,150 or 46.0% as compared to a \$114,276 or 11.4% decrease for the year ended June 30, 2019.

The General Fund's ending unassigned fund balance of \$751,990 is considered adequate, representing the equivalent of 22.2% of annual expenditures as compared to 12.8% at June 30, 2019.

**Regional Drug Task Force Fund** – During the year ended June 30, 2016, the City assumed the operations of the Southeastern Regional Drug Task Force. The Task Force combines Georgia Bureau of Investigation resources with local law enforcement assistance to provide drug enforcement services and investigations within the communities of the Southeastern Regional district. The City serves as headquarters for the Southeastern Regional office. The Task Force opened bank accounts under the City's name and received grant funding for which the City is listed as subgrantee on the award. The amount expended for the year ended June 30, 2020 on public safety totaled \$409,427. Revenue recognized in this fund totaled \$592,299 for the year ended June 30, 2020.

**T-SPLOST Fund** – The amount expended for the year ended June 30, 2020 for road projects totaled \$424,091.

**2018 SPLOST Fund** – The amount expended for the year ended June 30, 2020 on projects approved in this SPLOST referendum included the following:

- Acquisition of new vehicles and equipment (\$113,412)
- Economic development projects (\$53,875)
- Public utilities rehabilitation and expansion (\$21,000)
- Drainage improvements (\$70,939)

The City recognized \$438,541 for its share of the Candler County SPLOST. This amount compares to \$425,372 recognized in the year ended June 30, 2019. The City also received \$100,000 in grant proceeds in the 2018 SPLOST Fund.

**The Proprietary Fund**

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

**Budgetary Highlights – General Fund**

Overall, the City recognized revenues equal to 109.1% of budgeted revenues in the final appropriated budget. Overall, the City recognized expenditures equal to \$248,184 less than, or 6.8% under budgeted expenditures in the final appropriated budget.

On the revenue side of the budget, intergovernmental revenue came in \$197,080 higher than the amount budgeted. In total, General Fund revenues came in \$296,652 more than the budgeted amount.

On the expenditure side, the economic development budget was over spent by \$274,606. Fire was \$132,685 under spent and Police was \$87,343 under spent.

Fund Balance increased by \$544,785 more than the amount budgeted.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2020 was \$17,404,731 and \$6,609,114, respectively, for a total of \$24,013,845. This net investment increased by 2.6% for governmental activities and increased by 6.3% for business-type activities. The overall increase was 3.6% for the City as a whole. See Note 7 for additional information about changes in capital assets. The following table provides a summary of capital asset activity.

Capital Assets  
(Amounts in Thousands)

	Governmental Activities		Business Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 525,603	\$ 525,603	\$ 492,280	\$ 492,280	\$ 1,017,883	\$ 1,017,883
Construction in progress	1,011,775	110,821	294,756	113,909	1,306,531	224,730
Total non-depreciable assets	1,537,378	636,424	787,036	606,189	2,324,414	1,242,613
Depreciable assets:						
Buildings	13,212,014	13,181,300	237,024	94,767	13,449,038	13,276,067
Land improvements	265,450	265,450	-	-	265,450	265,450
Water and sewer system	-	-	10,838,342	10,795,646	10,838,342	10,795,646
Machinery and equipment	3,843,423	3,512,882	1,497,973	1,173,671	5,341,396	4,686,553
Infrastructure	11,834,172	11,834,172	-	-	11,834,172	11,834,172
Total depreciable assets	29,155,059	28,793,804	12,573,339	12,064,084	41,728,398	40,857,888
Less accumulated depreciation	13,287,706	12,464,122	6,751,261	6,454,842	20,038,967	18,918,964
Book value - depreciable assets	15,867,353	16,329,682	5,822,078	5,609,242	21,689,431	21,938,924
Percentage depreciated	46%	43%	54%	54%	48%	46%
Total book value	\$ 17,404,731	\$ 16,966,106	\$ 6,609,114	\$ 6,215,431	\$ 24,013,845	\$ 23,181,537

At June 30, 2020, the depreciable capital assets for governmental activities were 46% depreciated, compared to 43% at June 30, 2019.

With the City's business type activities, 54% of the asset values were depreciated at June 30, 2020 and 54% at June 30, 2019.

**Long-term Debt**

At June 30, 2020, the City had capital leases and notes outstanding. During the year ended June 30, 2020, the City increased outstanding capital lease obligations by \$42,342 or 13.6%. The City's notes payable increased by \$404,722 or 42.7%. Total compensated absences payable increased 0.2% from the June 30, 2019 balance.

**Outstanding Debt**

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Capital Leases	\$ 147,884	\$ 311,631	\$ 206,089	-	\$ 353,973	\$ 311,631
Notes Payable	517,900	-	835,378	\$ 948,556	1,353,278	948,556
Compensated Absences	74,426	79,796	26,228	20,631	100,654	100,427
Total book value	<u>\$ 740,210</u>	<u>\$ 391,427</u>	<u>\$ 1,067,695</u>	<u>\$ 969,187</u>	<u>\$ 1,807,905</u>	<u>\$ 1,360,614</u>

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

**Economic Conditions Affecting the City**

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

As of January 2021 Candler County's unemployment rate averaged 4.0% (Georgia Department of Labor), compared to the state's average of 5.0% (GDOL).

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

**Contacting the City's Financial Management**

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

**CITY OF METTER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 3,285,143	\$ 931,445	\$ 4,216,588	-
Certificates of deposit	204,083	66,125	270,208	-
<b>Receivables:</b>				
Taxes	138,495	-	138,495	-
Accounts	9,319	286,765	296,084	-
Intergovernmental	594,580	-	594,580	-
Internal balances	(108,947)	108,947	-	-
Prepaid items	86,532	28,549	115,081	-
<b>Total Current Assets</b>	<b>4,209,205</b>	<b>1,421,831</b>	<b>5,631,036</b>	<b>-</b>
<b>Capital Assets:</b>				
Nondepreciable capital assets	1,537,378	787,036	2,324,414	-
Depreciable capital assets, net	15,867,353	5,822,078	21,689,431	-
<b>Total Capital Assets</b>	<b>17,404,731</b>	<b>6,609,114</b>	<b>24,013,845</b>	<b>-</b>
<b>Total Assets</b>	<b>21,613,936</b>	<b>8,030,945</b>	<b>29,644,881</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	566,409	94,468	660,877	-
Customer deposits	-	94,873	94,873	-
Compensated absences	14,885	5,245	20,130	-
Notes payable	79,133	117,605	196,738	-
Capital leases payable	27,326	46,398	73,724	-
Other	43,951	-	43,951	-
<b>Total Current Liabilities</b>	<b>731,704</b>	<b>358,589</b>	<b>1,090,293</b>	<b>-</b>
<b>Long-Term Liabilities:</b>				
Compensated absences	59,541	20,983	80,524	-
Notes payable (net of current portion)	438,767	717,773	1,156,540	-
Capital leases payable (net of current portion)	120,558	159,691	280,249	-
<b>Total Long-Term Liabilities</b>	<b>618,866</b>	<b>898,447</b>	<b>1,517,313</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,350,570</b>	<b>1,257,036</b>	<b>2,607,606</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	16,738,947	5,567,647	22,306,594	-
<b>Restricted for:</b>				
Capital projects	1,160,063	-	1,160,063	-
Program purposes	1,350,356	-	1,350,356	-
Unrestricted	1,014,000	1,206,262	2,220,262	-
<b>Total Net Position</b>	<b>\$ 20,263,366</b>	<b>\$ 6,773,909</b>	<b>\$ 27,037,275</b>	<b>-</b>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Program/Function	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
Governmental Activities:								
General government	\$ 1,025,950	\$ 102,196	\$ 18,728	-	\$ (905,026)	-	\$ (905,026)	-
Judicial	19,231	-	-	-	(19,231)	-	(19,231)	-
Public safety	2,256,171	470,045	624,134	\$ 104,482	(1,057,510)	-	(1,057,510)	-
Public works	713,254	80,933	-	903,049	270,728	-	270,728	-
Health and welfare	16,842	-	-	-	(16,842)	-	(16,842)	-
Culture and recreation	70,043	-	-	-	(70,043)	-	(70,043)	-
Housing and development	316,767	-	-	258,291	(58,476)	-	(58,476)	-
Interest	6,609	-	-	-	(6,609)	-	(6,609)	-
<b>Total Governmental Activities</b>	<b>4,424,867</b>	<b>653,174</b>	<b>642,862</b>	<b>1,265,822</b>	<b>(1,863,009)</b>	<b>-</b>	<b>(1,863,009)</b>	<b>-</b>
Business-Type Activities:								
Water and sewer	1,074,013	1,376,379	-	-	-	\$ 302,366	302,366	-
Sanitation	400,025	586,149	-	-	-	186,124	186,124	-
<b>Total Business-Type Activities</b>	<b>1,474,038</b>	<b>1,962,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488,490</b>	<b>488,490</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 5,898,905</b>	<b>2,615,702</b>	<b>\$ 642,862</b>	<b>\$ 1,265,822</b>	<b>(1,863,009)</b>	<b>488,490</b>	<b>(1,374,519)</b>	<b>-</b>
<b>Component Unit</b>								
Downtown Development Authority of Metter								
	-	-	-	-	-	-	-	-
<b>General Revenues</b>								
Property taxes levied for:								
General purposes					1,092,544	-	1,092,544	-
Sales taxes					671,741	-	671,741	-
Insurance premium tax					310,249	-	310,249	-
Franchise taxes					297,363	-	297,363	-
Hotel/motel taxes					65,179	-	65,179	-
Other taxes					140,065	-	140,065	-
Interest earned					3,814	1,123	4,937	-
Miscellaneous					36,679	-	36,679	-
<b>Total General Revenues</b>					<b>2,617,634</b>	<b>1,123</b>	<b>2,618,757</b>	<b>-</b>
Transfers					73,037	(73,037)	-	-
<b>Total General Revenues and Transfers</b>					<b>2,690,671</b>	<b>(71,914)</b>	<b>2,618,757</b>	<b>-</b>
<b>Change in Net Position</b>					<b>827,662</b>	<b>416,576</b>	<b>1,244,238</b>	<b>-</b>
<b>Net Position, July 1, 2019</b>					<b>19,435,704</b>	<b>6,357,333</b>	<b>25,793,037</b>	<b>-</b>
<b>Net Position, June 30, 2020</b>					<b>\$ 20,263,366</b>	<b>\$ 6,773,909</b>	<b>\$ 27,037,275</b>	<b>-</b>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	General	Regional Drug Task Force	T-SPLOST	2018 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,055,799	\$ 1,011,888	\$ 76,461	\$ 657,395	\$ 483,600	\$ 3,285,143
Certificates of deposit	204,083	-	-	-	-	204,083
Receivables:						
Taxes	134,666	-	-	-	3,829	138,495
Accounts	9,319	-	-	-	-	9,319
Intergovernmental	126,141	47,967	342,260	78,212	-	594,580
Interfund	353,273	-	-	7,361	-	360,634
Prepaid items	83,138	2,823	-	-	571	86,532
<b>TOTAL ASSETS</b>	<b>\$ 1,966,419</b>	<b>\$ 1,062,678</b>	<b>\$ 418,721</b>	<b>\$ 742,968</b>	<b>\$ 488,000</b>	<b>\$ 4,678,786</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 430,959	\$ 30,859	\$ 32,564	\$ 71,667	\$ 360	\$ 566,409
Due to other funds	113,204	-	352,277	-	4,100	469,581
Other	27,431	16,520	-	-	-	43,951
Total liabilities	571,594	47,379	384,841	71,667	4,460	1,079,941
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	92,349	-	-	-	-	92,349
<b>FUND BALANCE</b>						
Nonspendable	83,138	2,823	-	-	571	86,532
Restricted	306,399	1,012,476	33,880	671,301	482,969	2,507,025
Assigned	160,949	-	-	-	-	160,949
Unassigned	751,990	-	-	-	-	751,990
Total fund balance	1,302,476	1,015,299	33,880	671,301	483,540	3,506,496
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,966,419</b>	<b>\$ 1,062,678</b>	<b>\$ 418,721</b>	<b>\$ 742,968</b>	<b>\$ 488,000</b>	<b>\$ 4,678,786</b>

See accompanying notes to the basic financial statements.



**CITY OF METTER, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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

Total Governmental Fund Balances		\$ 3,506,496
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

	\$ 30,692,437		
Cost			
Less accumulated depreciation	(13,287,706)		17,404,731

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

Property taxes		92,349
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Long-term liabilities, including notes payable, capital leases and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds but are reported on the statement of net position:

	(147,884)		
Capital leases			
Notes payable	(517,900)		
Compensated absences	(74,426)		(740,210)

<b>Net Position Of Governmental Activities</b>		<b><u><u>\$ 20,263,366</u></u></b>
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See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General	Regional Drug Task Force	T-SPLOST	2018 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 2,508,211	-	-	-	\$ 65,179	\$ 2,573,390
Licenses and permits	93,871	-	-	-	-	93,871
Charges for services	105,226	-	-	-	-	105,226
Intergovernmental	645,452	\$ 325,537	\$ 388,989	\$ 543,023	-	1,903,001
Fines and forfeitures	187,315	266,762	-	-	-	454,077
Interest	3,806	-	44	1,636	277	5,763
Miscellaneous	25,274	-	-	-	15,139	40,413
Total revenues	<u>3,569,155</u>	<u>592,299</u>	<u>389,033</u>	<u>544,659</u>	<u>80,595</u>	<u>5,175,741</u>
<b>EXPENDITURES</b>						
Current:						
General government	721,143	-	-	-	-	721,143
Judicial	19,231	-	-	-	-	19,231
Public safety	1,618,932	409,427	-	-	-	2,028,359
Public works	471,245	-	-	-	-	471,245
Health and welfare	14,700	-	-	-	-	14,700
Culture and recreation	50,658	-	-	-	-	50,658
Housing and development	475,683	-	-	-	97,594	573,277
Capital outlay:						
Public safety	-	-	-	355,081	-	355,081
Public works	-	-	424,091	70,939	66,578	561,608
Housing and development	-	-	-	53,875	15,021	68,896
Debt service						
Principal	9,539	-	-	-	196,377	205,916
Interest	1,235	-	-	-	5,374	6,609
Total expenditures	<u>3,382,366</u>	<u>409,427</u>	<u>424,091</u>	<u>479,895</u>	<u>380,944</u>	<u>5,076,723</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>186,789</u>	<u>182,872</u>	<u>(35,058)</u>	<u>64,764</u>	<u>(300,349)</u>	<u>99,018</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from capital leases	-	-	-	42,169	-	42,169
Proceeds from notes payable	-	-	-	517,900	-	517,900
Sale of capital assets	1,945	-	-	-	-	1,945
Transfers in	221,416	-	-	-	-	221,416
Transfers out	-	-	-	(21,000)	(127,379)	(148,379)
Total other financing sources (uses)	<u>223,361</u>	<u>-</u>	<u>-</u>	<u>539,069</u>	<u>(127,379)</u>	<u>635,051</u>
<b>NET CHANGE IN FUND BALANCE</b>	410,150	182,872	(35,058)	603,833	(427,728)	734,069
<b>FUND BALANCE, JULY 1, 2019</b>	<u>892,326</u>	<u>832,427</u>	<u>68,938</u>	<u>67,468</u>	<u>911,268</u>	<u>2,772,427</u>
<b>FUND BALANCE, JUNE 30, 2020</b>	<u>\$ 1,302,476</u>	<u>\$ 1,015,299</u>	<u>\$ 33,880</u>	<u>\$ 671,301</u>	<u>\$ 483,540</u>	<u>\$ 3,506,496</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

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

Net Change In Fund Balance - Governmental Funds		\$	734,069
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays differed from depreciation expense in the current period.</p>			
	Depreciation expense	\$ (835,760)	
	Capital outlays	<u>1,305,185</u>	469,425
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>			
	Property taxes:		
	Unavailable revenue at 6/30/20	92,349	
	Unavailable revenue at 6/30/19	<u>(88,598)</u>	3,751
<p>Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.</p>			
			(30,800)
<p>Other financing sources for the inception of capital leases and proceeds from notes payable are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.</p>			
			(560,069)
<p>Repayment of capital lease and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>			
			205,916
<p>Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>			
	Liability at 6/30/20	(74,426)	
	Liability at 6/30/19	<u>79,796</u>	<u>5,370</u>
<b>Change In Net Position of Governmental Activities</b>			<b><u>\$ 827,662</u></b>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,519,500	\$ 2,508,211	\$ (11,289)
Licenses and permits	76,336	93,871	17,535
Charges for services	95,695	105,226	9,531
Intergovernmental	448,372	645,452	197,080
Fines and forfeitures	100,000	187,315	87,315
Interest	1,800	3,806	2,006
Miscellaneous	30,800	25,274	(5,526)
Total revenues	<u>3,272,503</u>	<u>3,569,155</u>	<u>296,652</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Governing body	92,768	67,567	25,201
Financial administration	678,244	610,350	67,894
General government buildings	52,115	43,226	8,889
Total general government	<u>823,127</u>	<u>721,143</u>	<u>101,984</u>
Judicial - Municipal court	<u>22,400</u>	<u>19,231</u>	<u>3,169</u>
Public safety:			
Police	1,086,298	998,955	87,343
Fire	645,558	512,873	132,685
Animal control	103,333	107,104	(3,771)
Total public safety	<u>1,835,189</u>	<u>1,618,932</u>	<u>216,257</u>
Public works - Roadways and walkways	<u>676,817</u>	<u>471,245</u>	<u>205,572</u>
Health and welfare:			
Community center	12,160	8,100	4,060
Public education	6,600	6,600	-
Total health and welfare	<u>18,760</u>	<u>14,700</u>	<u>4,060</u>
Culture and recreation - Libraries	<u>50,893</u>	<u>50,658</u>	<u>235</u>
Housing and development:			
Building inspections	1,563	1,400	163
Economic development	177,484	452,090	(274,606)
Tourism	12,373	10,249	2,124
Airport	11,944	11,944	-
Total housing and development	<u>203,364</u>	<u>475,683</u>	<u>(272,319)</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal	-	9,539	(9,539)
Interest	-	1,235	(1,235)
Total debt service	-	10,774	(10,774)
Total expenditures	3,630,550	3,382,366	248,184
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(358,047)	186,789	544,836
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	2,000	1,945	(55)
Transfers in	221,412	221,416	4
Total other financing sources (uses)	223,412	223,361	(51)
NET CHANGE IN FUND BALANCE	\$ (134,635)	410,150	\$ 544,785
FUND BALANCE, JULY 1, 2019		892,326	
FUND BALANCE, JUNE 30, 2020		\$ 1,302,476	

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - REGIONAL DRUG TASK FORCE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 357,610	\$ 325,537	\$ (32,073)
Fines and forfeitures	-	266,762	266,762
Total revenues	357,610	592,299	234,689
EXPENDITURES			
Public Safety	357,610	409,427	(51,817)
NET CHANGE IN FUND BALANCE	\$ -	182,872	\$ 182,872
FUND BALANCE, JULY 1, 2019		832,427	
FUND BALANCE, JUNE 30, 2020		\$ 1,015,299	

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	Water and Sewer	Sanitation	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 838,853	\$ 92,592	\$ 931,445
Certificates of deposit	66,125	-	66,125
Accounts receivable	216,687	70,078	286,765
Interfund receivable	65,818	48,231	114,049
Prepaid insurance	16,966	11,583	28,549
Total Current Assets	<u>1,204,449</u>	<u>222,484</u>	<u>1,426,933</u>
Capital Assets			
Land	492,280	-	492,280
Construction in progress	294,756	-	294,756
Water and sewer system	10,838,342	-	10,838,342
Buildings	216,431	20,593	237,024
Machinery and equipment	1,092,279	405,694	1,497,973
Less accumulated depreciation	(6,530,012)	(221,249)	(6,751,261)
Total Capital Assets	<u>6,404,076</u>	<u>205,038</u>	<u>6,609,114</u>
Total Assets	<u>7,608,525</u>	<u>427,522</u>	<u>8,036,047</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	89,607	4,861	94,468
Customer deposits	94,873	-	94,873
Compensated absences	2,923	2,322	5,245
Notes payable	117,605	-	117,605
Capital leases payable	10,083	36,315	46,398
Interfund payable	5,102	-	5,102
Total Current Liabilities	<u>320,193</u>	<u>43,498</u>	<u>363,691</u>
Long-Term Liabilities			
Compensated absences (net of current portion)	11,694	9,289	20,983
Notes payable (net of current portion)	717,773	-	717,773
Capital leases payable (net of current portion)	21,391	138,300	159,691
Total Long-Term Liabilities	<u>750,858</u>	<u>147,589</u>	<u>898,447</u>
Total Liabilities	<u>1,071,051</u>	<u>191,087</u>	<u>1,262,138</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,537,224	30,423	5,567,647
Unrestricted	1,000,250	206,012	1,206,262
Total Net Position	<u>\$ 6,537,474</u>	<u>\$ 236,435</u>	<u>\$ 6,773,909</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Water and Sewer	Sanitation	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,287,949	\$ 572,215	\$ 1,860,164
Penalties	30,465	13,934	44,399
Other	57,965	-	57,965
Total operating revenues	<u>1,376,379</u>	<u>586,149</u>	<u>1,962,528</u>
<b>OPERATING EXPENSES</b>			
Salaries	236,481	194,071	430,552
Employee benefits	76,340	74,148	150,488
Professional and technical services	27,740	-	27,740
Purchased services	372,419	76,821	449,240
Materials and supplies	80,985	14,089	95,074
Depreciation	255,523	40,896	296,419
Total operating expenses	<u>1,049,488</u>	<u>400,025</u>	<u>1,449,513</u>
<b>OPERATING INCOME</b>	<u>326,891</u>	<u>186,124</u>	<u>513,015</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest income	1,016	107	1,123
Interest expense	(24,525)	-	(24,525)
Total non-operating revenue (expense)	<u>(23,509)</u>	<u>107</u>	<u>(23,402)</u>
<b>INCOME BEFORE TRANSFERS</b>	303,382	186,231	489,613
Transfers in	148,379	-	148,379
Transfers out	<u>(166,416)</u>	<u>(55,000)</u>	<u>(221,416)</u>
<b>CHANGE IN NET POSITION</b>	285,345	131,231	416,576
<b>NET POSITION, JULY 1, 2019</b>	<u>6,252,129</u>	<u>105,204</u>	<u>6,357,333</u>
<b>NET POSITION, JUNE 30, 2020</b>	<u>\$ 6,537,474</u>	<u>\$ 236,435</u>	<u>\$ 6,773,909</u>

See accompanying notes to the basic financial statements.



**CITY OF METTER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Water and Sewer	Sanitation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,347,855	\$ 561,117	\$ 1,908,972
Cash payments to employees for services	(308,980)	(266,463)	(575,443)
Cash payments for goods and services	(592,915)	(178,260)	(771,175)
Net cash provided by operating activities	<u>445,960</u>	<u>116,394</u>	<u>562,354</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to general fund	<u>(166,416)</u>	<u>(55,000)</u>	<u>(221,416)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(521,710)	(168,392)	(690,102)
Transfers from SPLOST funds	148,379	-	148,379
Proceeds from capital leases	31,474	174,615	206,089
Interest paid	(24,525)	-	(24,525)
Principal paid on long-term debt	(113,178)	-	(113,178)
Net cash provided (used) by capital and related financing activities	<u>(479,560)</u>	<u>6,223</u>	<u>(473,337)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in certificates of deposit	(636)	-	(636)
Interest received	1,016	107	1,123
Net cash provided by investing activities	<u>380</u>	<u>107</u>	<u>487</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(199,636)</b>	<b>67,724</b>	<b>(131,912)</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2019</b>	<b><u>1,038,489</u></b>	<b><u>24,868</u></b>	<b><u>1,063,357</u></b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2020</b>	<b><u>\$ 838,853</u></b>	<b><u>\$ 92,592</u></b>	<b><u>\$ 931,445</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 326,891	\$ 186,124	\$ 513,015
Adjustments:			
Depreciation	255,523	40,896	296,419
(Increase) decrease in operating assets:			
Accounts receivable	(111,091)	(25,032)	(136,123)
Interfund receivable	(65,818)	(40,049)	(105,867)
Prepaid items	356	(2,164)	(1,808)
Increase (decrease) in operating liabilities:			
Accounts payable	76,314	(4,238)	72,076
Compensated absences payable	3,841	1,756	5,597
Interfund payable	(43,758)	(40,899)	(84,657)
Customer deposits	3,702	-	3,702
Net cash provided by operating activities	<u>\$ 445,960</u>	<u>\$ 116,394</u>	<u>\$ 562,354</u>

See accompanying notes to the basic financial statements.

**CITY OF METTER, GEORGIA**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

**1-A. Reporting Entity**

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

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

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

The City’s only component unit is the Downtown Development Authority of Metter (the Authority). The primary purpose of the Authority is to promote industry and trade in the downtown area. The City provides its primary funding. There are no separate financial statements prepared for the Authority and there were no financial transactions for the Authority for the year ended June 30, 2020.

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

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

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

**1-B. Basis of Presentation**

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

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

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

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

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

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

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

Major individual governmental funds are reported in separate columns.

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

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

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

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

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

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

**2018 SPLOST Fund** – This capital projects fund accounts for the special purpose local option sales tax received from Candler County to be used for various capital improvements.

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

**Proprietary Funds** – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City has two enterprise funds. The City accounts for its water and sewer operations in the water and sewer fund and solid waste collection and disposal in the sanitation fund.

**1-C. Measurement Focus**

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

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

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

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

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

**1-D. Basis of Accounting**

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

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

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

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

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

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

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

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

**Cash, Cash Equivalents, and Investments**

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

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

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

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

**Receivables**

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

**Interfund Balances**

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

**Consumable Inventories**

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

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

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is nonspendable, as this amount is not available for general appropriation.

**Capital Assets**

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

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

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

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

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

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

**Compensated Absences**

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

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

**Accrued Liabilities and Long-term Obligations**

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

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any deferred outflows of resources as of June 30, 2020.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable



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

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

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

**Fund Equity**

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

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

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

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

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

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

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

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

- Committed
- Assigned
- Unassigned

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

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

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

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

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

**Operating Revenues and Expenses**

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

**Contributions of Capital**

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

**Interfund Activity**

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

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

**Estimates**

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

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

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

**Budgetary Information**

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

All budgets are adopted on a basis consistent with GAAP.

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

All unexpended annual appropriations lapse at year-end.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2020, expenditures exceeded appropriations for the following departments within the general fund:

Animal control	\$ 3,771
Economic development	274,606
Debt service	10,774

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

Expenditures exceeded appropriations in the Regional drug task force special revenue fund by \$51,817 and these over expenditures were funded by additional revenues over amounts budgeted.

Expenditures exceeded appropriations for Tourism for the Hotel/Motel tax special revenue fund by \$19,748 and these over expenditures were funded by additional revenues over amounts budgeted and available fund balance.

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

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**NOTE 3 – CASH DEPOSITS WITH BANKS**

**Custodial Credit Risk – Deposits**

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

At June 30, 2020, the carrying amount of the City’s deposits (checking and certificates of deposit) was \$4,486,796 and the bank balance was \$4,691,022. Of the bank balance, \$997,669 was covered by federal depository insurance, and \$3,693,353 was collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2020, consisted primarily of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The allowances for uncollectibles netted against receivables at June 30, 2020 consisted of \$15,093 for the general fund, \$17,520 for the sanitation fund and \$54,172 for the water and sewer system fund.

**NOTE 5 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20<sup>th</sup> of each year and are payable within sixty days. The County bills and collects property taxes for the City. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2020, property taxes were levied on August 5, 2019, and were due on December 20, 2019.

**NOTE 6 - INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Hotel Motel Fund	\$ 996
	TSPLOST Fund	352,277
Sanitation Fund	Water and Sewer System Fund	5,102
	General Fund	43,129
2018 SPLOST Fund	General Fund	4,257
	2005 SPLOST Fund	3,104
Water and Sewer System Fund	General Fund	65,818
		<u>\$474,683</u>

Interfund balances at June 30, 2020 represent charges for services or reimbursable expenses. The City expects to repay all interfund balances within one year.

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

**NOTE 6 - INTERFUND BALANCES AND TRANSFERS (Continued)**

Interfund transfers for the year ended June 30, 2020 consisted of \$127,379 in transfers to the water and sewer system fund from the 2011 SPLOST fund for capital projects, \$21,000 in transfers to the water and sewer system fund from the 2018 SPLOST fund for capital projects, \$55,000 in transfers to the general fund from the sanitation fund for indirect cost allocation and \$166,416 in transfers to the general fund from the water and sewer system fund for indirect cost allocation.

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 525,603	-	-	\$ 525,603
Construction in progress	110,821	\$ 927,770	\$ 26,816	1,011,775
Total capital assets not being depreciated	<u>636,424</u>	<u>927,770</u>	<u>26,816</u>	<u>1,537,378</u>
Other capital assets being depreciated:				
Buildings and improvements	13,181,300	30,714	-	13,212,014
Land improvements	265,450	-	-	265,450
Machinery and equipment	3,512,882	373,517	42,976	3,843,423
Infrastructure	11,834,172	-	-	11,834,172
Total capital assets being depreciated	<u>28,793,804</u>	<u>404,231</u>	<u>42,976</u>	<u>29,155,059</u>
Total capital assets	<u>29,430,228</u>	<u>1,332,001</u>	<u>69,792</u>	<u>30,692,437</u>
Accumulated depreciation:				
Buildings and improvements	2,212,872	322,797	-	2,535,669
Land improvements	162,334	13,190	-	175,524
Machinery and equipment	2,328,646	247,150	12,176	2,563,620
Infrastructure	7,760,270	252,623	-	8,012,893
Total accumulated depreciation	<u>12,464,122</u>	<u>835,760</u>	<u>12,176</u>	<u>13,287,706</u>
Governmental activities capital assets, net	<u>\$16,966,106</u>	<u>\$ 496,241</u>	<u>\$ 57,616</u>	<u>\$17,404,731</u>

Governmental activities depreciation expense:

General government	\$ 311,033
Public safety	221,350
Public works	281,850
Health and welfare	2,142
Culture and recreation	<u>19,385</u>
Total governmental activities depreciation expense	<u>\$ 835,760</u>

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

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

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

	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 492,280	-	-	\$ 492,280
Construction in progress	113,909	\$280,729	\$ 99,882	294,756
Total capital assets not being depreciated	<u>606,189</u>	<u>280,729</u>	<u>99,882</u>	<u>787,036</u>
Other capital assets being depreciated:				
Water and sewer system	10,795,646	42,696	-	10,838,342
Buildings	94,767	142,257	-	237,024
Machinery and equipment	1,173,671	324,302	-	1,497,973
Total capital assets being depreciated	<u>12,064,084</u>	<u>509,255</u>	<u>-</u>	<u>12,573,339</u>
Total capital assets	<u>12,670,273</u>	<u>789,984</u>	<u>99,882</u>	<u>13,360,375</u>
Accumulated depreciation:				
Water and sewer system	5,281,469	224,562	-	5,506,031
Buildings	83,246	6,279	-	89,525
Machinery and equipment	1,090,127	65,578	-	1,155,705
Total accumulated depreciation	<u>6,454,842</u>	<u>296,419</u>	<u>-</u>	<u>6,751,261</u>
Business-type activities capital assets, net	<u>\$6,215,431</u>	<u>\$493,565</u>	<u>\$ 99,882</u>	<u>\$6,609,114</u>

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

As of June 30, 2020, fund balances are composed of the following:

	General Fund	Regional Drug Task Force	T-SPLOST Fund	2018 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 83,138	\$ 2,823	-	-	\$ 571	\$ 86,532
Restricted:						
Capital projects	-	-	-	\$ 671,301	454,882	1,126,183
Drug task force	-	1,012,476	-	-	-	1,012,476
Road projects	177,317	-	\$ 33,880	-	-	211,197
Animal shelter	100,000	-	-	-	-	100,000
Tourism	29,082	-	-	-	28,087	57,169
Total restricted	<u>306,399</u>	<u>1,012,476</u>	<u>33,880</u>	<u>671,301</u>	<u>482,969</u>	<u>2,507,025</u>
Assigned:						
Fire department	11,834	-	-	-	-	11,834
Subsequent year's budget	149,115	-	-	-	-	149,115
Total assigned	<u>160,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,949</u>
Unassigned	751,990	-	-	-	-	751,990
Total fund balances	<u>\$ 1,302,476</u>	<u>\$ 1,015,299</u>	<u>\$ 33,880</u>	<u>\$ 671,301</u>	<u>\$ 483,540</u>	<u>\$ 3,506,496</u>

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

**NOTE 9 – LONG-TERM DEBT**

**Notes Payable** – The City has entered into notes payable with the Georgia Environmental Finance Authority (GEFA) and United States Department of Agriculture (USDA) with balances at June 30, 2020, as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
\$318,400 Note payable to the U.S. Department of Agriculture for the financing of a fire truck, payable in annual installments of \$51,107 including interest at 3.00% through November 14, 2026.	\$ 318,400	
\$199,500 Note payable to the U.S. Department of Agriculture for the financing of public safety radios, payable in annual installments of \$43,563 including interest at 3.00% through December 23, 2024.	199,500	
GEFA (99-L26WJ), payable in quarterly installments of \$19,472 including interest at 4.75% through June 1, 2021		\$ 75,563
GEFA (2013-L20WQ), payable in monthly installments of \$4,985 including interest at 2.40% through August 1, 2035		759,815
	<u>\$ 517,900</u>	<u>\$ 835,378</u>

Annual debt service requirements to amortize all notes payable outstanding at June 30, 2020 are as follows:

Year	Governmental Activities			Business - Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 79,133	\$ 15,537	\$ 94,670	\$ 117,605	\$ 20,167	137,772
2022	81,507	13,163	94,670	43,062	16,755	59,817
2023	83,952	10,718	94,670	44,107	15,710	59,817
2024	86,471	8,199	94,670	45,177	14,640	59,817
2025	89,058	5,605	94,663	46,274	13,543	59,817
2026-2030	97,779	4,421	102,200	248,766	50,319	299,085
2031-2035	-	-	-	280,449	18,636	299,085
2036	-	-	-	9,938	35	9,973
Total	<u>\$ 517,900</u>	<u>\$ 57,643</u>	<u>\$ 575,543</u>	<u>\$ 835,378</u>	<u>\$ 149,805</u>	<u>\$ 985,183</u>

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

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

**Capital Leases** – The City has entered into lease agreements to purchase vehicles costing \$147,825 for governmental activities. Annual depreciation expense on these capital assets was \$27,457, and accumulated depreciation was \$29,217 at June 30, 2020.

The City has entered into lease agreements to purchase vehicles costing \$206,089 for business-type activities. Annual depreciation expense on these capital assets was \$15,727, and accumulated depreciation was \$15,727 at June 30, 2020.

The capital leases require annual payments including interest as follows:

Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 27,326	\$ 5,855	\$ 33,181	\$ 46,398	\$ 7,376	\$ 53,774
2022	28,408	4,773	33,181	48,086	5,688	53,774
2023	29,532	3,649	33,181	49,836	3,938	53,774
2024	30,702	2,479	33,181	30,371	2,125	32,496
2025	31,916	1,265	33,181	31,398	1,098	32,496
Total	<u>\$ 147,884</u>	<u>\$ 18,021</u>	<u>\$ 165,905</u>	<u>\$ 206,089</u>	<u>\$ 20,225</u>	<u>\$ 226,314</u>

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

	Outstanding 7/1/2019	Additions	Reductions	Outstanding 6/30/2020	Amounts Due in One Year
<b>Governmental Activities</b>					
Capital leases	\$ 311,631	\$ 42,169	\$ 205,916	\$ 147,884	\$ 27,326
Notes payable	-	517,900	-	517,900	79,133
Compensated absences	79,796	-	5,370	74,426	14,885
<b>Total Governmental Activities</b>	<u>\$ 353,758</u>	<u>\$ 560,069</u>	<u>\$ 211,286</u>	<u>\$ 740,210</u>	<u>\$ 121,344</u>
<b>Business-Type Activities</b>					
Notes payable	\$ 948,556	-	\$ 113,178	\$ 835,378	\$ 117,605
Capital leases	-	\$ 206,089	-	206,089	46,398
Compensated absences	20,631	5,597	-	26,228	5,246
<b>Total Business-Type Activities</b>	<u>\$ 1,069,493</u>	<u>\$ 211,686</u>	<u>\$ 113,178</u>	<u>\$ 1,067,695</u>	<u>\$ 169,249</u>

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



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

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**NOTE 11 – EMPLOYEE RETIREMENT PLAN**

The City of Metter Retirement Plan is a defined contribution plan which was adopted by resolution of the City Council and was effective January 1, 1994 to provide retirement benefit to plan members. The plan is administered by the City of Metter. The 2019 calendar year covered payroll was \$1,842,567 and the total 2019 calendar year payroll was \$1,975,464. The plan is open to all full-time employees with more than one year of service.

Employees are 100% vested in the City contribution after five years of service. The contribution for the year ended June 30, 2020 to the City funded plan was \$86,177 which is 4.68% of the 2019 calendar year covered payroll. Employees do not contribute to this plan and the City does not have a required contribution. Contributions are established by the City Council on an annual basis.

**NOTE 12 – CONTINGENT LIABILITIES**

As of June 30, 2020, there was no pending litigation that would have a material effect on the financial statements.

**NOTE 13 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation claims; and natural disasters. The City carries commercial insurance to cover these risks. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for establishing the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2020. No provisions have been made in the financial statements for the year ended June 30, 2020 for any estimate of potential unpaid claims.

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

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

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**NOTE 14 – JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2020, the City paid \$4,130 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes representatives from each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

**NOTE 15 – HOTEL/MOTEL LODGING TAX**

The City levies a 7% lodging tax. A summary of the transactions for the year ended June 30, 2020 follows:

Lodging tax receipts	\$ 65,179
Expenditures	<u>(65,179)</u>
	<u>\$ -</u>

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

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 29, 2021, the date the financial statements were available for issue. No subsequent events requiring disclosure in the financial statements were noted.

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

	JUNE 30, 2020	JUNE 30, 2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,055,799	\$ 551,754
Certificates of deposit	204,083	202,624
Receivables:		
Taxes	134,666	130,637
Accounts	9,319	-
Intergovernmental	126,141	84,122
Interfund	353,273	28,170
Prepaid items	83,138	83,908
<b>TOTAL ASSETS</b>	<b>\$ 1,966,419</b>	<b>\$ 1,081,215</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 430,959	\$ 51,258
Unearned revenue	-	1,775
Due to other funds	113,204	35,927
Other	27,431	11,331
Total liabilities	571,594	100,291
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	92,349	88,598
<b>FUND BALANCE</b>		
Nonspendable	83,138	83,908
Restricted	306,399	254,654
Assigned	160,949	146,230
Unassigned	751,990	407,534
Total fund balance	1,302,476	892,326
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,966,419</b>	<b>\$ 1,081,215</b>

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

	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
<b>REVENUES</b>		
Taxes:		
Property	\$ 974,479	\$ 931,430
Motor vehicle	114,314	140,819
Sales	671,741	651,688
Franchise	297,363	287,028
Insurance premium	310,249	295,874
Alcoholic beverage	105,595	102,314
Other	34,470	40,871
Licenses and permits	93,871	75,000
Charges for services	105,226	24,554
Intergovernmental	645,452	325,343
Fines and forfeitures	187,315	116,118
Interest	3,806	3,317
Miscellaneous	25,274	66,909
Total revenues	<u>3,569,155</u>	<u>3,061,265</u>
<b>EXPENDITURES</b>		
Current:		
General government	721,143	759,266
Judicial	19,231	13,228
Public safety	1,618,932	1,700,780
Public works	471,245	555,692
Health and welfare	14,700	13,799
Culture and recreation	50,658	46,941
Housing and development	475,683	93,853
Debt service		
Principal	9,539	-
Interest	1,235	-
Total expenditures	<u>3,382,366</u>	<u>3,183,558</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>186,789</u>	<u>(122,293)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Sale of capital assets	1,945	9,152
Transfers in	221,416	136,412
Transfers out	-	(137,547)
Total other financing sources (uses)	<u>223,361</u>	<u>8,017</u>
<b>NET CHANGE IN FUND BALANCE</b>	410,150	(114,276)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>892,326</u>	<u>1,006,602</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,302,476</u>	<u>\$ 892,326</u>

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

---

A S S E T S

	<u>JUNE 30,</u> 2020	<u>JUNE 30,</u> 2019
ASSETS		
Cash and cash equivalents	\$ 1,011,888	\$ 1,182,185
Intergovernmental receivable	47,967	84,218
Prepaid insurance	<u>2,823</u>	<u>2,643</u>
 TOTAL ASSETS	 <u>\$ 1,062,678</u>	 <u>\$ 1,269,046</u>

LIABILITIES AND  
FUND BALANCE

LIABILITIES		
Accounts payable	\$ 30,859	\$ 80,182
Other	<u>16,520</u>	<u>356,437</u>
 TOTAL LIABILITIES	 <u>47,379</u>	 <u>436,619</u>
 FUND BALANCE		
Nonspendable	2,823	2,643
Restricted	<u>1,012,476</u>	<u>829,784</u>
Total fund balance	<u>1,015,299</u>	<u>832,427</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,062,678</u>	 <u>\$ 1,269,046</u>

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

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	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
REVENUES		
Intergovernmental	\$ 325,537	\$ 374,438
Fines and forfeitures	266,762	256,155
Total revenues	592,299	630,593
EXPENDITURES		
Public safety	409,427	578,061
EXCESS OF REVENUES OVER EXPENDITURES	182,872	52,532
FUND BALANCE, BEGINNING OF YEAR	832,427	779,895
FUND BALANCE, END OF YEAR	\$ 1,015,299	\$ 832,427

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

---

A S S E T S

	JUNE 30, 2020	JUNE 30, 2019
ASSETS		
Cash and cash equivalents	\$ 76,461	\$ 68,010
Intergovernmental receivable	342,260	3,928
TOTAL ASSETS	\$ 418,721	\$ 71,938

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

LIABILITIES		
Accounts payable	\$ 32,564	\$ 3,000
Due to other funds	352,277	-
TOTAL LIABILITIES	384,841	3,000
FUND BALANCE - Restricted	33,880	68,938
TOTAL LIABILITIES AND FUND BALANCE	\$ 418,721	\$ 71,938

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

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	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
REVENUES		
Intergovernmental	\$ 388,989	\$ 94,535
Interest	44	62
Total revenues	389,033	94,597
EXPENDITURES		
Capital outlay:		
Public works	424,091	144,482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,058)	(49,885)
FUND BALANCE, BEGINNING OF YEAR	68,938	118,823
FUND BALANCE, END OF YEAR	\$ 33,880	\$ 68,938



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

---

A S S E T S

	JUNE 30, 2020	JUNE 30, 2019
ASSETS		
Cash and cash equivalents	\$ 657,395	\$ 326,561
Receivables:		
Intergovernmental	78,212	72,978
Lease	-	105,716
Interfund	7,361	-
 TOTAL ASSETS	 \$ 742,968	 \$ 505,255

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

LIABILITIES		
Accounts payable	\$ 71,667	\$ 72,265
Due to other funds	-	365,522
 TOTAL LIABILITIES	 71,667	 437,787
 FUND BALANCE - Restricted	 671,301	 67,468
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 742,968	 \$ 505,255

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

	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
REVENUES		
Intergovernmental	\$ 543,023	\$ 425,372
Interest	1,636	745
Total revenues	<u>544,659</u>	<u>426,117</u>
EXPENDITURES		
Capital outlay:		
Public safety	355,081	510,927
Public works	70,939	-
Housing and development	53,875	14,020
Total expenditures	<u>479,895</u>	<u>524,947</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>64,764</u>	<u>(98,830)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from capital leases	42,169	105,716
Proceeds from notes payable	517,900	-
Transfers out	(21,000)	(40,000)
Total other financing sources (uses)	<u>539,069</u>	<u>65,716</u>
NET CHANGE IN FUND BALANCE	603,833	(33,114)
FUND BALANCE, BEGINNING OF YEAR	<u>67,468</u>	<u>100,582</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 671,301</u></u>	<u><u>\$ 67,468</u></u>

**CITY OF METTER, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Nonmajor Capital Projects Funds	Hotel/Motel Tax Special Revenue Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 457,986	\$ 25,614	\$ 483,600
Taxes receivable	-	3,829	3,829
Prepaid items	-	571	571
<b>TOTAL ASSETS</b>	<b>\$ 457,986</b>	<b>\$ 30,014</b>	<b>\$ 488,000</b>
<b>LIABILITIES</b>			
Accounts payable	-	\$ 360	\$ 360
Due to other funds	\$ 3,104	996	4,100
<b>Total liabilities</b>	<b>3,104</b>	<b>1,356</b>	<b>4,460</b>
<b>FUND BALANCE</b>			
Nonspendable	-	571	571
Restricted	454,882	28,087	482,969
<b>Total fund balance</b>	<b>454,882</b>	<b>28,658</b>	<b>483,540</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 457,986</b>	<b>\$ 30,014</b>	<b>\$ 488,000</b>

**CITY OF METTER, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Nonmajor Capital Projects Funds	Hotel/Motel Tax Special Revenue Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	-	\$ 65,179	\$ 65,179
Interest	\$ 269	8	277
Miscellaneous	-	15,139	15,139
Total revenues	<u>269</u>	<u>80,326</u>	<u>80,595</u>
<b>EXPENDITURES</b>			
Current:			
Housing and development	-	97,594	97,594
Capital outlay:			
Public works	66,578	-	66,578
Housing and development	15,021	-	15,021
Debt service			
Principal	196,377	-	196,377
Interest	5,374	-	5,374
Total expenditures	<u>283,350</u>	<u>97,594</u>	<u>380,944</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(283,081)	(17,268)	(300,349)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(127,379)</u>	<u>-</u>	<u>(127,379)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(410,460)	(17,268)	(427,728)
<b>FUND BALANCE, JULY 1, 2019</b>	<u>865,342</u>	<u>45,926</u>	<u>911,268</u>
<b>FUND BALANCE, JUNE 30, 2020</b>	<u>\$ 454,882</u>	<u>\$ 28,658</u>	<u>\$ 483,540</u>

**CITY OF METTER, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2020**

	2005 SPLOST Fund	2011 SPLOST Fund	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 457,986	\$ -	\$ 457,986
<b>TOTAL ASSETS</b>	<b>\$ 457,986</b>	<b>\$ -</b>	<b>\$ 457,986</b>
<b>LIABILITIES</b>			
Due to other funds	\$ 3,104	-	\$ 3,104
<b>FUND BALANCE</b>			
Restricted	454,882	\$ -	454,882
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 457,986</b>	<b>\$ -</b>	<b>\$ 457,986</b>

**CITY OF METTER, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>2005</u> <u>SPLOST</u> <u>Fund</u>	<u>2011</u> <u>SPLOST</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Capital Projects</u> <u>Funds</u>
<b>REVENUES</b>			
Interest	\$ 128	\$ 141	\$ 269
<b>EXPENDITURES</b>			
Capital outlay:			
Public works	-	66,578	66,578
Housing and development	-	15,021	15,021
Debt service:			
Principal	-	196,377	196,377
Interest	-	5,374	5,374
Total expenditures	<u>-</u>	<u>283,350</u>	<u>283,350</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b> <b>OVER (UNDER) EXPENDITURES</b>	128	(283,209)	(283,081)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(127,379)</u>	<u>(127,379)</u>
<b>NET CHANGE IN FUND BALANCE</b>	128	(410,588)	(410,460)
<b>FUND BALANCE, JULY 1, 2019</b>	<u>454,754</u>	<u>410,588</u>	<u>865,342</u>
<b>FUND BALANCE, JUNE 30, 2020</b>	<u>\$ 454,882</u>	<u>\$ -</u>	<u>\$ 454,882</u>

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

---

A S S E T S

	JUNE 30, 2020	JUNE 30, 2019
ASSETS		
Cash and cash equivalents	\$ 457,986	\$ 89,458
Interfund receivable	-	440,210
	\$ 457,986	\$ 529,668

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

LIABILITIES		
Accounts payable	-	\$ 74,914
Due to other funds	\$ 3,104	-
TOTAL LIABILITIES	3,104	74,914
FUND BALANCE - Restricted	454,882	\$ 454,754
TOTAL LIABILITIES AND FUND BALANCE	\$ 457,986	\$ 529,668

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

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	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
REVENUES		
Interest	\$ 128	\$ 224
EXPENDITURES	-	-
NET CHANGE IN FUND BALANCE	128	224
FUND BALANCE, BEGINNING OF YEAR	454,754	454,530
FUND BALANCE, END OF YEAR	\$ 454,882	\$ 454,754



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

---

A S S E T S

	JUNE 30, 2020	JUNE 30, 2019
ASSETS		
Cash and cash equivalents	\$ -	\$ 411,528
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 411,528</u>

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

LIABILITIES		
Accounts payable	\$ -	\$ 940
FUND BALANCE - Restricted	<u>-</u>	<u>410,588</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 411,528</u>

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

	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
REVENUES		
Interest	\$ 141	\$ 374
EXPENDITURES		
Capital outlay:		
Public safety	-	159,124
Public works	66,578	17,660
Housing and development	15,021	-
Debt service:		
Principal	196,377	61,728
Interest	5,374	10,045
Total expenditures	<u>283,350</u>	<u>248,557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(283,209)	(248,183)
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>(127,379)</u>	<u>(413,944)</u>
NET CHANGE IN FUND BALANCE	(410,588)	(662,127)
FUND BALANCE, BEGINNING OF YEAR	<u>410,588</u>	<u>1,072,715</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 410,588</u>

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

---

A S S E T S

	JUNE 30, 2020	JUNE 30, 2019
ASSETS		
Cash and cash equivalents	\$ 25,614	\$ 2,595
Receivables:		
Taxes	3,829	5,787
Interfund	-	14,646
Prepaid items	571	25,937
 TOTAL ASSETS	 \$ 30,014	 \$ 48,965

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

LIABILITIES		
Accounts payable	\$ 360	\$ 3,039
Due to other funds	996	-
 TOTAL LIABILITIES	 1,356	 3,039
 FUND BALANCE		
Nonspendable	571	25,937
Restricted	28,087	19,989
Total fund balance	28,658	45,926
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 30,014	 \$ 48,965

**CITY OF METTER, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)	2019 Actual
<b>REVENUES</b>				
Hotel/Motel tax	\$ 69,996	\$ 65,179	\$ (4,817)	\$ 67,404
Intergovernmental	-	-	-	59,976
Interest	-	8	8	1
Miscellaneous	7,000	15,139	8,139	9,218
Total revenues	<u>76,996</u>	<u>80,326</u>	<u>3,330</u>	<u>136,599</u>
<b>EXPENDITURES</b>				
Current:				
Housing and development				
Economic development	-	-	-	89,921
Tourism	77,846	97,594	(19,748)	83,174
Total expenditures	<u>77,846</u>	<u>97,594</u>	<u>(19,748)</u>	<u>173,095</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(850)	(17,268)	(16,418)	(36,496)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	111,663
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (850)</u>	(17,268)	<u>\$ (16,418)</u>	<u>75,167</u>
FUND BALANCE, JULY 1, 2019		<u>45,926</u>		
FUND BALANCE, JUNE 30, 2020		<u>\$ 28,658</u>		

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

	June 30, 2020	June 30, 2019
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 838,853	\$ 1,038,489
Certificates of deposit	66,125	65,489
Accounts receivable	216,687	105,596
Interfund receivable	65,818	-
Prepaid insurance	16,966	17,322
Total Current Assets	1,204,449	1,226,896
Capital Assets		
Land	492,280	492,280
Construction in progress	294,756	87,093
Water and sewer system	10,838,342	10,795,646
Buildings	216,431	94,767
Machinery and equipment	1,092,279	942,592
Less accumulated depreciation	(6,530,012)	(6,274,489)
Total Capital Assets	6,404,076	6,137,889
Total Assets	7,608,525	7,364,785
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	89,607	13,293
Customer deposits	94,873	91,171
Compensated absences	2,923	2,155
Notes payable	117,605	113,186
Capital leases payable	10,083	-
Interfund payable	5,102	48,860
Total Current Liabilities	320,193	268,665
Long-Term Liabilities		
Compensated absences (net of current portion)	11,694	8,621
Notes payable (net of current portion)	717,773	835,370
Capital leases payable (net of current portion)	21,391	-
Total Long-Term Liabilities	750,858	843,991
Total Liabilities	1,071,051	1,112,656
<b>NET POSITION</b>		
Net investment in capital assets	5,537,224	5,189,333
Unrestricted	1,000,250	1,062,796
Total Net Position	\$ 6,537,474	\$ 6,252,129

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

	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,287,949	\$ 1,061,491
Penalties	30,465	29,877
Other	57,965	39,911
Total operating revenues	<u>1,376,379</u>	<u>1,131,279</u>
<b>OPERATING EXPENSES</b>		
Salaries	236,481	188,301
Employee benefits	76,340	72,295
Professional and technical services	27,740	19,622
Purchased services	372,419	329,178
Materials and supplies	80,985	83,522
Depreciation	255,523	246,999
Bad debts	-	88,860
Total operating expenses	<u>1,049,488</u>	<u>1,028,777</u>
<b>OPERATING INCOME</b>	<u>326,891</u>	<u>102,502</u>
<b>NON-OPERATING REVENUE ( EXPENSE)</b>		
Interest income	1,016	554
Gain on sale of capital assets	-	1,800
Interest expense	(24,525)	(28,815)
Total non-operating revenue (expense)	<u>(23,509)</u>	<u>(26,461)</u>
<b>INCOME BEFORE TRANSFERS</b>	303,382	76,041
Transfers in	148,379	453,944
Transfers out	<u>(166,416)</u>	<u>(136,412)</u>
<b>CHANGE IN NET POSITION</b>	285,345	393,573
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>6,252,129</u>	<u>5,858,556</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 6,537,474</u>	<u>\$ 6,252,129</u>

**CITY OF METTER, GEORGIA**  
**SANITATION FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**

	June 30, 2020	June 30, 2019
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 92,592	\$ 24,868
Accounts receivable	70,078	45,046
Interfund receivable	48,231	8,182
Prepaid insurance	11,583	9,419
Total Current Assets	<u>222,484</u>	<u>87,515</u>
Capital Assets		
Construction in progress	-	26,816
Buildings	20,593	-
Machinery and equipment	405,694	231,079
Less accumulated depreciation	(221,249)	(180,353)
Total Capital Assets	<u>205,038</u>	<u>77,542</u>
 Total Assets	 <u>427,522</u>	 <u>165,057</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	4,861	9,099
Compensated absences	2,322	1,971
Capital leases payable	36,315	-
Interfund payable	-	40,899
Total Current Liabilities	<u>43,498</u>	<u>51,969</u>
Long-Term Liabilities		
Compensated absences (net of current portion)	9,289	7,884
Capital leases payable (net of current portion)	138,300	-
Total Long-Term Liabilities	<u>147,589</u>	<u>7,884</u>
 Total Liabilities	 <u>191,087</u>	 <u>59,853</u>
<b>NET POSITION</b>		
Net investment in capital assets	30,423	77,542
Unrestricted	206,012	27,662
Total Net Position	<u>\$ 236,435</u>	<u>\$ 105,204</u>

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

	YEAR ENDED	
	JUNE 30, 2020	JUNE 30, 2019
<b>OPERATING REVENUES</b>		
Charges for services	\$ 572,215	\$ 377,182
Penalties	13,934	9,845
Other	-	146
<b>Total operating revenues</b>	<u>586,149</u>	<u>387,173</u>
<b>OPERATING EXPENSES</b>		
Salaries	194,071	197,342
Employee benefits	74,148	54,798
Purchased services	76,821	72,829
Materials and supplies	14,089	13,160
Depreciation	40,896	26,466
Other costs	-	-
<b>Total operating expenses</b>	<u>400,025</u>	<u>364,595</u>
<b>OPERATING INCOME</b>	<u>186,124</u>	<u>22,578</u>
<b>NON-OPERATING REVENUE ( EXPENSE)</b>		
Interest income	107	34
Gain on sale of capital assets	-	5,400
<b>Total non-operating revenue (expense)</b>	<u>107</u>	<u>5,434</u>
<b>INCOME BEFORE TRANSFERS</b>	186,231	28,012
Capital contributions	-	77,192
Transfers out	<u>(55,000)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	131,231	105,204
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>105,204</u>	<u>-</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 236,435</u></u>	<u><u>\$ 105,204</u></u>



**CITY OF METTER, GEORGIA**  
**SCHEDULE OF PROJECTS PAID WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**2005 SPLOST**

	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Water system improvements	\$ 950,000	\$ 950,000	\$ 221,527	-	\$ 221,527	23%
Sewer system improvements	875,000	875,000	815,766	-	815,766	93%
Street and drainage improvements	630,000	630,000	619,337	-	619,337	98%
Public building projects	800,000	800,000	573,353	-	573,353	72%
Acquisition of new equipment	375,000	394,908	394,908	-	394,908	100%
<b>Totals</b>	<b>\$ 3,630,000</b>	<b>\$ 3,649,908</b>	<b>\$ 2,624,891</b>	<b>\$ -</b>	<b>\$ 2,624,891</b>	<b>72%</b>

**2011 SPLOST**

	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Water and sewer system improvements	\$ 1,360,000	\$ 913,586	\$ 786,207	\$ 127,379	\$ 913,586	100%
Street improvements	600,000	609,026	542,448	66,578	609,026	100%
Drainage improvements	200,000	45,650	45,650	-	45,650	100%
Construction/improvements of public facilities	300,000	261,124	246,103	15,021	261,124	100%
Acquisition of vehicles and equipment	540,000	964,620	762,869	201,751	964,620	100%
Aesthetic enhancements (City entrance signs)	100,000	104,231	104,231	-	104,231	100%
<b>Totals</b>	<b>\$ 3,100,000</b>	<b>\$ 2,898,237</b>	<b>2,487,508</b>	<b>\$ 410,729</b>	<b>\$ 2,898,237</b>	<b>100%</b>

**CITY OF METTER, GEORGIA**  
**SCHEDULE OF PROJECTS PAID WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**2018 SPLOST**

	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Fire station construction	\$ 1,000,000	\$ 1,000,000	-	\$ 6,583	\$ 6,583	1%
Economic development projects	300,000	300,000	\$ 14,020	53,875	67,895	23%
Public utilities rehabilitation and expansion	490,000	490,000	40,000	21,000	61,000	12%
Drainage improvements	100,000	100,000	-	70,939	70,939	71%
Acquisition of vehicles and equipment	470,000	512,040	405,211	106,829	512,040	100%
Totals	<u>\$ 2,360,000</u>	<u>\$ 2,402,040</u>	<u>\$ 459,231</u>	<u>\$ 259,226</u>	<u>\$ 718,457</u>	<u>30%</u>

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

Total 2018 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 479,895
Transfer to other funds	21,000
Less proceeds from capital lease for acquisition of vehicles and equipment	(42,169)
Less proceeds from notes payable for acquisition of vehicles and equipment	<u>(199,500)</u>
Total current year expenditures per above	<u>\$ 259,226</u>

# LANIER, DEAL & PROCTOR

WILLIAM RUSSELL LANIER, CPA  
RICHARD N. DEAL, CPA, CGMA  
KAY S. PROCTOR, CPA, CFE, CGMA  
WILLIAM BLAKE BLOSER, CPA  
TIFFANY D. JENKINS, CPA, CGMA  
RICHARD N. DEAL II, CPA

CERTIFIED PUBLIC ACCOUNTANTS  
201 SOUTH ZETTEROWER AVENUE  
P.O. BOX 505  
STATESBORO, GEORGIA 30459  
PHONE (912) 489-8756  
FAX (912) 489-1243

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
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PUBLIC ACCOUNTANTS

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

Honorable Mayor and Council  
City of Metter, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Metter, Georgia, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise City of Metter, Georgia's basic financial statements, and have issued our report thereon dated March 29, 2021.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described below as 2020-1 and 2020-2, that we consider to be material weaknesses.

### **2020-1 Interfund Balances Not Reconciled**

Interfund receivables/payables between multiple funds did not balance on the June 30, 2020 trial balances provided for the annual audit. Interfund receivables/payables should be reconciled on a monthly basis.

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

### **2020-2 Credit Card Transactions Posted to Incorrect Bank Accounts**

During our audit we noted that certain payments received by credit card were not posted to the appropriate bank accounts on the general ledger. As a result, the balances reported on the books for several bank accounts were inaccurate. All bank accounts should be reconciled at the end of each month and all uncleared transactions recorded in each bank account on the general ledger should be reviewed for accuracy to determine any balancing and posting issues on a timely basis.

City Response: We concur with this finding and we will begin to review the uncleared transactions recorded in each bank account on the general ledger on a monthly to ensure that all credit card receipts are properly posted.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Metter, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described below as 2020-3.

### **2020-3 Interfund balances due to 2018 SPLOST Fund**

At June 30, 2020 the general fund owed the 2018 SPLOST fund \$4,257 and the 2005 SPLOST fund owed the 2018 SPLOST fund \$3,104 for expenditures incurred under the incorrect SPLOST referendum. SPLOST funds are not to be commingled with other funds of the City.

City Response: We concur with this finding and we will reimburse the 2018 SPLOST fund in the current fiscal year.

### **City of Metter, Georgia's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Janier, Deal + Proctor*

Statesboro, Georgia  
March 29, 2021