

**CITY OF GLENNVILLE, GEORGIA**  
**FINANCIAL STATEMENTS AND**  
**ADDITIONAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Glennville, Georgia

### **Report on the Financial Statements**

We have audited the accompanying 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 the City of Glennville, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

To the Honorable Mayor and Members of the City Council  
City of Glennville, Georgia

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (on pages 42-43) and the schedules of historical pension information and the related notes (on pages 44 through 47) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glennville, Georgia's basic financial statements. The combining and individual non-major fund financial statements and schedules, and budgetary schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements.

To the Honorable Mayor and Members of the City Council  
City of Glennville, Georgia

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of the City of Glennville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Glennville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Glennville, Georgia's internal control over financial reporting and compliance.



Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

December 16, 2019

**CITY OF GLENNVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Assets:				
Cash and Equivalents	\$ 2,833,693	\$ 1,450,642	\$ 4,284,335	\$ 124,313
Receivables	214,914	334,269	549,183	-
Prepays	19,134	-	19,134	-
Internal Balances	150	(150)	-	-
Restricted Cash and Equivalents	-	1,092,158	1,092,158	-
Capital Assets				
Non-depreciable	888,451	1,463,710	2,352,161	916,840
Depreciable (net)	4,503,553	7,750,466	12,254,019	-
Total Assets	<u>8,459,895</u>	<u>12,091,095</u>	<u>20,550,990</u>	<u>1,041,153</u>
<b>Deferred Outflows of Resources</b>				
Deferred pensions	135,358	-	135,358	-
Total Deferred Outflows of Resources	<u>135,358</u>	<u>-</u>	<u>135,358</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable and accruals	135,874	294,482	430,356	-
Deposits	-	136,500	136,500	-
Long-term liabilities				
Due within one year				
Notes payable	188,261	108,080	296,341	-
Capital lease obligations	61,229	11,548	72,777	-
Bonds payable	10,341	310,160	320,501	-
Compensated absences	8,237	2,529	10,766	-
Due in more than one year				
Notes payable	41,949	528,145	570,094	-
Capital lease obligations	83,952	1,039	84,991	-
Bonds payable	515,702	5,436,432	5,952,134	-
Compensated absences	32,947	10,114	43,061	-
Net pension liability	210,908	-	210,908	-
Total liabilities	<u>1,289,400</u>	<u>6,839,029</u>	<u>8,128,429</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred pensions	250,556	-	250,556	-
Total deferred inflows of resources	<u>250,556</u>	<u>-</u>	<u>250,556</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	4,490,570	2,818,772	7,309,342	916,840
Restricted for:				
Debt Service	-	955,658	955,658	-
Special Sales Tax	714,956	-	714,956	-
Drug Seizure	519	-	519	-
Hotel Motel	3,225	-	3,225	-
Recreation	91,539	-	91,539	-
Unrestricted	1,754,488	1,477,636	3,232,124	124,313
Total net position	<u>\$ 7,055,297</u>	<u>\$ 5,252,066</u>	<u>\$ 12,307,363</u>	<u>\$ 1,041,153</u>

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental Activities								
General Government	\$ 510,276	\$ 102,167	\$ -	\$ 22,420	\$ (385,689)	\$ -	\$ (385,689)	
Municipal Court	65,383	-	-	-	(65,383)	-	(65,383)	
Public Safety	891,489	169,412	-	915	(721,162)	-	(721,162)	
Public Works	1,143,961	386,048	-	448,046	(309,867)	-	(309,867)	
Community Development	62,446	-	-	-	(62,446)	-	(62,446)	
Culture and recreation	398,713	61,669	127,343	-	(209,701)	-	(209,701)	
Interest on Long-term debt	15,480	-	-	-	(15,480)	-	(15,480)	
Total governmental activities	<u>3,087,748</u>	<u>719,296</u>	<u>127,343</u>	<u>471,381</u>	<u>(1,769,728)</u>	<u>-</u>	<u>(1,769,728)</u>	
Business-type activities:								
Water and Sewer	1,657,713	1,649,745	-	570,936	-	562,968	562,968	
Total business-type activities	<u>1,657,713</u>	<u>1,649,745</u>	<u>-</u>	<u>570,936</u>	<u>-</u>	<u>562,968</u>	<u>562,968</u>	
<b>Total primary government</b>	<u>\$ 4,745,461</u>	<u>\$ 2,369,041</u>	<u>\$ 127,343</u>	<u>\$ 1,042,317</u>	<u>\$ (1,769,728)</u>	<u>\$ 562,968</u>	<u>\$ (1,206,760)</u>	
<b>Component Units</b>								
Downtown Development Authority	8,039	-	10,000	-				1,961
Development Authority	1,100	-	10,000	-				8,900
Total component units	<u>\$ 9,139</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>				<u>\$ 10,861</u>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					\$ 809,674	\$ -	\$ 809,674	\$ -
Sales Taxes					366,851	-	366,851	-
Franchise Fee					235,987	-	235,987	-
Other Taxes					447,103	-	447,103	-
Unrestricted investment earnings					26,170	30,040	56,210	692
Miscellaneous					428,884	12,087	440,971	2,870
Gain on sale of asset					-	2,001	2,001	-
Total general revenues, special items, and transfers					<u>2,314,669</u>	<u>44,128</u>	<u>2,358,797</u>	<u>3,562</u>
Change in net position					544,941	607,096	1,152,037	14,423
Net position - beginning					6,510,356	4,644,970	11,155,326	1,026,730
Net position - ending					<u>\$ 7,055,297</u>	<u>\$ 5,252,066</u>	<u>\$ 12,307,363</u>	<u>\$ 1,041,153</u>

The accompanying notes are an integral part of these statements.



**CITY OF GLENNVILLE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>GENERAL FUND</u>	<u>RECREATION COMMISSION</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,092,903	\$ 83,428	\$ 657,362	\$ 2,833,693
Receivables (net):				
Taxes	72,433	-	5,862	78,295
Accounts	34,390	-	-	34,390
Interest	20,178	-	-	20,178
Due from other funds	725	-	-	725
Receivable from other governments	10,081	6,417	45,289	61,787
Other receivables	14,905	-	5,359	20,264
Prepaid expenditures	426	5,083	13,625	19,134
Total Assets	<u>2,246,041</u>	<u>94,928</u>	<u>727,497</u>	<u>3,068,466</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	112,951	-	8,744	121,695
Due to other funds	-	522	53	575
Other accrued expenditures	11,312	2,867	-	14,179
Total Liabilities	<u>124,263</u>	<u>3,389</u>	<u>8,797</u>	<u>136,449</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	27,343	-	-	27,343
Unavailable revenue	17,040	-	-	17,040
Total Deferred Inflows of Resources	<u>44,383</u>	<u>-</u>	<u>-</u>	<u>44,383</u>
Fund balances:				
Nonspendable	426	5,083	13,625	19,134
Restricted	-	86,456	705,075	791,531
Unassigned	2,076,969	-	-	2,076,969
Total Fund Balances	<u>2,077,395</u>	<u>91,539</u>	<u>718,700</u>	<u>2,887,634</u>
Total Liabilities, Deferred Inflows and Fund balances	<u>\$ 2,246,041</u>	<u>\$ 94,928</u>	<u>\$ 727,497</u>	<u>\$ 3,068,466</u>

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

Total fund balance, governmental funds	\$ 2,887,634
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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	5,392,004
The deferred outflows are not current assets or financial resources, and the deferred inflows are not due and payable in the current period and therefore are not reported in the fund financial statements.	
Deferred outflows	135,358
Deferred inflows	(250,556)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Government-wide Statement of Net Position.	
Notes payable	(230,210)
Capital lease obligations	(145,181)
Bonds payable	(480,000)
Unamortized bond premium	(46,043)
Compensated absences	(41,184)
Net pension liability	(210,908)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements.	<u>44,383</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 7,055,297</u></u>

The accompanying notes are an integral part of these statements.

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

	<u>GENERAL FUND</u>	<u>RECREATION COMMISSION</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>				
Taxes	\$ 1,857,065	\$ -	\$ 70,386	\$ 1,927,451
Fines and forfeitures	126,086	-	-	126,086
Licenses and permits	88,023	-	-	88,023
Intergovernmental	127,467	67,064	346,558	541,089
Charges for services	441,119	61,669	-	502,788
Investment earnings	25,748	407	9,304	35,459
Miscellaneous	448,352	4,370	-	452,722
Total Revenues	<u>3,113,860</u>	<u>133,510</u>	<u>426,248</u>	<u>3,673,618</u>
<b>EXPENDITURES</b>				
Current:				
General government	994,369	-	-	994,369
Public safety	841,894	-	-	841,894
Public works	460,565	-	74,556	535,121
Sanitation	371,561	-	-	371,561
Community development	25,372	-	18,357	43,729
Culture and recreation	57,791	341,400	-	399,191
Municipal court	65,383	-	-	65,383
Debt Service:				
Principal	-	13,253	185,846	199,099
Interest and other charges	-	6,509	30,973	37,482
Capital outlay	-	-	106,014	106,014
Total Expenditures	<u>2,816,935</u>	<u>361,162</u>	<u>415,746</u>	<u>3,593,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>296,925</u>	<u>(227,652)</u>	<u>10,502</u>	<u>79,775</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	98,820	-	98,820
Transfers out	(98,820)	-	-	(98,820)
Proceeds from other financing sources	41,000	-	3,900	44,900
Total Other Financing Sources (Uses)	<u>(57,820)</u>	<u>98,820</u>	<u>3,900</u>	<u>44,900</u>
Net Change in Fund Balances	239,105	(128,832)	14,402	124,675
Fund Balances - Beginning of Year	<u>1,838,290</u>	<u>220,371</u>	<u>704,298</u>	<u>2,762,959</u>
Fund Balances - Ending of Year	<u>\$ 2,077,395</u>	<u>\$ 91,539</u>	<u>\$ 718,700</u>	<u>\$ 2,887,634</u>

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND**  
**CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds:	\$	124,675
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of \$825,090 exceeded depreciation of \$488,917 in the current period.</p>		
		336,173
<p>Revenues reported on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:</p>		
Deferred revenues		(143,649)
<p>Revenues not reported on the statement of activities that provide current financial resources are reported as revenues in governmental funds:</p>		
Proceeds from notes payable		(41,000)
<p>Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities:</p>		
Notes payable principle payments		122,791
Capital lease principal payments		74,675
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Changes in long-term compensated absences		(1,965)
Amortization of bond premium		10,130
Pension expense		63,111
		63,111
Change in Net Position of Governmental Activities	\$	544,941

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND - WATER AND SEWER FUND  
JUNE 30, 2019**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	1,450,642
Accounts receivable, net		167,237
Receivable from other governments		144,590
Other receivables		22,442
		1,784,911
 Total Current Assets		 1,784,911

**Non-Current Assets**

Restricted Assets - cash and cash equivalents		1,092,158
		1,092,158
 Total Restricted Assets		 1,092,158

**Capital Assets**

Land		507,747
Water and sewer system		17,979,135
Equipment and furniture		595,321
Construction in progress		955,963
		20,038,166
Total capital assets		20,038,166
Less Accumulated depreciation		(10,823,990)
		9,214,176
 Net Capital Assets		 9,214,176
 Total Non-Current Assets		 10,306,334
 Total Assets	\$	 12,091,245

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - WATER AND SEWER FUND**  
**JUNE 30, 2019**

**LIABILITIES**

**Current Liabilities**

Accounts payable	\$	215,270
Accrued payroll		2,395
Accrued interest payable		76,817
Due to other funds		150
Current portion of compensated absences		2,529
Current portion of long-term debt - capital leases		11,548
Current portion of long-term debt - notes payable		108,080
Current portion of long-term debt - bonds payable		<u>310,160</u>
 Total Current Liabilities		 <u>726,949</u>
 Current liabilities (payable from restricted assets)		
Water Deposits		<u>136,500</u>
 Total Current Liabilities (payable from restricted assets)		 <u>136,500</u>

**Non-Current Liabilities**

Compensated absences payable (net of current portion)		10,114
Capital leases payable (net of current portion)		1,039
Notes payable (net of current portion)		528,145
Bonds payable (net of current portion)		<u>5,436,432</u>
 Total Non-Current Liabilities		 <u>5,975,730</u>
 Total Liabilities		 <u>6,839,179</u>

**NET POSITION**

Net investment in capital assets		2,818,772
Restricted for debt service		955,658
Unrestricted		<u>1,477,636</u>
 Total Net Position	\$	 <u><u>5,252,066</u></u>

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND - WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>WATER SEWER FUND</b>
<b>Revenues</b>	
Charges for services	\$ 1,649,745
Total Operating Revenues	1,649,745
<b>Operating Expenses</b>	
Personal services	248,749
Contractual services	111,179
Utilities	225,631
Repairs and maintenance	156,994
Other supplies and expenses	106,295
Insurance claims and expenses	39,968
Miscellaneous expenses	7,610
Depreciation expense	597,209
Total Operating Expenses	1,493,635
Operating Income	156,110
<b>Non-Operating Revenues (Expenses)</b>	
Interest and investment revenue	30,040
Miscellaneous revenue	12,087
Interest expense	(164,078)
Sale of assets	2,001
Total Non-Operating (Expenses)	(119,950)
Income Before Contributions And Transfers	36,160
Capital grants and contributions	570,936
Total Contributions And Transfers	570,936
Change in net position	607,096
Total net position - beginning	4,644,970
Total net position - ending	\$ 5,252,066

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Cash Flows From Operating Activities**

Cash received from customers	\$ 1,642,519
Cash paid to suppliers	(458,355)
Cash paid to employees	(249,187)
Net Cash Provided By Operating Activities	934,977

**Cash Flows From Capital And Related Financing Activities**

Principal paid on capital leases payable	(16,848)
Principal paid on notes payable	(61,661)
Principal paid on bonds payable	(305,006)
Proceeds from the sale of capital assets	2,001
Acquisition and construction of capital assets	(398,271)
Interest payments	(167,180)
Net Cash (Used In) Capital And Related Activities	(946,965)

**Cash Flows From Investing Activities**

Interest on cash deposits	18,236
Miscellaneous non-operating revenue	12,087
Net Cash Provided By Investing Activities	30,323
Net Increase In Cash	18,335
Cash Beginning of Year	2,524,465
Cash at End of Year	\$ 2,542,800

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 156,110
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities:	
Depreciation and amortization	597,209
Change in Assets and Liabilities:	
Accounts receivable	(4,242)
Due from other funds	21,975
Accounts payable	158,610
Accrued expenses	(438)
Customer deposits	5,603
Due to other funds	150
Net Cash Provided By Operating Activities	\$ 934,977

The accompanying notes are an integral part of these statements.



**CITY OF GLENNVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Cash Per Financial Statements, Including Investments	\$ 2,542,800
Less: Non-Cash Equivalents	<u>-</u>
Total Cash	<u><u>\$ 2,542,800</u></u>

The accompanying notes are an integral part of these statements.

**CITY OF GLENNVILLE, GEORGIA  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 JUNE 30, 2019**

	<b>DOWNTOWN DEVELOPMENT AUTHORITY</b>	<b>DEVELOPMENT AUTHORITY</b>	<b>TOTAL COMPONENT UNITS</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 48,745	\$ 75,568	\$ 124,313
Non-depreciable capital assets	147,506	769,334	916,840
Total Assets	<u>196,251</u>	<u>844,902</u>	<u>1,041,153</u>
<b>NET POSITION</b>			
Net investment in capital assets	147,506	769,334	916,840
Unrestricted	48,745	75,568	124,313
Total Net Position	<u>\$ 196,251</u>	<u>\$ 844,902</u>	<u>\$ 1,041,153</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF GLENNVILLE, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	<b>DOWNTOWN DEVELOPMENT AUTHORITY</b>	<b>DEVELOPMENT AUTHORITY</b>	<b>TOTAL COMPONENT UNITS</b>
<b>OPERATING EXPENSES</b>			
Other	\$ 8,039	\$ 1,100	\$ 9,139
Total Operating Expenses	8,039	1,100	9,139
Operating (Loss)	(8,039)	(1,100)	(9,139)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	10,000	10,000	20,000
Interest income	260	432	692
Other	2,870	-	2,870
Total Non-Operating Revenues (Expenses)	13,130	10,432	23,562
Change in net position	5,091	9,332	14,423
Total net position - beginning	191,160	835,570	1,026,730
Total net position - ending	\$ 196,251	\$ 844,902	\$ 1,041,153

The accompanying notes are an integral part of these financial statements.

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

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

The City of Glennville, Georgia was chartered by an act of the General Assembly of the State of Georgia. The City operates under a Council/Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (highways, streets, and sanitation), water and sewer services, community development, community services (library, cemetery, and recreation) and general administrative services.

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide financial 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 statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition 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 program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**B. 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; of (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

A brief description of the City's discretely presented component units follows:

**Downtown Development Authority of the City of Glennville and Development Authority of the City of Glennville (the Authorities)**

The Authorities are public corporations created to promote industry, trade, and economic growth in the City. The City appoints the members of each authority's board and assists with its funding. Separate financial statements are not prepared by the two authorities.

**Related Organizations**

The Housing Authority of the City of Glennville, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Glennville, Georgia is a related organization and is excluded from the reporting entity.

**C. Fund Accounting**

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

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

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

**Governmental Funds**

Governmental funds are those through which most governmental functions of the City 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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

**General Fund** - The General Fund is used to account for all revenues and expenditures applicable to the general operations of City government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund.

**Recreation Commission** - The fund accounts for revenues and expenditures related to the City's sports leagues and recreation facilities available for use by the public .

The other governmental funds of the City account for other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital projects.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

**Water & Sewer Fund** The fund accounts for financing and costs of providing water and sewer services to residents of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and service. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Measurement Focus**

*Government-Wide Financial Statements*

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

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

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

*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 are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

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

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and enterprise fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**F. Revenues – Exchange and Nonexchange 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 recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes are recognized in the year for which the taxes are levied. Revenues from sales taxes are recognized in the period in which the sales are made. Revenues from grants, entitlements, and donations are recognized in the 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 of 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes, grants, interest, and rent.

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

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

**G. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category on the governmental funds balance sheet.

The following amounts are deferred and recognized as an inflow of resources in the period that the amounts become available:

<u>Unavailable Revenue</u>	<u>General Fund</u>
Property taxes	\$ 27,343
Unavailable revenue	17,040
	\$ 44,383

**H. Expenses/ Expenditures**

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**I. FASB Statements and Interpretations**

For Proprietary activities, all FASB Statements and Interpretations issued after November 30, 1989 have been applied except for those that conflict with or contradict GASB pronouncements.

**J. Budgets and Budgetary Accounting**

An annual budget is adopted (as required by law) by the City for the general and special revenue funds. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles.

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. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

All unexpended annual appropriations lapse at year-end.



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

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

**K. Cash and Cash Equivalents**

For the proprietary fund types a statement of cash flows is presented, as is required by GASB Statement 9, instead of a statement of changes in financial position. For this statement, cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

**L. Investments**

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located within the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank and Federal Bank for Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

All investments are stated at market value.

**M. Capital Assets**

General capital assets are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

The cost of infrastructure assets, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems acquired during the current fiscal year is recorded in the government-wide financial statements. The City is not required to and will not record acquisitions prior to June 30, 2003.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of three thousand dollars. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements 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:

<u>Description</u>	<u>Estimated Lives</u>
Building	15-40 years
Improvements other than building	10-15 years
Machinery and Equipment	5-10 years
Water and sewer system	15-30 years
Infrastructure	15-25 years

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

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

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments.

**N. Inventories**

Materials purchased are shown as expenditures when acquired and are not inventories at June 30, 2019 due to lack of materiality.

**O. Allowance For Doubtful Accounts**

The City provides an allowance for the Water and Sewer Fund accounts receivable, the Fines accounts receivable, and the Property tax accounts receivable that may be uncollectible. At June 30, 2019, the allowances are \$3,000, \$12,500 and \$0, respectively. No other allowances for uncollectible accounts receivable are necessary. All other accounts receivable are considered collectible as reported at June 30, 2019.

**P. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to service already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

**Q. Retirement Plans**

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 14 and the required supplementary information (RSI) section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City’s proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Georgia Municipal Employees Benefit System (GMEBS). The net pension liability is measured as of the September 30<sup>th</sup> immediately prior to the City’s fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized as a component of pension expense over a five-year period beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the City’s pension plan with GMEBS and additions to/deductions from the plan’s fiduciary net position have been determined on the

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

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

same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when paid. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

**R. Accrued and Long - Term Liabilities**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable form the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

**S. 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 whether 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 adoption of a resolution. The City Council also may modify or rescind the commitment by the same formal action.

*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. Through resolution, the City Council has authorized the City Manager to assign fund balances.

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

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

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

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

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and liabilities. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when its use is constrained as described in the fund balance section above. All other net position is reported as unrestricted.

**T. Prepaid Expenditures**

Payments made to various vendors for items or services for a future period are recorded as prepaid expenditures.

**U. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

**V. Bond Premiums, Discounts, and Issuance Costs**

On the government-wide statement of net position and the proprietary funds statement of net position, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

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

**NOTE 2 – EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds' expenditures/expenses exceeded appropriations:

<u>Fund Level</u>	<u>Expenditures/ Expenses Actual</u>	<u>Appropriations</u>	<u>Amount Exceeding Appropriations</u>
Recreation Commission	361,162	241,382	119,780

**NOTE 3 – CASH DEPOSITS AND INVESTMENTS**

As of June 30, 2019, the carrying amount of the City's bank deposits was \$5,376,343 and the respective bank balances totaled \$5,483,054. Of the total bank balance, \$340,363 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$5,142,691 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the city.

As of June 30, 2019, the City's carrying amount of deposits, related bank balances, and other cash, were as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$ 5,376,343	\$ 5,483,054
Petty Cash	<u>150</u>	<u>-</u>
Totals	<u>\$ 5,376,493</u>	<u>\$ 5,483,054</u>

As of June 30, 2019, the carrying amount of the City's component units' bank deposits was \$124,313 and the respective bank balances totaled \$124,313. The total bank balance was insured through the Federal Depository Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2019, \$5,142,691 of the City's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

**NOTE 4 – PROPERTY TAXES**

Property taxes attach an enforceable lien on property as of January 1 of each year. Property taxes are billed on or about October 15<sup>th</sup> of each year and are payable within sixty days. The City bills and collects its own property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e. collectible in 60 days). For the year ended June 30, 2019, property taxes were levied on September 16, 2018 and were due December 15, 2018.

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

**NOTE 5 – HOTEL/MOTEL LODGING TAX**

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A 48-13-51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received \$16,728 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2019. The City disbursed \$18,357 for the promotion of tourism.

**NOTE 6 – INTERFUND TRANSFERS**

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Transfers between funds during the year ended June 30, 2019 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 98,820
Recreation Commission	98,820	-
	<u>\$ 98,820</u>	<u>\$ 98,820</u>

**NOTE 7 – INTERFUND RECEIVABLE AND PAYABLE BALANCES**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2019, balances of interfund amounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at June 30, 2019 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 725	\$ -
Special Sales Tax	-	53
Recreation Commission	-	522
Water Sewer Fund	-	150
	<u>\$ 725</u>	<u>\$ 725</u>

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

**NOTE 8 - CAPITAL ASSETS**

A summary of changes in fixed assets for the year ended June 30, 2019 is as follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Primary Government</b>				
<u>Governmental Activities:</u>				
Nondepreciable Capital Assets:				
Land	\$ 175,076	\$ -	\$ -	\$ 175,076
Construction in Progress	102,250	753,245	142,120	713,375
Total Nondepreciable Capital Assets	<u>277,326</u>	<u>753,245</u>	<u>142,120</u>	<u>888,451</u>
Depreciable Capital Assets:				
Buildings	1,902,735	127,120	-	2,029,855
Improvements other than building	774,664	-	-	774,664
Machinery and Equipment	2,233,847	71,845	-	2,305,692
Infrastructure	4,516,079	15,000	-	4,531,079
Total Capital Assets	9,704,651	967,210	142,120	10,529,741
Less Accumulated Depreciation For:				
Buildings	(894,828)	(70,878)	-	(965,706)
Improvements other than building	(517,680)	(25,450)	-	(543,130)
Machinery and Equipment	(1,830,536)	(153,400)	-	(1,983,936)
Infrastructure	(1,405,776)	(239,189)	-	(1,644,965)
Governmental Activities Capital Assets, Net	<u>\$ 5,055,831</u>	<u>\$ 478,293</u>	<u>\$ 142,120</u>	<u>\$ 5,392,004</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 47,119
Public Safety	103,166
Public Works	289,839
Culture and Recreation	41,086
Community Development	<u>7,707</u>
Total Depreciation Expense-Governmental Activities	<u>\$ 488,917</u>

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

**NOTE 8 - CAPITAL ASSETS, CONTINUED**

A summary of changes in fixed assets for the City's enterprise fund for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Business-Type Activities:</u>				
Nondepreciable Capital Assets:				
Land and Improvements	\$ 507,747	-	-	\$ 507,747
Construction in Progress	149,915	806,048	-	955,963
Total Nondepreciable Capital Assets	<u>657,662</u>	<u>806,048</u>	<u>-</u>	<u>1,463,710</u>
Depreciable Capital Assets:				
Water and sewer system	17,953,480	25,655	-	17,979,135
Machinery and Equipment	497,071	98,250	-	595,321
Total Capital Assets	19,108,213	929,953	-	20,038,166
Less Accumulated Depreciation For:				
Water and sewer system	(9,772,476)	(569,466)	-	(10,341,942)
Machinery and Equipment	(454,304)	(27,744)	-	(482,048)
Business-Type Activities Capital Assets, Net	<u>\$ 8,881,433</u>	<u>\$ 332,743</u>	<u>\$ -</u>	<u>\$ 9,214,176</u>

**Discretely Presented Component Units**

A summary of changes in fixed assets for the Downtown Development Authority for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Land	<u>\$ 147,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,506</u>

A summary of changes in fixed assets for the Development Authority for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Land	<u>\$ 769,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 769,334</u>



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

**NOTE 9 – SALES TAX REVENUE BONDS**

In April 2018, the City of Glennville along with Tattnall County issued \$4,230,000 Tattnall County General Obligation Sales Tax Bonds, Series 2018. The City of Glennville’s portion of the bonds issued was \$480,000. The bonds were issued in order to provide funds needed to pay the cost, in part, of acquiring, constructing, and equipping improvements of the capital outlay projects set forth in the Special Sales Tax resolution adopted on August 28, 2017. For these bonds, there is an original issue premium of \$57,091 which will be amortized over the life of the bonds.

This bond is payable solely from the revenues derived from the Special Sales Tax to be imposed beginning on April 1, 2020.

Interest was capitalized through April 1, 2020 as part of the bond issuance. Principal and interest payments are due semi-annually beginning October 1, 2020 through April 1, 2026. Interest rates vary by year from 2.31% to 2.50%.

As of June 30, 2019, debt service requirements for the Series 2018 General Obligation Sales Tax bond is as follows:

Year Ending June 30:	Principal	Interest	Total
2020	\$ -	\$ 22,450	\$ 22,450
2021	75,000	22,450	97,450
2022	75,000	18,700	93,700
2023	75,000	15,700	90,700
2024	80,000	11,950	91,950
2025-2026	175,000	4,500	179,500
Total	<u>\$ 480,000</u>	<u>\$ 95,750</u>	<u>\$ 575,750</u>

**NOTE 10 – WATER AND SEWER REVENUE BONDS**

In October 2001, the City of Glennville issued a \$3,933,700 City of Glennville Water and Sewer Revenue Bond, Series 2000A, a \$3,579,406 City of Glennville Water and Sewer Revenue Bond, Series 2000B, and a \$531,600 City of Glennville Water and Sewer Revenue Bond, Series 2000C. The bonds were issued in order to provide funds needed to pay the cost, in part, of acquiring, constructing, and equipping improvements, additions to, and extensions of the water and sewer system of the City. In October 2012, the City of Glennville consolidated these bonds and a note payable into a \$7,475,000 Series 2012 Bond. For this bond, there is an original issue discount of \$80,058 which will be amortized over the life of the bond.

This bond is payable solely from the revenues derived from the ownership and operation of the water and sewer system.

The bonds require the monthly deposit of funds equivalent to ten percent of the monthly installment of principal and interest on the bonds into a bond reserve account.

An interest only payment is due January 1 and a principal and interest payment is due July 1 of each year with the final payment July 1, 2034. Interest rates vary by year from 1.5% to 3.375%.

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

**NOTE 10 – WATER AND SEWER REVENUE BONDS, CONTINUED**

As of June 30, 2019, debt service requirements for the Series 2012 revenue bond is as follows:

Year Ending June 30:	Principal	Interest	Total
2020	\$ 315,000	\$ 151,271	\$ 466,271
2021	320,000	146,029	466,029
2022	325,000	139,655	464,655
2023	335,000	132,309	467,309
2024	340,000	124,376	464,376
2025-2029	1,785,000	486,040	2,271,040
2030-2034	1,960,000	225,651	2,185,651
2035	410,000	6,919	416,919
	<u>\$ 5,790,000</u>	<u>\$ 1,412,250</u>	<u>\$ 7,202,250</u>

**NOTE 11 – NOTES PAYABLE**

**Governmental Activities**

The following is a summary of long-term notes payable of the City for the year ended June 30, 2019:

Note payable to South Georgia Bank for \$50,250, payable in monthly installments of \$1,139, including interest at 4.15%, with a final payment of all unpaid principal and interest due on December 10, 2019, unsecured, to be used for recreation improvements.	\$ 6,720
Note payable to State Bank & Trust Company for \$180,648, payable in quarterly installments of \$23,337, including interest at 4.050%, with a final payment of all unpaid principal and interest due on October 24, 2019, secured by certificates of deposit.	137,455
Note Payable to USDA for \$68,000, payable in annual installments of \$14,796, including interest at 2.875% with a final payment of all unpaid principal and interest due on October 18, 2022, secured by 2 police cars.	55,159
Note Payable to State Bank & Trust Company for \$41,000, payable in quarterly installments of \$5,361, including interest at 4.050% with a final payment of all unpaid principal and interest due on October 24, 2019, secured by a police vehicle.	<u>30,876</u>
Total	<u>\$ 230,210</u>

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

**NOTE 11 – NOTES PAYABLE - CONTINUED**

**Business-Type Activities**

The following is a summary of long-term notes payable of the City for the year ended June 30, 2019:

Note payable to GEFA for \$667,679, payable in monthly installments of \$3,857, including interest at 0.52%, with a final payment of all unpaid principal and interest due on November 1, 2031, secured by equipment.	\$ 556,370
Note Payable to State Bank & Trust Company for \$75,750, payable in quarterly installments of \$9,897, including interest at 4.050% with a final payment of all unpaid principal and interest due on October 24, 2019, secured by a dump truck.	57,354
Note Payable to State Bank & Trust Company for \$22,500, payable in quarterly installments of \$2,001, including interest at 4.050% with a final payment of all unpaid principal and interest due on April 25, 2022, secured by a truck.	<u>22,500</u>
Total	<u><u>\$ 636,224</u></u>

As of June 30, 2019, annual debt service requirements for the notes payable are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 188,261	\$ 4,854	\$ 108,080	\$ 4,642
2021	13,590	1,206	51,215	3,068
2022	13,981	815	51,713	2,532
2023	14,378	414	44,174	2,106
2024	-	-	44,404	1,876
2025-2029	-	-	225,518	5,882
2030-2033	-	-	111,120	724
Total	<u>\$ 230,210</u>	<u>\$ 7,289</u>	<u>\$ 636,224</u>	<u>\$ 20,830</u>

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

**NOTE 12 – CAPITAL LEASES**

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. Accumulated amortization resulting from the equipment leased is included with depreciation expense. The equipment leased under capital leases as of June 30, 2019 consisted of the following:

	Government-Type Activities	Business-Type Activities
Ford F-150	\$ 18,924	\$ -
Ford Expedition	30,465	-
2014 Ford F-150	-	27,140
2000 Pierce Contender Fire Truck	127,694	-
Elgin Street Sweeper	206,228	-
2016 Ford Explorer	33,070	-
2015 Ford F-150	-	19,055
2 Police Cars	80,000	-
2017 Ford F-150	-	21,499
	<u>496,381</u>	<u>67,694</u>
Less Accumulated Depreciation	<u>(301,924)</u>	<u>(51,382)</u>
Total	<u>\$ 194,457</u>	<u>\$ 16,312</u>

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments at June 30, 2019:

Year Ending	Governmental-Type Activities	Business-Type Activities
<u>June 30:</u>		
2020	\$ 65,036	\$ 11,814
2021	65,036	1,049
2022	<u>20,726</u>	<u>-</u>
Total Minimum Lease Payments	150,798	12,863
Less: Amount Representing Interest	<u>(5,617)</u>	<u>(276)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 145,181</u>	<u>\$ 12,587</u>

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

**NOTE 13 – CHANGES IN LONG-TERM DEBT**

The capital lease obligations and notes payable will be paid from the special sales tax capital projects fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In prior years, most were paid from the General

Fund and the Water and Sewer Fund. Principal and interest payments related to the revenue bonds and notes payable for the business-type activities will be paid from income derived from the operation of the water and sewer system.

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2019:

	Balance June 30, 2018	Issues or Additions	Payments or Expenditures	Balance June 30, 2019	Amount Due Within One Year
<u>Governmental Activities</u>					
Compensated absences payable	\$ 39,219	\$ 1,965	\$ -	\$ 41,184	\$ 8,237
Revenue bonds payable	480,000	-	-	480,000	-
Notes payable	312,001	221,648	303,439	230,210	188,261
Capital leases payable	219,856	-	74,675	145,181	61,229
Unamortized bond premium	56,173	-	10,130	46,043	10,341
Total Governmental Activities	<u>1,107,249</u>	<u>223,613</u>	<u>388,244</u>	<u>942,618</u>	<u>268,068</u>
<u>Business-Type Activities</u>					
Compensated absences payable	\$ 11,889	\$ 754	\$ -	\$ 12,643	\$ 2,529
Revenue bonds payable	6,100,000	-	310,000	5,790,000	315,000
Capital leases payable	29,434	-	16,847	12,587	11,548
Notes payable	599,635	98,250	61,661	636,224	108,080
Unamortized bond discount	(48,402)	-	(4,994)	(43,408)	(4,840)
Total Business-Type Activities	<u>6,692,556</u>	<u>99,004</u>	<u>383,514</u>	<u>6,408,046</u>	<u>432,317</u>
Total All Funds	<u>\$ 7,799,805</u>	<u>\$ 322,617</u>	<u>\$ 771,758</u>	<u>\$ 7,350,664</u>	<u>\$ 700,385</u>

**NOTE 14 – FUND EQUITY**

Fund balances at June 30, 2019 are classified as follows:

Nonspendable – The following fund balances are non-spendable because they are allocated to:

General Fund:	
Prepaid items	\$ 426
Special Sales Tax Fund:	
Prepaid items	13,625
Recreation Commission Fund:	
Prepaid items	<u>5,083</u>
Total	<u>\$ 19,134</u>

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

**NOTE 14 – FUND EQUITY, CONTINUED**

Restricted – The following fund balances are restricted for:

Special Revenue Funds:

<i>Drug Seizure Fund</i> - used to account for funds received from drug property seizures.	\$ 519
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<i>Hotel/Motel Fund</i> - used to account for hotel/motel tax revenues.	3,225
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<i>Recreation Commission Fund</i> - used to account for activity involving the recreation commission.	<u>86,456</u>
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Total Restricted Fund Balance - Special Revenue Funds	<u>90,200</u>
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Capital Projects Funds:

<i>Special Sales Tax Fund</i> - used to account for capital projects financed with special purpose local option sales tax that was approved by referendum.	570,040
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<i>T-Splost Fund</i> - used to account for capital projects financed with transportation special purpose local option sales tax.	<u>131,291</u>
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Total Restricted Fund Balance - Capital Project Funds	<u>701,331</u>
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Total Restricted Fund Balance	<u><u>\$ 791,531</u></u>
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Unassigned – The following fund balances are unassigned:

General Fund	<u>\$ 2,076,969</u>
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Total	<u><u>\$ 2,076,969</u></u>
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**CITY OF GLENNVILLE, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 15 – EMPLOYEE RETIREMENT PLAN**

**Plan Description**

The City’s defined benefit pension plan, the City of Glennville Retirement Plan (the Plan), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

**Employees Covered Under the Plan**

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>35</u>
Total covered employees	<u><u>67</u></u>

**Funding Policy**

Employees are not required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the City reported a liability of \$210,908 as its net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The City’s net pension liability was based on the projection of the City’s long-term contributions to the pension plan, actuarially determined at January 1, 2019.

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

**NOTE 15 – EMPLOYEE RETIREMENT PLAN - CONTINUED**

The following is a schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2019:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2017*	\$ 2,396,399	\$ 2,052,641	\$ 343,758
Changes for the year:			
Service cost	47,358	-	47,358
Interest	178,315	-	178,315
Differences between expected and actual experience	(70,711)	-	(70,711)
Contributions - employer	-	94,923	(94,923)
Contributions - employee	-	-	-
Net investment income	-	202,129	(202,129)
Benefit payments, including refunds of employee contributions	(132,445)	(132,445)	-
Administrative expense	-	(9,240)	9,240
Other	-	-	-
Net changes	<u>22,517</u>	<u>155,367</u>	<u>(132,850)</u>
Balances at September 30, 2018**	<u>\$ 2,418,916</u>	<u>\$ 2,208,008</u>	<u>\$ 210,908</u>

*\*\*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2018 are used to measure TPL as of September 30, 2017. The balances as of September 30, 2017 constitute measurements of the NPL for the fiscal year ending June 30, 2018.*

*\*\*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018. The balances as of September 30, 2018 constitute measurements of the NPL for the fiscal year ending June 30, 2019.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.



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

**NOTE 14 – EMPLOYEE RETIREMENT PLAN, CONTINUED**

For the year ended June 30, 2019, the City recognized pension expense of \$26,623. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,276	\$ (108,773)
Changes of assumptions	21,771	-
Net difference between projected and actual earnings on pension plan investments	22,011	(141,783)
City contributions subsequent to the measurement date	67,300	-
Total	\$ 135,358	\$ (250,556)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below.

\$67,300 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred (Inflows) of Resources
2020	\$ 53,544	\$ (92,091)
2021	7,257	(79,951)
2022	7,257	(68,527)
2023	-	(9,987)
2024	-	-
Thereafter	-	-
Total	\$ 68,058	\$ (250,556)

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

**NOTE 15 – EMPLOYEE RETIREMENT PLAN, CONTINUED**

**Actuarial Methods and Assumptions**

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Inflation	2.75%
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
<i>Normal</i>	65 with 5 years of service
<i>Early</i>	55 with 10 years of service
Mortality:	
<i>Healthy</i>	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.
<i>Disabled</i>	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
<i>Plan termination basis (all lives)</i>	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

**NOTE 15 – EMPLOYEE RETIREMENT PLAN, CONTINUED**

The 7.50% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target allocation as of March 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.40%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
Real estate	10%	5.10%
Cash	0%	
	Total	100%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City’s net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 483,139	\$ 210,908	\$ (20,192)

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

**NOTE 16 – RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains commercial insurance coverage covering general liability claims and property damage claims.

The City has joined with other municipalities in the State as part of the Georgia Municipal Association Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The effective date of membership was March 24, 1986. As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The City is also to allow to pool's agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of a claim made against the City within the scope of loss protection furnished by the fund.

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

**NOTE 17 – CONTINGENT LIABILITIES**

There were no known contingent liabilities at June 30, 2019. As of June 30, 2019, there were no pending litigation that would have a material effect on the financial statements.

**NOTE 18 – JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the seventeen City East Middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (HOGARC) and is required to pay annual dues thereto. During the year ended June 30, 2019 the City paid \$5,173 in such dues. Membership in the HOGARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the HOGARC in Georgia. The HOGARC Board membership includes the chief elected official of each City and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an HOGARC. Separate financial statements may be obtained from:

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

**CITY OF GLENNVILLE, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 1,776,722	\$ 1,858,490	\$ 1,857,065	\$ (1,425)
Fees and fines	109,675	126,090	126,086	(4)
Licenses and permits	100,030	88,023	88,023	-
Charges for services	427,846	441,120	441,119	(1)
Investment earnings	11,030	12,166	25,748	13,582
Intergovernmental	-	127,468	127,467	(1)
Miscellaneous	17,500	448,354	448,352	(2)
Proceeds from other financing sources	-	-	41,000	41,000
<b>Total Revenues</b>	<b>2,442,803</b>	<b>3,101,711</b>	<b>3,154,860</b>	<b>53,149</b>
<b>Expenditures</b>				
Current:				
General government	542,353	1,030,203	994,369	(35,834)
Public safety	1,010,252	985,271	841,894	(143,377)
Public works	431,300	460,576	460,565	(11)
Sanitation	361,200	371,561	371,561	-
Community development	26,520	26,520	25,372	(1,148)
Culture and recreation	62,225	62,225	57,791	(4,434)
Municipal court	66,535	66,535	65,383	(1,152)
Transfers out	98,820	98,820	98,820	-
<b>Total Expenditures</b>	<b>2,599,205</b>	<b>3,101,711</b>	<b>2,915,755</b>	<b>(185,956)</b>
Excess (Deficiency) Of Revenues Over Expenditures	(156,402)	-	239,105	239,105
Fund Balances - Beginning of Year	1,838,290	1,838,290	1,838,290	-
Fund Balances - Ending of Year	<u>\$ 1,681,888</u>	<u>\$ 1,838,290</u>	<u>\$ 2,077,395</u>	<u>\$ 239,105</u>

**CITY OF GLENNVILLE, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
RECREATION COMMISSION  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 67,662	\$ 67,662	\$ 67,064	\$ (598)
Charges for services	69,700	69,700	61,669	\$ (8,031)
Interest	-	-	407	407
Miscellaneous	5,200	5,200	4,370	(830)
Transfers in	98,820	98,820	98,820	-
<b>Total Revenues</b>	<b>241,382</b>	<b>241,382</b>	<b>232,330</b>	<b>(9,052)</b>
<b>Expenditures</b>				
Culture and recreation	227,710	227,710	341,400	113,690
Debt Service:				
Principal	13,672	13,672	13,253	(419)
Interest and other charges	-	-	6,509	6,509
<b>Total Expenditures</b>	<b>241,382</b>	<b>241,382</b>	<b>361,162</b>	<b>119,780</b>
 (Deficiency) Of Revenues Over Expenditures	 -	 -	 (128,832)	 (128,832)
Fund Balances - Beginning of Year	220,371	220,371	220,371	-
Fund Balances - Ending of Year	<u>\$ 220,371</u>	<u>\$ 220,371</u>	<u>\$ 91,539</u>	<u>\$ (128,832)</u>

**CITY OF GLENNVILLE, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - LAST 10 FISCAL YEARS**

	Year Ended June 30:									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<i>Total pension liability</i>										
Service cost	\$ 47,358	\$ 50,512	\$ 46,873	\$ 48,769	\$ 54,069					
Interest	178,315	175,897	172,822	157,681	153,597					
Differences between expected and actual experience	(70,711)	(72,663)	(48,559)	121,382	(21,934)					
Changes of assumptions	-	36,285	-	-	(6,893)					
Changes of benefit terms	-	-	-	-	-					
Benefit payments, including refunds of employee contributions	(132,445)	(126,538)	(136,377)	(128,547)	(123,744)					
Net change in total pension liability	22,517	63,493	34,759	199,285	55,095					
Total pension liability - beginning	2,396,399	2,332,906	2,298,147	2,098,862	2,043,767					
Total pension liability - ending (a)	<u>\$ 2,418,916</u>	<u>\$ 2,396,399</u>	<u>\$ 2,332,906</u>	<u>\$ 2,298,147</u>	<u>\$ 2,098,862</u>					
<i>Plan fiduciary net position</i>										
Contributions - employer	94,923	\$ 95,601	\$ 90,460	\$ 77,088	\$ 76,971					
Contributions - employee	-	-	-	-	-					
Net investment income	202,129	271,281	185,919	21,309	180,523					
Benefit payments, including refunds of employee contributions	(132,445)		(136,377)	(128,547)	(123,744)					
Administrative expense	(9,240)	(9,909)	(5,380)	(6,004)	(4,945)					
Other	-	-	-	-	-					
Net change in fiduciary net position	155,367	356,973	134,622	(36,154)	128,805					
Plan fiduciary net position - beginning	2,179,179	1,822,206	1,687,584	1,723,738	1,594,933					
Plan fiduciary net position - ending (b)	<u>\$ 2,334,546</u>	<u>\$ 2,179,179</u>	<u>\$ 1,822,206</u>	<u>\$ 1,687,584</u>	<u>\$ 1,723,738</u>					
Net pension liability - ending (a)-(b)	<u>\$ 84,370</u>	<u>\$ 217,220</u>	<u>\$ 510,700</u>	<u>\$ 610,563</u>	<u>\$ 375,124</u>					
Plan's fiduciary net position as a percentage of the total pension liability	96.51%	90.94%	78.11%	73.43%	82.13%					
Covered employee payroll	\$ 992,034	\$ 1,005,601	\$ 970,302	\$ 962,598	\$ 871,723					
Net pension liability as a percentage of covered employee payroll	8.50%	21.60%	52.63%	63.43%	43.03%					

(Historical information prior to implementation of GASB 68 is not required)

(Historical information prior to implementation of GASB 68 is not required)

(Historical information prior to implementation of GASB 68 is not required)

**CITY OF GLENNVILLE, GEORGIA**  
**SCHEDULE OF PENSION CONTRIBUTIONS - LAST 10 FISCAL YEARS**

	Year Ended June 30:									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	- *	\$ 96,652	\$ 95,251	\$ 79,977	\$ 85,012					
Contributions in relation to the actuarially determined contribution	- *	88,598	95,251	79,977	85,012					
Contribution deficiency (excess)	- *	8,054	-	-	-	(Historical information prior to implementation of GASB 68 is not required)				
Covered employee payroll	- *	1,005,601	970,302	962,598	871,723					
Contributions as a percentage of covered employee payroll	- *	8.81%	9.82%	8.31%	9.75%					

\* 2018 information will be determined after fiscal year end and will be included in the 2019 valuation report.



**CITY OF GLENNVILLE, GEORGIA  
NOTES TO PENSION SCHEDULES**

**NOTE 1 – SIGNIFICANT METHODS AND ASSUMPTIONS**

**Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2019, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2019.

**Actuarial Methods and Assumptions**

The following actuarial methods and assumptions were used to determine contribution rates:

<p>Actuarial Cost Method Amortization Method Remaining Amortization Period</p> <p>Asset Valuation Method</p>	<p>Projected Unit Credit Closed level dollar for remaining unfunded liability Varies for the bases, with a net effective amortization period of 10 years</p> <p>Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.</p>
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Actuarial Assumptions:

<p>Inflation Net Investment Rate of Return Projected Salary Increases Cost of Living Adjustments</p> <p>Retirement Age: <i>Normal</i> <i>Early</i></p> <p>Mortality: <i>Healthy</i></p> <p><i>Disabled</i></p> <p><i>Plan termination basis (all lives)</i></p>	<p>2.75% 7.50% 2.75% plus service based merit increases 0.00%</p> <p>65 with 5 years of service 55 with 10 years of service</p> <p>RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.</p> <p>RP-2000 Disabled Retiree Mortality Table with sex-distinct rates</p> <p>1994 Group Annuity Reserving Unisex Table</p>
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**CITY OF GLENNVILLE, GEORGIA  
NOTES TO PENSION SCHEDULES**

**NOTE 2 – CHANGES IN ASSUMPTIONS AND BENEFITS**

The following describes assumption and benefit changes reflected in the last two years. For earlier changes, please see prior year reports.

**Changes in Assumptions**

Based on the results of an actuarial study in September 2017, the following assumptions were changed in this valuation:

- The investment return assumption was reduced from 7.75% to 7.50%.
- The inflation assumption was reduced from 3.25% to 2.75%.

**Benefit Changes**

There were no changes in benefit provisions in the last two fiscal years.

**CITY OF GLENNVILLE, GEORGIA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	SPECIAL REVENUE			CAPITAL PROJECTS		TOTAL OTHER GOVERNMENTAL FUNDS
	DRUG SEIZURE	GRANT FUND	HOTEL/MOTEL TAX	SPECIAL SALES TAX	T SPLOST	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 519	\$ -	\$ 1,406	\$ 521,280	\$ 134,157	\$ 657,362
Taxes receivable (net)	-	-	1,394	-	4,468	5,862
Receivable from other governments	-	-	-	45,289	-	45,289
Other receivables	-	-	425	3,524	1,410	5,359
Prepaid expenditures	-	-	-	13,625	-	13,625
Total Assets	<u>519</u>	<u>-</u>	<u>3,225</u>	<u>583,718</u>	<u>140,035</u>	<u>727,497</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	-	-	-	-	8,744	8,744
Due to other funds	-	-	-	53	-	53
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>8,744</u>	<u>8,797</u>
<b>Fund balances:</b>						
Nonspendable	-	-	-	13,625	-	13,625
Restricted	519	-	3,225	570,040	131,291	705,075
Total Fund Balances	<u>519</u>	<u>-</u>	<u>3,225</u>	<u>583,665</u>	<u>131,291</u>	<u>718,700</u>
Total Liabilities and Fund Balances	<u>\$ 519</u>	<u>\$ -</u>	<u>\$ 3,225</u>	<u>\$ 583,718</u>	<u>\$ 140,035</u>	<u>\$ 727,497</u>

**CITY OF GLENNVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	SPECIAL REVENUE			CAPITAL PROJECTS		TOTAL OTHER GOVERNMENTAL FUNDS
	DRUG SEIZURE	GRANT FUND	HOTEL/MOTEL TAX	SPECIAL SALES TAX	T SPLOST	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 16,728	\$ -	\$ 53,658	\$ 70,386
Intergovernmental	-	74,556	-	272,002	-	346,558
Investment earnings	3	-	12	7,554	1,735	9,304
Total Revenues	<u>3</u>	<u>74,556</u>	<u>16,740</u>	<u>279,556</u>	<u>55,393</u>	<u>426,248</u>
<b>EXPENDITURES</b>						
Current:						
Public works	-	74,556	-	-	-	74,556
Community development	-	-	18,357	-	-	18,357
Capital outlay	-	-	-	78,134	27,880	106,014
Debt Service:						
Principal	-	-	-	185,846	-	185,846
Interest and other charges	-	-	-	30,973	-	30,973
Total Expenditures	<u>-</u>	<u>74,556</u>	<u>18,357</u>	<u>294,953</u>	<u>27,880</u>	<u>415,746</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3</u>	<u>-</u>	<u>(1,617)</u>	<u>(15,397)</u>	<u>27,513</u>	<u>10,502</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from other financing sources	-	-	-	3,900	-	3,900
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,900</u>	<u>-</u>	<u>3,900</u>
Net Change in Fund Balances	3	-	(1,617)	(11,497)	27,513	14,402
Fund Balances - Beginning of Year	<u>516</u>	<u>-</u>	<u>4,842</u>	<u>595,162</u>	<u>103,778</u>	<u>704,298</u>
Fund Balances - Ending of Year	<u>\$ 519</u>	<u>\$ -</u>	<u>\$ 3,225</u>	<u>\$ 583,665</u>	<u>\$ 131,291</u>	<u>\$ 718,700</u>

**CITY OF GLENNVILLE, GEORGIA**

**DRUG SEIZURE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ -	\$ -	\$ -
Interest	30	4	3	(1)
Total Revenues	<u>2,030</u>	<u>4</u>	<u>3</u>	<u>(1)</u>
Expenditures:				
Public Safety	<u>2,030</u>	<u>4</u>	<u>-</u>	<u>(4)</u>
Total Expenditures	<u>2,030</u>	<u>4</u>	<u>-</u>	<u>(4)</u>
Revenues Over Expenditures	-	-	3	3
Fund Balance - Beginning	<u>516</u>	<u>516</u>	<u>516</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 516</u>	<u>\$ 516</u>	<u>\$ 519</u>	<u>\$ 3</u>

**CITY OF GLENNVILLE, GEORGIA**

**GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$ 74,556	\$ 74,556	\$ 74,556	\$ -
Total Revenues	<u>74,556</u>	<u>74,556</u>	<u>74,556</u>	<u>-</u>
Expenditures:				
Public works	<u>74,556</u>	<u>74,556</u>	<u>74,556</u>	<u>-</u>
Total Expenditures	<u>74,556</u>	<u>74,556</u>	<u>74,556</u>	<u>-</u>
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF GLENNVILLE, GEORGIA**

**HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$ 16,000	\$ 16,729	\$ 16,728	\$ (1)
Interest	25	25	12	(13)
Total Revenues	<u>16,025</u>	<u>16,754</u>	<u>16,740</u>	<u>(14)</u>
Expenditures:				
Community development	<u>18,675</u>	<u>18,358</u>	<u>18,357</u>	<u>(1)</u>
Total Expenditures	<u>18,675</u>	<u>18,358</u>	<u>18,357</u>	<u>(1)</u>
Revenues And Other Financing Sources (Under)				
Expenditures	(2,650)	(1,604)	(1,617)	(13)
Fund Balance - Beginning	<u>4,842</u>	<u>4,842</u>	<u>4,842</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,192</u>	<u>\$ 3,238</u>	<u>\$ 3,225</u>	<u>\$ (13)</u>

**CITY OF GLENNVILLE, GEORGIA**

**SPECIAL SALES TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$ 240,000	\$ 272,002	\$ 272,002	\$ -
Interest	2,000	4,534	7,554	3,020
Miscellaneous	-	3,900	3,900	-
Total Revenues	<u>242,000</u>	<u>280,436</u>	<u>283,456</u>	<u>3,020</u>
Expenditures:				
Capital outlay	191,800	209,783	78,134	(131,649)
Debt Service:				
Principal	219,019	201,144	185,846	(15,298)
Interest	<u>15,219</u>	<u>15,111</u>	<u>30,973</u>	<u>15,862</u>
Total Expenditures	<u>426,038</u>	<u>426,038</u>	<u>294,953</u>	<u>(131,085)</u>
Revenues (Under)				
Expenditures	(184,038)	(145,602)	(11,497)	134,105
Fund Balance - Beginning	<u>595,162</u>	<u>595,162</u>	<u>595,162</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 411,124</u>	<u>\$ 449,560</u>	<u>\$ 583,665</u>	<u>\$ 134,105</u>



**CITY OF GLENNVILLE, GEORGIA**

**T SPLOST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS BUDGETARY BASIS</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Revenues:				
Taxes	\$ 48,000	\$ 53,315	\$ 53,658	\$ 343
Interest	750	750	1,735	985
Total Revenues	<u>48,750</u>	<u>54,065</u>	<u>55,393</u>	<u>1,328</u>
Expenditures:				
Capital Outlay	<u>48,750</u>	<u>54,065</u>	<u>27,880</u>	<u>(26,185)</u>
Total Expenditures	<u>48,750</u>	<u>54,065</u>	<u>27,880</u>	<u>(26,185)</u>
Excess Of Revenues Over Expenditures	-	-	27,513	27,513
Fund Balance - Beginning	<u>103,778</u>	<u>103,778</u>	<u>103,778</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 103,778</u>	<u>\$ 103,778</u>	<u>\$ 131,291</u>	<u>\$ 27,513</u>

**CITY OF GLENNVILLE, GEORGIA  
SPECIAL SALES TAX  
2014 SPLOST REFERENDUM  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED JUNE 30, 2019**

PROJECT	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
City Hall Building Renovations	\$ 90,000	\$ 500,000	\$ 58,358	\$ 2,790	\$ 61,148	12.23%
Admin Vehicles/Equipment	90,000	90,000	10,786	21,776	32,562	36.18%
Barnard Park	-	939	939	-	939	100.00%
Welcome Center	50,000	50,000	3,538	2,828	6,366	12.73%
Economic Development	-	200,000	96,918	9,302	106,220	53.11%
Police station renovations	26,000	35,000	23,500	5,430	28,930	82.66%
Police vehicles and equipment	265,000	265,000	124,130	9,937	134,067	50.59%
Fire Department equipment	71,000	71,000	34,370	230	34,600	48.73%
Fire Department renovations	-	25,000	20,483	-	20,483	81.93%
Street repairs	300,000	300,000	73,244	-	73,244	24.41%
Street equipment	308,376	308,376	30,923	10,219	41,142	13.34%
Capital improvements/equipment - Recreation	214,378	214,378	12,363	2,800	15,163	7.07%
Capital improvements/equipment - Water and sewer system	369,000	369,000	-	-	-	0.00%
Auditorium renovations	-	20,000	3,400	12,821	16,221	81.11%
Library renovations	-	65,000	61,301	-	61,301	94.31%
Debt service on City Hall loan	-	350,000	140,924	93,348	234,272	66.93%
Debt service on equipment/ vehicles purchased under capital leases and loans	-	700,000	256,454	123,472	379,926	54.28%
Totals	<u>\$ 1,783,754</u>	<u>\$ 3,563,693</u>	<u>\$ 951,631</u>	<u>\$ 294,953</u>	<u>\$ 1,246,584</u>	



# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

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

To the Honorable Mayor and Members of the City Council  
City of Glennville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Glennville, Georgia's basic financial statements and have issued our report thereon dated December 16, 2019.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

To the Honorable Mayor and Members of the City Council  
City of Glennville, Georgia

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weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

December 16, 2019