

CITY OF SWAINSBORO, GEORGIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2019

City of Swainsboro, Georgia
Annual Financial Report
For The Fiscal Year Ended November 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Swainsboro, Georgia

I 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 City of Swainsboro, Georgia, as of and for the year ended November 30, 2019 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. According, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my 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 aggregate

discretely presented component units, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia as of November 30, 2019, and the respective change in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards


In accordance with *Government Auditing Standards*, I have also issued my report dated May 30, 2020 on my consideration of the City's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. I 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 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. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Swainsboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, the SPLOST schedule and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements as a whole.

The combining and individual non major fund financial statements and other supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements as a whole. 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 my opinion, the combining individual nonmajor fund financial statements and other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.


May 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Swainsboro, Georgia (the City) 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 fiscal year ended November 30, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by \$32,725,878 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - 1) Net investment in capital assets, of \$25,014,963 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - 2) Net position of \$1,337,468 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - 3) Unrestricted net position of \$6,373,447 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 \$5,139,609 this year. This compares to the prior year ending fund balance of \$4,092,329, showing an increase of \$1,047,280 during the current year. Unassigned fund balance of \$4,249,430 at November 30, 2019 shows a \$605,122 increase from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,249,430 or 51.4% of total General Fund expenditures, as compared to 45.8% at November 30, 2018.
- Overall, the City continues to maintain a strong financial position, despite a somewhat depressed economy.

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. Comparative data is presented when available and feasible.

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 the City's assets and liabilities, with the difference 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 is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial 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 taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 12 & 13 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 others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

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 14 - 17 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

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

The basic enterprise fund financial statements are presented on pages 18-21 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 22 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. Also included are notes to the RSI.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is \$32,725,878 as compared to a \$32,894,990 at November 30, 2018. The following table provides a summary of the City's net position:

Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Assets:						
Current assets	\$ 4,926,402	\$ 5,693,792	\$ 965,172	\$ 1,370,427	\$ 5,891,574	\$ 7,064,219
Capital assets	13,610,027	13,283,736	19,855,513	18,840,863	33,465,540	32,124,599
Net pension assets	1,199,564	866,484	-	-	1,199,564	866,484
Total assets	19,735,993	19,844,012	20,820,685	20,211,290	40,556,678	40,055,302
Deferred outflows of resources	16,572	62,032	-	-	16,572	62,032
Liabilities:						
Current liabilities	1,238,997	870,739	529,251	559,892	1,768,248	1,430,631
Long-term liabilities	17,658	204,038	6,835,257	5,959,488	6,852,915	6,163,526
Total liabilities	1,256,655	1,074,777	7,364,508	6,519,380	8,621,163	7,594,157
Deferred inflows of resources	(697,613)	(202,702)	-	-	(697,613)	(202,702)
Net position:						
Net investment in capital assets	12,874,134	12,480,106	13,210,510	12,534,857	26,084,644	25,014,963
Restricted	142,003	865,520	445,788	471,948	587,791	1,337,468
Unrestricted	5,893,425	5,688,343	329,130	685,104	6,222,555	6,373,447
Total net position	\$ 18,909,562	\$ 19,033,969	\$ 13,985,428	\$ 13,691,910	\$ 32,894,990	\$ 32,725,878

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. The current ratio for governmental activities is 6.5 to 1 as compared to 4 to 1 at November 30, 2018. The current ratio for business-type activities is 2.5 to 1 as compared to 1.8 to 1 at November 30, 2018.

The City reported positive balances in net position for governmental and a slight negative balance in net position for business-type activities. This decrease was less than 1%.

Note that approximately 67% of the governmental activities' net position is tied up in capital. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has spent approximately 91% of its net position on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. 73% of the City's total net position is included in capital assets.

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 29% of the City's total governmental revenues as compared to 31% in fiscal year 2018. Sales taxes, including T-SPLOST and TIA, make up 16.8% of the City's total governmental revenues as compared to 10.2% in fiscal year 2018.

User charges and fines are the second largest revenue source totaling almost \$2 million or 22.4% of total governmental revenues. This percentage compared to 21.1% in fiscal year 2018. Because of the City's healthy financial position, we have been able to earn \$15,199 in interest earnings to support governmental and proprietary activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 67.7% of the total governmental activities expenses as compared to 71.6% in fiscal year 2018.

This 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				
	Total Cost of Services	%	Net Cost of Services	%
General government	\$ 734,013	8.0%	\$ 365,858	6.0%
Public safety	4,060,100	44.2%	3,112,381	51.3%
Public works	2,244,729	24.5%	1,200,951	19.8%
Health and welfare	32,513	0.4%	32,513	0.5%
Culture and recreation	1,313,730	14.3%	781,312	12.9%
Housing and development	745,121	8.1%	521,539	8.6%
Interest	46,658	0.5%	46,658	0.8%
Total	<u>\$ 9,176,864</u>	<u>100.0%</u>	<u>\$ 6,061,212</u>	<u>100.0%</u>

The public safety totals 51% of the net cost of services and public works totals 20% of these costs.

BUSINESS-TYPE ACTIVITIES

The major enterprise fund is the City's water and sewer system. Charges for services for the water and sewer fund were \$2,200,637 or up \$281,212. This increase relates to additional businesses within our community and a minor increase in the rates.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, 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 \$5,139,609 as compared to the 2018 fiscal year amount of \$4,092,329. Of this year-end total, \$4,249,430 is unassigned indicating availability for continuing City service requirements. Fund balance includes \$24,662 tied up in inventory, and \$865,517 restricted for debt service.

The total ending fund balances of governmental funds show an increase of \$1,047,280 above the prior year.

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 \$607,727 in fiscal year 2019.

Total revenues some, but was primarily due to grant funding.

Total property taxes decreased slightly, but remained relatively flat.

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, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2019, the City Council did not amend the general fund budget.

The City's revenue budget was very close in line with what was actually collected.

On the expenditure side, Public Safety and Housing and Development exceeded the budget.

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 November 30, 2019, was \$13,283,706 and \$18,840,863 respectively.

The following table provides a summary of capital asset activity:

	Capital Assets					
	Governmental Activities		Business Activities		Total	
	2018	2019	2018	2019	2018	2019
Non-depreciable assets:						
Land	\$ 1,139,999	\$ 1,139,999	\$ 520,300	\$ 520,300	\$ 1,660,299	\$ 1,660,29
Depreciable assets:						
Buildings	10,424,642	10,496,032	31,319	31,319	10,455,961	10,527,35
Utility plant	-	-	32,708,187	32,708,187	32,708,187	32,708,18
Machinery and equipment	3,111,136	3,441,965	875,834	875,835	3,986,970	4,317,80
Infrastructure	7,760,764	7,760,764	-	-	7,760,764	7,760,76
Total depreciable assets	21,296,542	21,698,761	33,615,340	33,615,341	54,911,882	55,314,10
Less accumulated depreciation	8,826,514	9,555,024	14,280,128	15,294,778	23,106,642	24,849,80
Book value - depreciable assets	12,470,028	12,143,737	19,335,212	18,320,563	31,805,240	30,464,30
Percentage depreciated	41%	44%	42%	45%	42%	45
Book value - all assets	\$ 13,610,027	\$ 13,283,736	\$ 19,855,512	\$ 18,840,863	\$ 33,465,539	\$ 32,124,59

At November 30, 2019, the depreciable capital assets for governmental activities were 44% depreciated. This compares equally to 41% at the November 30, 2018 percentage. This comparison indicates that the City is replacing its assets at about the same rate as they are depreciating, which is a positive indicator.

With the City's business type activities, 45% of the asset values were depreciated at November 30, 2019, which compares to 42% at November 30, 2018.

Long-term Debt

The debt balances at November 30, 2019 and 2018 follow:

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory notes	735,893	803,630	29,186	19,497	765,079	823,127
GEFA loans	-	-	957,668	746,222	957,668	746,222
USDA loan	-	-	5,658,149	5,540,287	5,658,149	5,540,287
Net pension liability (excess)	(1,139,999)	(866,484)	-	-	(1,139,999)	(866,484)
Compensated absences	117,719	123,433	-	-	117,719	123,433
Total	<u>\$ (286,387)</u>	<u>\$ 60,579</u>	<u>\$ 6,645,003</u>	<u>\$ 6,306,006</u>	<u>6,358,616</u>	<u>\$ 6,366,585</u>

See Note 3-I for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City is physically located in the mid-eastern portion of the State of Georgia, 182 miles southeast of the State capitol, Atlanta, Georgia. The County's land area is 690 square miles with 31.8 persons per square mile. This compares favorably with the State of Georgia's rate of 141.4 persons per square mile. The County seat is Swainsboro, Georgia, which makes up approximately 33.5 % of the County's population. Services are the largest employment sector providing 32.3% of the jobs. Statewide, the service industry provides 25.6% of the jobs.

The City's population is estimated at 7,535. Since the City relies primarily on property and sales taxes for its operating revenue, changes in the economy 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 can survive financially in a slow economy. With the new growth and addition of a Super Walmart, new apartment complex, new shopping center, and other additions, the tax base looks positive for the upcoming years.

The estimated unemployment rate for the City of Swainsboro as of 11/30/19 (i.e., Emanuel County) is 10.8%.

City of Swainsboro, Georgia
Statement of Net Position
November 30, 2019

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 1,748,163	\$ 928,097	\$ 2,676,260	\$ 58,906
Investments	591,204	-	591,204	-
Receivables:				
Accounts	181,737	172,375	354,112	-
Taxes	2,071,223	-	2,071,223	-
Other	144,600	-	144,600	-
Interfund	201,993	(201,993)	-	-
Inventories	24,662	-	24,662	-
Restricted assets	730,210	471,948	1,202,158	-
Total Current Assets	5,693,792	1,370,427	7,064,219	58,906
Noncurrent Assets				
Net pension liability (excess)	866,484	-	866,484	-
Capital assets (Note 3D)				
Nondepreciable	1,139,999	520,300	1,660,299	-
Depreciable, net	12,143,737	18,320,563	30,464,300	-
Total Noncurrent Assets	14,150,220	18,840,863	32,991,083	-
Deferred Outflows of Resources	62,032	-	62,032	-
Total Assets	19,906,044	20,211,290	40,117,334	58,906
Liabilities				
Current Liabilities				
Accounts payable	147,714	15,127	162,841	-
Compensated absences payable	98,746	-	98,746	-
Customer deposits	-	198,247	198,247	-
Other payable	-	-	-	-
Promissory notes payable	624,279	9,728	634,007	42,771
GEFA loans payable	-	216,248	216,248	-
USDA bonds payable	-	120,542	120,542	-
Total Current Liabilities	870,739	559,892	1,430,631	42,771
Long-term Liabilities: (net of current portion) (Note 3G)				
Compensated absences payable	24,687	-	24,687	-
GEFA loans payable	-	529,974	529,974	-
USDA bonds payable	-	5,419,745	5,419,745	-
Promissory note payable	179,351	9,769	189,120	-
Total Long-term Liabilities	204,038	5,959,488	6,163,526	-
Total Liabilities	1,074,777	6,519,380	7,594,157	42,771
Deferred Inflows of Resources	(202,702)	-	(202,702)	-
Total Liabilities and Deferred Inflows of Resources	872,075	6,519,380	7,391,455	42,771
Net Position				
Net investment in capital assets (Note 3I)	12,480,106	12,534,857	25,014,963	-
Restricted for debt service	9	471,948	471,957	-
Restricted for housing and development	190,711	-	190,711	-
Restricted for capital outlay	674,800	-	674,800	-
Unrestricted (deficit)	5,688,343	685,104	6,373,447	16,135
Total Position	\$ 19,033,969	\$ 13,691,909	\$ 32,725,878	\$ 16,135

City of Swainsboro, Georgia
Statement of Activities
For the Year Ended November 30, 2019

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants	Capital Grants	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 734,013	\$ 269,796	\$ 98,359	\$ -	\$ (365,858)	\$ -	\$ (365,858)
Public safety	4,060,100	582,255	236,134	129,330	(3,112,381)	-	(3,112,381)
Public works	2,244,729	1,035,819	7,959	-	(1,200,951)	-	(1,200,951)
Health and welfare	32,513	-	-	-	(32,513)	-	(32,513)
Culture and recreation	1,313,730	62,200	400,242	69,976	(781,312)	-	(781,312)
Housing and development	745,121	68,513	155,069	-	(521,539)	-	(521,539)
Interest	46,658	-	-	-	(46,658)	-	(46,658)
Total Governmental Activities	9,176,864	2,018,583	897,763	199,306	(6,061,212)	-	(6,061,212)
Business-type Activities:							
Water and sewerage	2,544,197	2,200,637	-	-	-	(343,560)	(343,560)
Total - Primary Government	\$ 11,721,061	\$ 4,219,220	\$ 897,763	\$ 199,306	(6,061,212)	(343,560)	(6,404,772)
Component Unit							
Downtown Development Authority	\$ 157,561	\$ 168,242	\$ -	\$ -	\$ -	-	10,681
General Revenues							
Property taxes levied for general government purposes					2,604,419	-	2,604,419
Sales tax					1,298,676	-	1,298,676
T-SPLOST					123,170	-	123,170
TIA					89,589	-	89,589
Insurance premium tax					551,520	-	551,520
Franchise tax					666,960	-	666,960
Beer and liquor tax					190,509	-	190,509
Hotel/motel tax					128,532	-	128,532
Proceeds from the sale of capital assets					-	-	-
Investment earnings					8,641	6,558	15,199
Miscellaneous					239,645	43,483	283,128
Total General Revenues					5,901,661	50,041	5,951,702
Change in Net Position					(159,551)	(293,519)	(453,070)
Net Position (Deficit) Beginning of Year					19,193,520	13,985,428	33,178,948
Net Position (Deficit) End of Year					\$ 19,033,969	\$ 13,691,909	\$ 32,725,878

See accompanying notes to the basic financial statements

Balance Sheet
Governmental Fund
November 30, 2019

	General	2018 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 882,646	\$ 481,741	\$ 383,776	\$ 1,748,163
Investments	591,204		-	591,204
Receivables:				
Accounts	181,737		-	181,737
Taxes	2,071,223		-	2,071,223
Intergovernmental	-		-	-
Other	144,600		-	144,600
Interfund	201,993		-	201,993
Inventories	24,662		-	24,662
Restricted cash and cash equivalents	730,210			730,210
Total Assets	\$ 4,828,275	\$ 481,741	\$ 383,776	\$ 5,693,792
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 147,714	\$ -	\$ -	\$ 147,714
Other payable	-	-	-	-
Interfund payable	-	-	-	-
Total Liabilities	147,714	-	-	147,714
Deferred Inflows of Resources - Property Taxes	406,469	-	-	406,469
Total Liabilities and Deferred Inflows of Resources	554,183	-	-	554,183
Fund Balances				
Nonspendable	24,662		-	24,662
Restricted	-	481,741	383,776	865,517
Unassigned	4,249,430		-	4,249,430
Total Fund Balances	4,274,092	481,741	383,776	5,139,609
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,828,275	\$ 481,741	\$ 383,776	\$ 5,693,792

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
November 30, 2019

Total Governmental Fund Balances	\$	5,139,609
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**Amounts reported for governmental activities in the
statement of net position are different because:**

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

Cost of capital assets	\$ 22,838,760	
Less accumulated depreciation	<u>(9,555,024)</u>	13,283,736

Deferred inflows of resources for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.	202,702
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Deferred outflows of resources for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.	62,032
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	406,469
--	---------

Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.

Compensated absences	\$ (123,433)	
Promissory note payable	(803,630)	
Net pension liability payable (excess)	<u>866,484</u>	<u>(60,579)</u>

Net Position of Governmental Activities	\$	<u>19,033,969</u>
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See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Year Ended November 30, 2019

	General	2018 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 5,137,818	\$ 412,982	\$ 128,532	\$ 5,679,332
Licenses and permits	255,174	-	-	255,174
Intergovernmental	1,097,069	-	-	1,097,069
Charges for services	1,353,875	-	-	1,353,875
Fines and forfeitures	400,084	-	-	400,084
Investment earnings	6,391	1,315	935	8,641
Miscellaneous	168,257	-	79,442	247,699
Total Revenues	8,418,668	414,297	208,909	9,041,874
Expenditures				
Current:				
General government	652,406	-	-	652,406
Public safety	3,397,346	-	-	3,397,346
Public works	2,232,220	-	-	2,232,220
Health and welfare	12,836	-	-	12,836
Culture and recreation	1,042,208	-	-	1,042,208
Housing and development	495,004	-	52,473	547,477
Capital Outlay	-	25,875	105,302	131,177
Debt Service:				
Principal	198,758	-	-	198,758
Interest	46,658	-	-	46,658
Total Expenditures	8,077,436	25,875	157,775	8,261,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	341,232	388,422	51,134	780,788
Other Financing Sources (Uses)				
Debt proceeds	266,495	-	-	266,495
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	266,495	-	-	266,495
Net Change in Fund Balances	607,727	388,422	51,134	1,047,283
Fund Balances Beginning of Year	3,666,365	93,319	332,642	4,092,326
Fund Balances End of Year	\$ 4,274,092	\$ 481,741	\$ 383,776	\$ 5,139,609

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended November 30, 2019

Net Changes In Fund Balances - Total Governmental Funds		\$ 1,047,283
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. 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 outlay exceeded the depreciation expense in the current period.		
Depreciation expense	\$ (728,510)	
Capital outlay	<u>134,526</u>	(593,984)
Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.		
Liability @ 11/30/18	\$ (431,030)	
Liability @ 11/30/17	<u>406,469</u>	(24,561)
Deferred outflows and deferred inflows for pensions reported on the government-wide statement of activities but not reported on the governmental fund statement of revenues, expenditures and changes in fund balances.		(448,252)
Pensions costs reported on the government-wide statement of activities but not reported on the governmental fund operating statement. These amounts are negative expenses.		(333,080)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		198,758
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 11/30/19	\$ (123,433)	
Liability @ 11/30/18	<u>117,719</u>	(5,714)
Change In Net Position of Governmental Activities		<u><u>\$ (159,550)</u></u>
See accompanying notes to the basic financial statements		

City of Swainsboro, Georgia
Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2019

Assets

Current Assets:

Cash and cash equivalents	\$ 928,097
Investments	-
Accounts receivable (net)	172,375
Interfund receivable	-
Restricted assets:	
Cash and cash equivalents	<u>471,948</u>

Total Current Assets

1,572,420

Noncurrent Assets:

Capital assets:	
Nondepreciable	520,300
Depreciable, net	<u>18,320,563</u>

Total Noncurrent Assets

18,840,863

Total Assets

20,413,283

Liabilities

Current Liabilities:

Accounts payable	15,127
Customer deposits payable	198,247
Interfund payable	201,994
Note payable	9,728
GEFA loans payable	216,248
USDA bonds payable	<u>120,542</u>

Total Current Liabilities

761,886

Long-term Liabilities (net of current portion):

Note payable	9,769
GEFA loans payable	529,974
USDA bonds payable	<u>5,419,745</u>

Total Long-term Liabilities

5,959,488

Total Liabilities

6,721,374

Net Position

Net investment in capital assets	12,534,857
Restricted for debt service	471,948
Unrestricted	<u>685,104</u>

Total Net Position

\$ 13,691,909

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2019

Operating Revenues	
Charges for services	\$ 2,078,631
Service charges	122,006
Miscellaneous	<u>43,483</u>
Total Operating Revenues	<u>2,244,120</u>
Operating Expenses	
Personal services - salaries	21,754
Personal services - benefits	20,084
Purchased services - professional and technical	914,140
Materials and supplies	430,632
Depreciation	<u>1,014,650</u>
Total Operating Expenses	<u>2,401,260</u>
Operating (Loss)	<u>(157,140)</u>
Non-Operating Revenues (Expenses)	
Investment earnings	6,558
Interest and fiscal charges	<u>(142,937)</u>
Total Non-Operating Revenues (Expenses)	<u>(136,379)</u>
Income Before Contributions	(293,519)
Contributions	<u>-</u>
Change in Net Position	(293,519)
Net Position Beginning of Year	<u>13,985,428</u>
Net Position End of Year	<u>\$ 13,691,909</u>

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2019

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash received from customers	\$ -
Cash payments to employees for services	(41,838)
Cash payments for goods and services	<u>-</u>

Net Cash Provided by (Used in) Operating Activities (41,838)

Cash Flows from Noncapital Financing Activities

Interfund receivable	(217,698)
Interfund payable	<u>-</u>

Net Cash Provided by (Used in) Noncapital Financing Activities (217,698)

Cash Flows from Capital and Related Financing Activities

Capital grants	-
Principal paid on notes and capital leases	-
Interest paid on notes and capital leases	(142,937)
Acquisition of capital assets	<u>-</u>

Net Cash Provided by (Used in) Capital and Related Financing Activities (142,937)

Cash Flows from Investing Activities

Net decrease (increase) in investments	-
Investment earnings	<u>6,558</u>

Net Cash Flows from Investing Activities 6,558

Net Increase (Decrease) in Cash and Cash Equivalents (395,915)

Cash and Cash Equivalents Beginning of Year -

Cash and Cash Equivalents End of Year \$ (395,915)

Reconciliation to Statement of Net Assets

Cash and cash equalivalents	\$ 928,097
Restricted assets	<u>471,948</u>

Total Cash and Cash Equivalents \$ 1,400,045

City of Swainsboro, Georgia
Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2019

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash received from customers	\$ -
Cash payments to employees for services	(41,838)
Cash payments for goods and services	-

Net Cash Provided by (Used in) Operating Activities (41,838)

Cash Flows from Noncapital Financing Activities

Interfund receivable	(217,698)
Interfund payable	-

Net Cash Provided by (Used in) Noncapital Financing Activities (217,698)

Cash Flows from Capital and Related Financing Activities

Capital grants	-
Principal paid on notes and capital leases	-
Interest paid on notes and capital leases	(142,937)
Acquisition of capital assets	-

Net Cash Provided by (Used in) Capital and Related Financing Activities (142,937)

Cash Flows from Investing Activities

Net decrease (increase) in investments	-
Investment earnings	6,558

Net Cash Flows from Investing Activities 6,558

Net Increase (Decrease) in Cash and Cash Equivalents (395,915)

Cash and Cash Equivalents Beginning of Year -

Cash and Cash Equivalents End of Year \$ (395,915)

Reconciliation to Statement of Net Assets

Cash and cash equivalents	\$ 928,097
Restricted assets	471,948

Total Cash and Cash Equivalents \$ 1,400,045

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

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City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

The City of Swainsboro, Georgia (the "City") was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater).

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City has elected not to follow private-sector guidance issued after November 30, 1989.

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 following separate entity is the discretely presented component unit of the City.

The City of Swainsboro Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. The Mayor and City Council appoint all members of the Development Authority. Financial statements of the Downtown Development Authority, if material, are required to be included in the City's basic financial statements as a discretely presented component unit. This is in accordance with a determination made for such entities by the Georgia Department of Audits and Accounts. Specific information relative to the Authority may be obtained at City Hall, Swainsboro, Georgia as the Development Authority does not issue a separate financial report.

Emanuel County and City of Swainsboro Development Authority and Swainsboro Housing Authority are related organizations in that the City appoints all or some of the members of the authorities/commission but does not have any financial responsibility for them.

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. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with charges to external customers.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 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, proprietary and fiduciary funds.

The three major individual funds, the general fund, the SPLOST fund and the water and sewer system enterprise fund are reported in separate columns.

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 - Governmental 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 is the City's major governmental fund:

The General Fund - The general fund should be used to account for and report all financial resources not accounted for and reported 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 State of Georgia.

2018 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2018 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including water improvements, public safety equipment, fire building, recreation site improvements.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's proprietary fund is classified as a major enterprise fund, which is the water and sewer fund, which provides utility services to the City's citizens.

The Water and Sewer System Fund - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the incorporated and immediately surrounding areas.

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.

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 way 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.

Like the government-wide statements, the proprietary fund type is 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 net total assets. 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 of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels and the fiduciary fund uses the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, 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 sixty 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. (Note 3C) 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 sixty days) before it can be recognized.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, investment earnings 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.

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as 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 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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at November 30, 2019.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of 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.

1-E-4. 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).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 government fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise 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 for equipment and vehicles, fifty thousand dollars for buildings, and two hundred and fifty thousand dollars for infrastructure. The City began capitalizing its infrastructure in December 2003. The City is not capitalizing their infrastructure retroactively to 1980. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives	
	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 Years	30-50 Years
Infrastructure	15-50 Years	N/A
Utility plant and lines	N/A	40 Years
Machinery and equipment	5-10 Years	N/A

1-E-6 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.

All compensated absence liabilities include salary-related payments, where applicable.

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

1-E-7 Accrued Liabilities and Long-term Obligations

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

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

1-E-8 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 approval of a motion. Only, the City also may modify or rescind the commitment.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. By motion, the City Council has authorized the Mayor or City Clerk or designee to assign fund balances.
- ***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. Currently, the City only reports unassigned fund balance.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City’s policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City’s policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Net position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, 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. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position 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. All other net position is reported as unrestricted.

1-E-9. Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable for reporting purposes. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) or the refunded debt (the old debt).

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred with the exception of prepaid bond insurance costs which are deferred and amortized over the life of the debt as amortization expense.

At the 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 debt service expenditures.

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitation services. Operating expenses are necessary costs incurred to provide the water and sewerage services. All other revenues and expenses are classified as nonoperating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings on investments.

1-E-11 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12 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 the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for 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.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 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.

1-E-14 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance, and Accountability

2-A. Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and the water and sewer system fund. The City also adopts a project length budget for the various SPLOST capital projects funds.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

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 Administrator may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. The 2019 budget was not amended.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

The following departments had expenditures in excess of departmental appropriations:

General fund:

Mayor and Commission	\$ 3,967
Criminal investigation and other	6,097
Fire	269,181
Sports facilities	2,500
Protective inspection	11,369
Airport	62,957
Debt service	42,705

Note 3 – Detailed Notes on All Funds

3-A. Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The City's bank balances of deposits as of November 30, 2019, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at November 30, 2019:

Maturity

Certificates of deposit	\$591,204	current to one year
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3-B. Receivables

Receivables at November 30, 2019, consisted of taxes, 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, collectibility. At November 30, 2019, allowances for uncollectibles were reported as follows:

Water and sewerage fund (charges for services)	89,172
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3-C. Property Taxes

The City Council levied property taxes October 7, 2019. Property taxes attach as an enforceable lien on property as of January 1, 2019. Property taxes are billed on October 25, 2019 and were payable on January 18, 2019.

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City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended November 30, 2019, was as follows:

	Balance 12/1/2018	Additions	Deductions	Balance 11/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,139,999	\$ -	\$ -	\$ 1,139,999
Other capital assets:				
Buildings and improvements	10,424,642	71,390	-	10,496,032
Machinery and equipment	3,111,136	330,829	-	3,441,965
Infrastructure	7,760,764	-	-	7,760,764
Total other capital assets	21,296,542	402,219	-	21,698,761
Total capital assets	22,436,541	402,219	-	22,838,760
Accumulated depreciation:				
Buildings and improvements	3,864,068	287,950	-	4,152,018
Machinery and equipment	3,292,916	235,140	-	3,528,056
Infrastructure	1,669,530	205,420	-	1,874,950
Total accumulated depreciation	8,826,514	728,510	-	9,555,024
Governmental activities capital assets, net	\$ 13,610,027	\$ (326,291)	\$ -	\$ 13,283,736
Governmental activities depreciation expense:				
General government		\$ 9,825		
Public safety		239,542		
Public works		164,911		
Health and welfare		2,750		
Culture and recreation		153,362		
Housing and development		158,120		
Total governmental activities depreciation expense		\$ 728,510		

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended November 30, 2019, was as follows:

	Balance 12/1/2018	Additions	Deductions	Balance 11/30/2019
Water and sewerage fund				
Nondepreciable capital assets				
Land	\$ 520,300	\$ -	\$ -	\$ 520,300
Other capital assets:				
Buildings	31,319	-	-	31,319
Utility plant and lines	32,708,187	-	-	32,708,187
Machinery and equipment	875,835	-	-	875,835
Total other capital assets	33,615,341	-	-	33,615,341
Total capital assets	34,135,640	-	-	34,135,641
Accumulated depreciation:				
Buildings	24,581	1,081	-	25,662
Utility plant and lines	13,421,503	1,006,849	-	14,428,352
Machinery and equipment	834,044	6,720	-	840,764
Total accumulated depreciation	14,280,128	1,014,650	-	15,294,778
Water and sewerage fund capital assets, net	\$ 19,855,512	\$ (1,014,650)	\$ -	\$ 18,840,863

3-E. Interfund Balances

The general fund has loaned the water and sewer fund a net amount of \$201,993 for cash flow purposes.

3-F. Compensated Absences

In general, employees earn annual leave at the rate of 3 days per year for the first year of service, 6 days per year for 1-4 years of service, 12 days per year for 5-9 years of service and 15 days per year for over 10 years of service. A maximum of 30 days may be carried over into an employee's next service year. Any unused, accrued leave more than 30 days from service year to service year will be forfeited. Upon termination, employees are paid for any accrued annual leave.

In general, employees accrue sick leave at the rate of 12 days per year. Unused sick leave is allowed to accumulate from service year to service year. Upon termination, employees forfeit all accumulated unused sick leave.

3-G. Long-Term Debt

The following is a summary of the outstanding long-term debt issues at November 30, 2019:

Governmental Activities Debt

Promissory Notes Payable – The City has two outstanding promissory notes at November 30, 2019.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

2019 BB&T Promissory Note – On January 10, 2019, the City issued a promissory note for a pumper fire truck with BB&T bank for \$266,495. The financing period is 20 quarterly payments of \$14,809 (which includes interest expense) at a 4.11% interest rate.

Annual debt service requirements to amortize this debt, as of November 30, 2019 follow:

Fiscal Year	Principal	Interest	Total
2020	\$ 50,559	\$ 8,677	\$ 59,236
2021	52,669	6,567	59,236
2022	54,867	4,369	59,236
2023	57,157	2,079	59,236
2024	14,658	151	14,809
Total	\$ 229,910	\$ 21,843	\$ 251,753

Bancorp Promissory Note – On June 11, 2015, the City entered into a promissory note for \$1 million to finance the construction of an airport hanger. The City drawn down \$790,387 through fiscal year 2016. The note carries an interest rate of 3.25%. The loan is secured by a land parcel at 23 Airport Road.

Year	Principal	Interest	Total
2019	\$ 573,720	\$ 23,521	\$ 597,241

Year	Principal	Interest	Total
2019	\$ 573,720	\$ 23,521	\$ 597,241

Business-type Activities – November 30, 2019, the City has four loans outstanding.

GEFA Loan —CW 98-006 – On April 1, 2003 the City borrowed \$2,876,436 at a 3% interest rate for extending the water system. Payments of \$50,792, which includes principal and interest, are due quarterly with a final maturity date of January 1, 2023.

Annual debt service requirements to amortize this debt, as of November 30, 2019 follow:

Fiscal Year	Principal	Interest	Total
2020	\$ 191,248	\$ 11,920	\$ 203,168
2021	197,528	5,640	215,088
2022	49,113	1,880	56,633
Total	\$ 437,889	\$ 19,440	\$ 474,889

GEFA Loan —DW09034—During fiscal year 2011, the City was advanced \$349,579 on a \$500,000 construction loan for a water tank project. The additional \$150,421 was advanced resulting in a total loan of \$500,000. Loan was converted to a fixed amortization loan on March 1 2012. Payments are being made at \$2,917 for 240 months at a 0% interest rate.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of November 30, 2019 follow:

Fiscal Year	Principal
2020	\$ 25,000
2021	25,000
2022	25,000
2023	25,000
2024	25,000
2025-2029	125,000
2030-2032	<u>58,333</u>
Total	<u>\$ 308,333</u>

USDA Rural Development Loan – On December 21, 2011, the USDA loaned the City \$6,413,000 to construct a water treatment plant. A portion of the loan proceeds were used to repay the advance funding from the GEFA which was used to begin this project. Payments of \$20,330, which includes principal and interest, are due monthly with a final maturity date of November 21, 2051.

Annual debt service requirements to amortize this debt, as of November 30, 2019 follow:

Fiscal Year	Principal	Interest	Total
2020	120,542	123,418	243,960
2021	124,112	119,848	243,960
2022	129,146	114,814	243,960
2023	134,890	109,070	243,960
2024	141,384	102,576	243,960
2025-2029	684,560	535,240	1,219,800
2030-2034	757,575	462,225	1,219,800
2035-2039	834,166	385,634	1,219,800
2040-2044	1,021,444	198,356	1,219,800
2045-2049	1,139,919	79,881	1,219,800
2050-2051	<u>452,549</u>	<u>35,371</u>	<u>487,920</u>
Total	<u>\$ 5,540,287</u>	<u>\$ 2,266,433</u>	<u>\$ 7,806,720</u>

International Decision Systems, Inc. - On March 22, 2016, the City entered into a promissory note for one Mini-excavator with Bancorp Equipment Finance for \$48,447. The financing period is six annual payments \$9,806 (with includes monthly interest expense) at a .40% interest rate. The equipment cost was \$48,447, with accumulated depreciation of \$26,798 and a book value is \$21,649. value at November 30, 2018. This note was originally reported in governmental activities but was moved to debt in the water and sewer fund in this fiscal year.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of November 30, 2019 follow:

Year	Principal	Interest	Total
2020	\$ 9,728	\$ 78	\$ 9,806
2021	9,769	39	9,808
Total	<u>\$ 19,497</u>	<u>\$ 117</u>	<u>\$ 19,614</u>

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended November 30, 2019:

	Outstanding 12/1/2018	Additions	Reductions	Outstanding 11/30/2019	Amounts Due in One Year
Governmental Activities:					
Promissory note - fire pumper	\$ -	\$ 266,495	\$ 36,585	\$ 229,910	\$ 50,559
Promissory note - Airport hanger	723,720	-	150,000	573,720	573,720
Promissory note - fire pumper	12,173	-	12,173	-	-
Net pension liability (excess)	(1,139,999)	-	273,515	(866,484)	-
Compensated absences	117,719	99,889	94,175	123,433	98,746
Total Governmental Activities	<u>\$ (286,387)</u>	<u>\$ 366,384</u>	<u>\$ 566,448</u>	<u>\$ 60,579</u>	<u>\$ 723,025</u>
Business-type Activities:					
GEFA loan - CW 98-006	\$ 624,335	\$ -	\$ 186,446	\$ 437,889	\$ 191,248
GEFA loan - DW09034	333,333	-	25,000	308,333	25,000
USDA loan	5,658,149	-	117,862	5,540,287	120,542
Promissory note - International	29,186	-	9,689	19,497	9,728
Total Business-Type Activities	<u>\$ 6,645,003</u>	<u>\$ -</u>	<u>\$ 338,997</u>	<u>\$ 6,306,006</u>	<u>\$ 346,518</u>

The promissory notes of the City's governmental funds are retired by general fund and SPLOST fund revenues. Principal and interest payments related to the City's GEFA loans payable and USDA bonds are being repaid from the City's water and sewerage fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, normally the general fund.

3-J. Pensions

Defined Benefit Pension Plan

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance dated September 24, 1973, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

All full-time City employees (i.e., 30 hours per week) have immediate participation in the plan with benefits vesting after 10 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Membership in the plan is as follows:

Active participants	53
Fully vested former participants	19
Retirees and beneficiaries currently receiving benefits	47
Active elected officials	<u>7</u>
Total membership	<u><u>126</u></u>

Benefits Provided.

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

Contributions. City employees are not required to contribute to the Plan. The City contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. The City's actuarially determined contribution rate for the fiscal year ended December 31, 2017 was .76% of covered-employee payroll. The City's covered payroll for employees participating in the Plan as of January 1, 2019, (the most recent actuarial valuation date) was \$2,552,052 (based on covered earnings for the preceding year). The City's contributions were \$19,924.

The Georgia Constitution enables the governing authority of the City, the City Council, to establish, and amend from time-to-time contribution rates for the City and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At November 30, 2018 the City reported a net pension liability of \$866,484 (an excess). The net pension liability was measured as of November 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. For the year ended November 30, 2019, the City recognized

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

pension expense of (\$56,230).

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at November 30, 2017	\$ 6,920,516	\$ 8,120,080	\$ (1,199,564)
Changes for the year:			
Service cost	106,312	-	106,312
Interest	511,312	-	511,312
Differences between expected and actual experience	(22,696)	-	(22,696)
Employer contributions	-	151,061	(151,061)
Net investment income	-	130,235	(130,235)
Benefit payments	(418,658)	(418,658)	-
Administrative expense	-	(19,448)	19,448
Other changes	-	-	-
Net changes	<u>176,270</u>	<u>(156,810)</u>	<u>333,080</u>
Balances at November 30, 2018	<u>\$ 7,096,786</u>	<u>\$ 7,963,270</u>	<u>\$ (866,484)</u>

Plan fiduciary net position as a percentage of the total pension liability	112.21%
Covered employee payroll	\$ 2,435,693
Net pension liability as a percentage of covered employee payroll	-35.57%

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (126,541)	\$ -
Assumption change	(76,161)	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>62,032</u>
Total	<u><u>\$ (202,702)</u></u>	<u><u>62,032</u></u>

The (\$140,670) of deferred inflows and deferred outflows of resources resulting from the City's demographic changes, assumption changes, experience difference and investment changes will be recognized as an increase or decrease of the net pension liability in the fiscal year ending November 30, 2019.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending November 30	
2020	\$ (36,827)
2021	(81,295)
2022	(116,149)
2023	93,601
Totals	<u>\$ (140,670)</u>

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	2.75%
Net investment rate of return	7.50%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Domestic fixed income	20%	2.11%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Total	<u>100%</u>	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate:

	Rate	Liability
1% decrease	-6.50%	\$ (64,730)
Current discount rate	-7.50%	(866,484)
1% increase	-8.50%	(1,541,995)

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Actuary Assumptions. The following amounts reported in fiscal year ending in 2018 and later reflect the following assumption changes based upon an actuarial study conducted in September 2017.

- The investment return assumption was decreased from 7.75% to 7.50%
- The inflation assumption was decreased from 3.25% to 2.75%
- The cost-of-living assumption was decreased from 3.25% to 2.75%

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

3-I. Fund Equity

- **Nonspendable** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Inventories	<u>\$ 24,662</u>
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- **Restricted** – The following fund balances are legally restricted to specified purposes:

Nonmajor Funds:

Capital Projects	\$ 193,056
Housing and development	<u>190,711</u>

Total Nonmajor Funds	<u><u>\$ 383,767</u></u>
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Major Capital Projects SPLOST Funds:

SPLOST 2018 Capital projects	<u><u>\$ 481,741</u></u>
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- **Unassigned** – The following fund balances include the general fund unassigned amount:

General Fund	<u><u>\$ 4,249,430</u></u>
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City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of November 30, 2019 are as follows:

	Governmental Activities	Business Type Activities
Net investment in capital assets:		
Cost of capital assets	\$ 22,838,760	\$ 34,135,641
Less accumulated depreciation	<u>9,555,024</u>	<u>15,294,778</u>
Book value	13,283,736	18,840,863
Less capital related debt	<u>803,630</u>	<u>6,306,006</u>
Net investment in capital assets	<u><u>\$ 12,480,106</u></u>	<u><u>\$ 12,534,857</u></u>

Note 4 - Other Notes

4-A. Risk Management

Both the City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

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

The funds are to defend and protect the members of the funds against any liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Funds are to pay all costs assessed to its members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Settled claims in the last three years have not exceeded coverage.

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at November 30, 2019. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 4 - Other Notes (Continued)

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

Heart of Georgia Altamaha Regional Development Center
501 Oak Street
Eastman, Georgia 31023

4-D. Hotel/Motel Taxes

The City levies a 5% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended November 30, 2019 follows:

Fund balance, December 1, 2018	\$ 113,896
Add hotel/motel taxes and investment earnings	129,288
Less expenditures	<u>52,473</u>
Fund balance, November 30, 2019	<u><u>\$ 190,711</u></u>

Expenditures of \$25,592 (23.42% current year's receipts) were for promotion of tourism as required by OCGA 48-13-51. This complies with the expenditure requirements of OCGA 48-13-51.

City of Swainsboro, Georgia
Required Supplementary Information
Schedule of Contributions
City of Swainsboro Retirement Plan
For the Last Ten Fiscal Years

<i>Fiscal Year Ended November 30, 2019</i>	<i>Actuarially Determined Contribution</i>	<i>Actual Employer Contribution</i>	<i>Contribution Deficiency (Excess)</i>	<i>Covered Payroll</i>	<i>Contributions as a % of Covered Payroll</i>
2017	\$ 141,871	\$ 130,048	\$ 11,823	\$ 1,997,936	6.51%
2018	138,264	150,087	(11,823)	2,104,249	7.13%
2019	151,061	151,061	-	2,435,693	6.20%

Notes to The Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially contribution rate will be reported for the fiscal year
Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed Level Dollar for the remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Some of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation Rate	3.25%
Salary Increases	3.25% plus service based merit increases
Investment Rate of Return	7.75%
Cost of Living Adjustments	3.25%
Retirement Age	Rates Based on Age and History
Mortality	RP-2000 mortality with sex-distinct rates, set forward 2 years for males and one year for females.

City of Swainsboro, Georgia
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
City of Swainsboro Retirement Plan
For the Year Ended December 31, 2019

	November 30, 2016	November 30, 2017	November 30, 2018	November 30, 2019
Total Pension Liability				
Service cost	\$ 91,846	\$ 89,074	\$ 101,808	\$ 106,312
Interest on total pension liability	498,108	517,174	525,326	511,312
Differences between expected and actual experience	66,286	(82,695)	(148,073)	(22,696)
Changes in assumptions	-	-	(126,933)	-
Benefit payments, including refunds of employee contributions	(403,729)	(416,726)	(420,014)	(418,658)
Net Change in Total Pension Liability	252,511	106,827	(67,886)	176,270
Total Pension Liability - Beginning of Fiscal Year	\$ 6,629,084	6,881,575	6,988,402	6,920,516
Total Pension Liability - End of Fiscal Year	\$ 6,881,595	\$ 6,988,402	\$ 6,920,516	\$ 7,096,786
Plan Fiduciary Net Position				
Employer contributions	\$ 138,271	\$ 130,048	\$ 150,087	151,061
Net investment income	215,620	361,391	1,286,225	130,235
Benefit payments, including refunds of employee contributions	(403,729)	(416,726)	(420,014)	(418,658)
Administrative expenses	(13,407)	(12,077)	(19,965)	(19,448)
Net Change in Plan Fiduciary Net Position	(63,245)	62,636	996,333	(156,810)
Total Plan Fiduciary Net Position - Beginning of Fiscal Year	7,124,366	7,061,111	7,123,747	\$ 8,120,080
Fiduciary Net Position - End of Fiscal Year	\$ 7,061,121	\$ 7,123,747	\$ 8,120,080	\$ 7,963,270
City's Net Pension Liability - End of Fiscal Year	\$ (179,526)	\$ (135,345)	\$ (1,199,564)	\$ (866,484)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.61%	101.94%	117.33%	112.21%
Covered Employee Payroll	\$ 1,997,936	\$ 2,104,249	\$ 2,435,693	\$ 2,552,052
Net Pension Liability as a Percentage of Covered Employee Payroll	-8.99%	-6.43%	-49.25%	-93.95%

Notes to this Schedule:

This schedule will present 10 years of information once it is accumulated.

Schedule of Investment Returns

Annual money-weighted 20 rate of return, net of investment expensed	0.00%	0.00%	0.00%	0.00%
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Notes to this Schedule:

This schedule will present 10 years of information once it is accumulated.

City of Swainsboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended November 30, 2019

Note 1-Budgetary Information

The budget for the general fund was adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the department level within the fund.

City of Swainsboro, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended November 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 4,922,944	\$ 4,922,944	\$ 5,137,818	\$ 214,874
Licenses and permits	299,000	299,000	255,174	(43,826)
Intergovernmental	1,554,190	1,554,190	1,097,069	(457,121)
Charges for services	1,155,650	1,155,650	1,353,875	198,225
Fines and forfeitures	325,500	325,500	400,084	74,584
Investment earnings	1,500	1,500	6,391	4,891
Miscellaneous	108,331	108,331	168,257	59,926
Total Revenues	8,367,115	8,367,115	8,418,668	51,553
Expenditures				
Current:				
General government	712,321	712,321	652,406	59,915
Public safety	3,219,650	3,219,650	3,397,346	(177,696)
Public works	2,575,474	2,575,474	2,232,220	343,254
Health and welfare	18,866	18,866	12,836	6,030
Culture and recreation	1,113,275	1,113,275	1,042,208	71,067
Housing and development	426,718	426,718	495,004	(68,286)
Debt Service:				
Principal retirement	174,711	174,711	198,758	(24,047)
Interest and fiscal charges	28,000	28,000	46,658	(18,658)
Total Expenditures	8,269,015	8,269,015	8,077,436	191,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,100	98,100	341,232	243,132
Other Financing Sources				
Debt proceeds	-	-	266,495	266,495
Total Other Financing Sources (Uses)	-	-	266,495	266,495
Net Change in Fund Balances	\$ 98,100	\$ 98,100	607,727	\$ 509,627
Fund Balances Beginning of Year			3,666,365	
Fund Balances End of Year			\$ 4,274,092	

City of Swainsboro, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
November 30, 2019

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash and investments	\$ 190,711	\$ 9	\$ 193,056	\$ 383,776
Accounts receivable				
Total Assets	<u>\$ 190,711</u>	<u>\$ 9</u>	<u>\$ 193,056</u>	<u>\$ 383,776</u>
Fund Balances				
Restricted for debt service	\$ -	\$ 9	\$ -	\$ 9
Restricted for capital projects			193,056	193,056
Restricted for housing and development	190,711			190,711
Total Fund Balances	<u>\$ 190,711</u>	<u>\$ 9</u>	<u>\$ 193,056</u>	<u>\$ 383,776</u>

City of Swainsboro, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - By Fund Type
For the Year Ended November 30, 2019

	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 128,532	\$ -	\$ -	\$ 128,532
Miscellaneous	-	79,442	-	79,442
Investment earnings	756	179	-	935
Total Revenues	<u>129,288</u>	<u>79,621</u>	<u>-</u>	<u>208,909</u>
Expenditures				
Current:				
Housing and development	52,473	-	-	52,473
Capital Outlay	-	105,302	-	105,302
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>52,473</u>	<u>105,302</u>	<u>-</u>	<u>157,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,815	(25,681)	-	51,134
Other Financing Sources				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	76,815	(25,681)	-	51,134
Fund Balances Beginning of Year	<u>113,896</u>	<u>218,737</u>	<u>9</u>	<u>332,642</u>
Fund Balances End of Year	<u>\$ 190,711</u>	<u>\$ 193,056</u>	<u>\$ 9</u>	<u>\$ 383,776</u>

City of Swainsboro, Georgia
General Fund
Comparative Balance Sheet
November 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 882,646	\$ 571,106
Investments	591,204	591,204
Receivables (net, where applicable):		
Property taxes	1,902,532	2,237,306
Sales taxes	165,553	132,640
Federal excise taxes	3,138	26,237
Accounts	181,737	139,427
Others	144,600	148,443
Interfund	201,993	108,849
Inventories	24,662	22,057
Restricted cash and cash equivalents	730,210	523,169
Total Assets	\$ 4,828,275	\$ 4,500,438
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 147,714	\$ 374,434
Accrued expenditures	-	-
Others payable	-	28,609
Interfund payable	-	-
Total Liabilities	147,714	403,043
Deferred Inflows of Resources - Property Taxes	406,469	431,030
Total Liabilities and Deferred Inflows of Resources	554,183	834,073
Fund Balances		
Nonspendable	24,662	22,057
Unassigned	4,249,430	3,644,308
Total Fund Balances	4,274,092	3,666,365
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,828,275	\$ 4,500,438
	\$ -	

City of Swainsboro, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended November 30, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 5,137,818	\$ 5,616,281
Licenses and permits	255,174	263,779
Intergovernmental	1,097,069	1,984,986
Charges for services	1,353,875	1,395,885
Fines and forfeitures	400,084	317,086
Investment earnings	6,391	2,889
Miscellaneous	168,257	25,495
Total Revenues	<u>8,418,668</u>	<u>9,606,401</u>
Expenditures		
Current:		
General government	652,406	633,071
Public safety	3,397,346	3,154,413
Public works	2,232,220	2,484,017
Health and welfare	12,836	18,420
Culture and recreation	1,042,208	1,034,265
Housing and development	495,004	481,182
Debt Service:		
Principal retirement	198,758	115,821
Interest and fiscal charges	46,658	38,798
Total Expenditures	<u>8,077,436</u>	<u>7,959,987</u>
Excess of Revenues Over Expenditures	<u>341,232</u>	<u>1,646,414</u>
Other Financing Sources		
Proceeds from the sale of capital assets	-	14,400
Loan proceeds	266,495	-
Transfers out	-	-
Total Other Financing Sources	<u>266,495</u>	<u>14,400</u>
Net Change in Fund Balances	607,727	1,660,814
Fund Balances Beginning of Year	<u>3,666,365</u>	<u>2,005,551</u>
Fund Balances End of Year	<u>\$ 4,274,092</u>	<u>\$ 3,666,365</u>
	4,274,092	3,666,365

City of Swainsboro, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended November 30, 2019
(With Comparative Actual Amounts for the Year Ended November 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Real and personal property taxes					
General property tax - current	\$ 2,324,944	\$ 2,324,944	\$ 2,266,381	\$ (58,563)	\$ 2,760,382
Motor vehicle property tax - current	65,000	65,000	43,614	(21,386)	46,751
Timber tax				-	-
Motor vehicle title adv tax (TAVT)	175,000	175,000	218,992	43,992	208,123
Mobile home - personal property	2,500	2,500	2,578	78	826
Other - personal property	10,000	10,000	11,492	1,492	11,678
AAVT	5,000	5,000	5,765	(765)	5,973
Real estate transfer taxes	3,500	3,500	2,789	(711)	4,405
Railroad taxes	2,000	2,000	2,974	974	2,724
FLIPA exemption	-	-	1,396	1,396	-
Penalties and interest on taxes	60,000	60,000	74,395	14,395	80,707
Total real and personal property taxes	2,647,944	2,647,944	2,630,376	(19,098)	3,121,569
Selective taxes:					
Sales tax	790,000	790,000	885,694	95,694	833,730
TIA	68,000	68,000	89,589	21,589	255,152
Franchise tax	625,000	625,000	666,960	41,960	578,584
Alcoholic beverage tax	200,000	200,000	190,509	(9,491)	187,438
Insurance premium tax	480,000	480,000	551,520	71,520	521,292
Lost excise	25,000	25,000	29,494	4,494	28,216
T-SPLOST	87,000	87,000	93,676	6,676	90,300
Total selective taxes	2,275,000	2,275,000	2,507,442	232,442	2,494,712
Licenses and permits:					
Alcoholic beverages	30,000	30,000	33,475	3,475	29,375
General business license	225,000	225,000	194,598	(30,402)	209,966
General business license - insurance	18,000	18,000	13,800	(4,200)	15,800
Building structure and equipment permit	20,000	20,000	11,516	(8,484)	5,748
Inspections	6,000	6,000	1,785	(4,215)	2,890
Business license penalties				-	-
Total licenses and permits:	299,000	299,000	255,174	(43,826)	263,779
Intergovernmental					
Federal	708,681	708,681	462,777	(245,904)	354,897
State and local	845,509	845,509	634,292	(211,217)	1,630,089
Total intergovernmental	1,554,190	1,554,190	1,097,069	(457,121)	1,984,986
Fines and forfeitures:					
Court - superior	325,000	325,000	398,295	73,295	315,572
Court - recorders	500	500	1,789	1,289	1,514
Total fines and forfeitures:	325,500	325,500	400,084	74,584	317,086
Charges for services:					
Garbage collections	493,600	493,600	728,174	234,574	674,347
Dumpster	542,000	542,000	458,748	(83,252)	486,131
Recycled materials	25,000	25,000	14,008	(10,992)	39,799
Airport	44,000	44,000	68,513	24,513	92,895
Public safety	9,000	9,000	14,525	5,525	17,598
Culture and recreation	30,500	30,500	62,200	31,700	50,804
Animal shelter fees	5,000	5,000	2,535	(2,465)	2,515
Sale of timber	-	-	-	-	31,706
Miscellaneous	6,550	6,550	5,172	(1,378)	90
Total charges for services:	1,155,650	1,155,650	1,353,875	198,225	1,395,885
Investment earnings	1,500	1,500	6,391	4,891	2,889
Miscellaneous:					
Rents and royalties	30,600	30,600	9,450	(21,150)	19,800
Reimbursement for administrative costs	50,450	50,450	5,200	(45,250)	-
Miscellaneous	27,281	27,281	153,607	126,326	5,695
Total miscellaneous	108,331	108,331	168,257	59,926	25,495
Total revenues	\$ 8,367,115	\$ 8,367,115	\$ 8,418,668	\$ 50,023	\$ 8,342,504

City of Swainsboro, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended November 30, 2019
(With Comparative Actual Amounts for the Year Ended November 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
General government					
Governing body:					
Personal services	\$ 138,562	\$ 138,562	\$ 125,822	\$ 12,740	\$ 142,127
Operating	14,961	14,961	19,149	(4,188)	17,944
Total governing body	153,523	153,523	144,971	8,552	160,071
Mayor and commission:					
Personal services	36,520	36,520	34,331	2,189	37,070
Operating	10,760	10,760	16,916	(6,156)	10,669
Total mayor and commission	47,280	47,280	51,247	(3,967)	47,739
Financial administration:					
Personal services	401,323	401,323	394,161	7,162	402,844
Operating	159,695	159,695	111,527	48,168	117,817
Capital outlay	-	-	-	-	-
Less reimbursement from other funds	(49,500)	(49,500)	(49,500)	900	(95,400)
Total financial administration	511,518	511,518	456,188	56,230	425,261
Vehicles	-	-	-	-	-
Total general government	712,321	712,321	652,406	60,815	633,071
Public safety:					
Police:					
Personal services	1,542,004	1,542,004	1,532,980	9,024	1,560,697
Operating	372,663	372,663	315,802	56,861	331,984
Capital outlay	10,000	10,000	9,489	511	-
Total police	1,924,667	1,924,667	1,858,271	66,396	1,892,681
Criminal investigation and other					
Personal services	71,772	71,772	83,439	(11,667)	70,170
Operating	17,010	17,010	11,440	5,570	4,491
Capital outlay	-	-	-	-	5,500
Total criminal investigation and other	88,782	88,782	94,879	(6,097)	80,161
Fire:					
Personal services	888,717	888,717	873,424	15,293	923,004
Operating	116,353	116,353	111,543	4,810	119,544
Capital outlay	19,000	19,000	283,131	(264,131)	-
Other	-	-	25,153	(25,153)	-
Total fire	1,024,070	1,024,070	1,293,251	(269,181)	1,042,548
Animal control:					
Personal services	136,211	136,211	115,628	20,583	107,839
Operating	40,920	40,920	35,317	5,603	31,184
Capital outlay	5,000	5,000	-	5,000	-
Total animal control	182,131	182,131	150,945	31,186	139,023
Total public safety	3,219,650	3,219,650	3,397,346	(171,599)	3,154,413
Public works:					
Public works - operations:					

Operating	1,757,248	1,757,248	1,532,878	224,370	1,766,803
Capital outlay	120,000	120,000	1,571	118,429	-
Total - public works - operations	1,877,248	1,877,248	1,534,449	342,799	1,766,803
Sanitation and recycling:					
Personal services	33,726	33,726	19,204	14,522	32,688
Operating	664,500	664,500	678,567	(14,067)	684,526
					-
Total sanitation and recycling	698,226	698,226	697,771	455	717,214
Total public works	2,575,474	2,575,474	2,232,220	343,254	2,484,017
Community services					
Operating	18,866	18,866	12,836	6,030	18,420
Capital outlay	-	-	-	-	-
Community services	18,866	18,866	12,836	6,030	18,420
Total health and welfare	18,866	18,866	12,836	6,030	18,420
Culture and recreation					
Recreation					
Personal services	567,540	567,540	516,323	51,217	518,078
Operating	322,842	322,842	300,492	22,350	288,079
Capital outlay	-	-	-	-	-
Total recreation	890,382	890,382	816,815	73,567	806,157
Sports facilities:					
Operating	87,600	87,600	90,100	(2,500)	92,815
Libraries:					
Operating	135,293	135,293	135,293	-	135,293
Total culture and recreation	1,113,275	1,113,275	1,042,208	71,067	1,034,265
Housing and development:					
Protective inspection					
Personal services	77,921	77,921	76,189	1,732	78,624
Operating	9,410	9,410	22,511	(13,101)	7,492
Total protective inspection	87,331	87,331	98,700	(11,369)	86,116
City Downtown Development Authority:					
Personal services	64,526	64,526	62,607	1,919	65,071
Operating	24,510	24,510	24,357	153	24,191
Total City Downtown Development Authority:	89,036	89,036	86,964	2,072	89,262
Enterprise applications					
Operating	26,436	26,436	22,468	3,968	19,997
Airport:					
Personal services	1,145	1,145	1,174	(29)	877
Operating	197,770	197,770	207,620	(9,850)	84,361
Capital outlay	25,000	25,000	78,078	(53,078)	200,569
Total airport	223,915	223,915	286,872	(62,957)	285,807
Total housing and development:	426,718	426,718	495,004	(72,254)	481,182
Debt Service:					
Principal retirement	174,711	174,711	198,758	(24,047)	115,821
Interest and fiscal charges	28,000	28,000	46,658	(18,658)	38,798
Total Debt Service	202,711	202,711	245,416	(42,705)	154,619
Total Expenditures	\$ 8,269,015	\$ 8,269,015	\$ 8,077,436	\$ 194,608	\$ 7,959,987

City of Swainsboro, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	<u>\$ 190,711</u>	<u>\$ 113,896</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ -	\$ -
Fund Balances		
Restricted for housing and development	<u>190,711</u>	<u>113,896</u>
Total Liabilities and Fund Balances	<u>\$ 190,711</u>	<u>\$ 113,896</u>

City of Swainsboro, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended November 30, 2019
(With Comparative Actual Amounts for the Year Ended November 30, 2018)

	2019			2018
	Original Budget	Final Budget	Actual	Variance With Final Budget
				Actual
Revenues:				
Hotel/motel taxes	\$ 135,000	\$ 135,000	\$ 128,532	\$ (6,468)
Investment earnings	-	-	756	756
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>129,288</u>	<u>(5,712)</u>
Expenditures				
Current:				
Housing and development	135,000	135,000	52,473	82,527
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>135,000</u>	<u>135,000</u>	<u>52,473</u>	<u>82,527</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	76,815	<u>\$ 76,815</u>
Fund Balances Beginning of Year			<u>113,896</u>	<u>30,242</u>
Fund Balances End of Year			<u>\$ 190,711</u>	<u>\$ 113,896</u>

City of Swainsboro, Georgia
Comparative Balance Sheet
Debt Service Fund
November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	<u>\$ 9</u>	<u>\$ 9</u>
Fund Balances		
Restricted for debt service	<u>\$ 9</u>	<u>\$ 9</u>

City of Swainsboro, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended November 30, 2019
(With Comparative Actual Amounts for the Year Ended November 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources					
Transfers in	-	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	-	\$ -	-
Fund Balances Beginning of Year			9		9
Fund Balances End of Year			\$ 9		\$ 9

City of Swainsboro, Georgia
Comparative Balance Sheet
2018 SPLOST Fund
11/30/2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	\$ 481,741	\$ 62,082
Accounts receivable	<u>-</u>	<u>31,237</u>
Total Assets	<u>\$ 481,741</u>	<u>\$ 93,319</u>
Fund Balances		
Restricted for capital projects	<u>\$ 481,741</u>	<u>\$ 93,319</u>

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2018 SPLOST Fund
For the Fiscal Years Ended November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Sales taxes	\$ 412,982	\$ 93,300
Investment earnings	<u>1,315</u>	<u>19</u>
Total Revenues	<u>414,297</u>	<u>93,319</u>
Expenditures		
<i>Current</i>		
<i>Capital Outlay:</i>	<u>25,875</u>	<u>-</u>
Total Expenditures	<u>25,875</u>	<u>-</u>
Excess of Revenue Over Expenditures	388,422	93,319
Fund Balances Beginning of Year	<u>93,319</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 481,741</u></u>	<u><u>\$ 93,319</u></u>

City of Swainsboro, Georgia
Comparative Balance Sheet
2005 SPLOST Fund
November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	\$ -	\$ 28,095
Fund Balances		
Restricted for capital projects	\$ -	\$ 28,095

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2005 SPLOST Fund
For the Fiscal Years Ended November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Investment earnings	\$ 80	\$ 233
Expenditures		
<i>Capital Outlay</i>	<u>28,175</u>	<u>71,629</u>
(Deficiency) of Revenues (Under) Expenditures	(28,095)	(71,396)
Fund Balances Beginning of Year	<u>28,095</u>	<u>99,491</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 28,095</u></u>

City of Swainsboro, Georgia
Comparative Balance Sheet
2012 SPLOST Fund
November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	\$ 3	\$ 3
Interfund receivable	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3</u>	<u>\$ 3</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ -	\$ -
Fund Balances		
Restricted for capital projects	3	3
Unassigned (deficit)	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 3</u>	<u>\$ 3</u>

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2012 SPLOST Fund
For the Fiscal Years Ended November 30, 2019 and 2018

	2019	2018
Revenues		
Sales taxes	\$ -	\$ 175,622
Investment earnings	-	707
Total Revenues	<u>-</u>	<u>176,329</u>
Expenditures		
<i>Current</i>		
Public works	-	-
<i>Capital Outlay:</i>	<u>-</u>	<u>465,275</u>
Total Expenditures	<u>-</u>	<u>465,275</u>
Excess of Revenue Over Expenditures	-	(288,946)
Fund Balances Beginning of Year	<u>3</u>	<u>288,949</u>
Fund Balances End of Year	<u>\$ 3</u>	<u>\$ 3</u>

City of Swainsboro, Georgia
Comparative Balance Sheet
Dixie Theater
November 30, 2019 and 2018

	2019	2018
Assets		
Equity in pooled cash and investments	<u>\$ 193,056</u>	<u>\$ 190,642</u>
Fund Balances		
Restricted for capital projects	<u>\$ 193,056</u>	<u>\$ 190,642</u>

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Dlxie Theater Fund
For the Fiscal Years Ended November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Miscellaneous-contributions	\$ 79,442	\$ 408,474
Investment earnings	<u>99</u>	<u>-</u>
Total Revenues	79,541	408,474
Expenditures		
Current		
Capital Outlay:	<u>77,127</u>	<u>217,832</u>
Excess of Revenue Over Expenditures	2,414	190,642
Fund Balances Beginning of Year	<u>190,642</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 193,056</u></u>	<u><u>\$ 190,642</u></u>

City of Swainesboro, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
November 30, 2019

	SPLOST	Dixie Theater	Total Nonmajor Capital Projects Funds
Assets			
Equity in pooled cash and investments	\$ -	\$ 193,056	\$ 193,056
Accounts receivable	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 193,056</u>	<u>\$ 193,056</u>
Fund Balances			
Restricted	<u>\$ -</u>	<u>\$ 193,056</u>	<u>\$ 193,056</u>

City of Swainesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended November 30, 2019

	2005 SPLOST	Dixie Theater	Total Nonmajor Capital Projects Funds
Revenues			
Sales taxes	\$ -	\$ -	\$ -
Investmeny earnings	80	99	179
Miscellaneous	-	79,442	79,442
Total Revenues	80	79,541	79,621
Expenditures			
Capital Outlay	28,175	77,127	105,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,095)	2,414	(25,681)
Fund Balances Beginning of Year	28,095	190,642	218,737
Fund Balances End of Year	\$ -	\$ 193,056	\$ 193,056

City of Swainsboro, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2019 and 2018

Assets	2019	2018
Current Assets:		
Cash and cash equivalents	\$ 928,097	\$ 453,464
Investments	-	-
Receivable:		
Accounts (net)	172,375	174,769
Interfund	-	-
Restricted assets:		
Cash and cash equivalents	471,948	445,788
Total Current Assets	1,572,420	1,074,021
Noncurrent Assets:		
Capital assets:		
Nondepreciable	520,300	520,300
Depreciable, net	18,320,563	19,335,213
Total Noncurrent Assets	18,840,863	19,855,513
Total Assets	20,413,283	20,929,534
Liabilities		
Current Liabilities:		
Accounts payable	15,127	19,676
Customer deposits payable	198,247	170,578
Interfund payable	201,994	108,849
Promissory note payable	9,728	9,689
GEFA loans payable	216,248	211,446
USDA bonds payable	120,542	117,862
Total Current Liabilities	761,886	638,100
Long-term Liabilities (net of current portion):		
Promissory note payable	9,769	19,497
GEFA loans payable	529,974	746,222
USDA bonds payable	5,419,745	5,540,287
Total Long-term Liabilities	5,959,488	6,306,006
Total Liabilities	6,721,374	6,944,106
Net Position		
Net investment in capital assets	12,534,857	13,210,510
Restricted for debt service	471,948	445,788
Unrestricted	685,104	329,130
Total Net Position	\$ 13,691,909	\$ 13,985,428

City of Swainsboro, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Position
Proprietary Fund - Water and Sewerage Fund
For the Fiscal Years Ended November 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	\$ 2,078,631	\$ 1,919,425
Service charges	122,006	97,440
Miscellaneous	43,483	5,600
Total Operating Revenues	2,244,120	2,022,465
Operating Expenses		
Personal services - salaries	21,754	21,531
Personal services - benefits	20,084	22,700
Purchased services	914,140	924,713
Materials and supplies	430,632	391,368
Depreciation	1,014,650	1,015,880
Total Operating Expenses	2,401,260	2,376,192
Operating (Loss)	(157,140)	(353,727)
Non-Operating Revenues (Expenses)		
Investment earnings	6,558	3,199
Interest and fiscal charges	(142,937)	(151,047)
Total Non-Operating Revenues (Expenses)	(136,379)	(147,848)
(Loss)	(293,519)	(501,575)
Change in Net Position	(293,519)	(501,575)
Net Position Beginning of Year	13,985,428	14,487,003
Net Position End of Year	\$ 13,691,909	\$ 13,985,428

City of Swainsboro, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Fiscal Years Ended November 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,274,183	\$ 1,966,948
Cash payments to employees for services	(41,838)	(44,231)
Cash payments for goods and services	<u>(1,349,321)</u>	<u>(1,307,916)</u>
Net Cash Provided by (Used in) Operating Activities	<u>883,024</u>	<u>614,801</u>
Cash Flows from Noncapital Financing Activities		
Interfund receivable	(217,698)	46,810
Interfund payable	<u>310,843</u>	<u>(133,326)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>93,145</u>	<u>(86,516)</u>
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Principal paid on USDA loan	(338,997)	(313,254)
Principal paid on notes and loans	(142,937)	(151,047)
Interest paid on notes and capital leases	-	-
Acquisition of capital assets	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(481,934)</u>	<u>(464,301)</u>
Cash Flows from Investing Activities		
Net decrease (increase) in investments	-	-
Investment earnings	<u>6,558</u>	<u>3,199</u>
Net Cash Flows from Investing Activities	<u>6,558</u>	<u>3,199</u>
Net Increase (Decrease) in Cash and Cash Equivalents	500,793	67,183
Cash and Cash Equivalents Beginning of Year	<u>899,252</u>	<u>832,069</u>
Cash and Cash Equivalents End of Year	<u>\$ 1,400,045</u>	<u>\$ 899,252</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 928,097	\$ 453,464
Restricted assets	<u>471,948</u>	<u>445,788</u>
Total Cash and Cash Equivalents	<u>\$ 1,400,045</u>	<u>\$ 899,252</u>
	\$ -	

(continued)

City of Swainsboro, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Fiscal Years Ended November 30, 2019 and 2018

(continued)

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	\$ (157,140)	\$ (353,727)
Adjustments:		
Depreciation	1,014,650	1,015,880
(Increase) Decrease in Assets:		
Accounts receivable	2,394	4,283
Increase (Decrease) in Liabilities:		
Accounts payable	(4,549)	8,165
Customer deposits	<u>27,669</u>	<u>(59,800)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 883,024</u>	<u>\$ 614,801</u>

City of Swainsboro, Georgia
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax
For the Year Ended November 30, 2019

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2005 SPLOST	\$2,383,835	\$2,383,835			
Public Safety Buildings and Equipment			\$ 1,071,991	\$ 28,175	\$ 1,100,166
Recreation Equipment			79,645		79,645
Water and Sewer System Improvements			<u>2,661,013</u>		<u>2,661,013</u>
Total			<u>\$ 3,812,649</u>	<u>\$ 28,175</u>	<u>\$ 3,840,824</u>
			TOTAL	<u>\$ 28,175</u>	

Note A: The SPLOST Schedule has been prepared on the modified accrual basis.

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2012 SPLOST	\$3,000,000	\$3,000,000			
Public Safety Buildings and Equipment			\$ 770,303	\$ -	\$ 770,303
Recreation Equipment				-	-
Water and Sewer System Improvements			<u>1,150,556</u>		<u>\$ 1,150,556</u>
Total			<u>\$ 1,920,859</u>	<u>\$ -</u>	<u>\$ 1,920,859</u>
			TOTAL	<u>\$ -</u>	

Note A: The SPLOST Schedule has been prepared on the modified accrual basis.

2018 SPLOST	\$ 250,000	\$ 250,000			
Public Safety Buildings and Equipment			\$ -	\$ 25,875	\$ 25,875
Recreation Equipment					
Water and Sewer System Improvements			<u>-</u>	<u>-</u>	<u>-</u>
Total			<u>\$ -</u>	<u>\$ 25,875</u>	<u>\$ 25,875</u>
			TOTAL	<u>\$ 25,875</u>	

Note A: The SPLOST Schedule has been prepared on the modified accrual basis.

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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*

The Mayor and Council
City of Swainsboro, Georgia

I 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 the Governmental Audit Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia, as of and for the year ended November 30, 2019 and the related notes to the financial statements, which collectively comprise the City of Swainsboro, Georgia's basic financial statements and have issued my report thereon dated May 30, 2020.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Swainsboro, Georgia's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in blue ink that reads "Stacie Avery, CPA". The signature is written in a cursive style.

Stacie W. Avery, Certified Public Accountant
Swainsboro, GA
May 30, 2020