



City of Elberton, Georgia

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2019

Prepared by:

Department of Finance

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Part I

Introductory Section



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CITY OF ELBERTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2019

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Elberton
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF ELBERTON, GEORGIA

CITY OFFICIALS

June 30, 2019

MAYOR

Larry L. Guest

CITY COUNCIL

Rick Prince, Mayor Pro Tempore

Carey Butler

Troy Colquitt

Bobby G. Hunt

Kyle Parham

CITY MANAGER

Lanier W. Dunn, CPA

CITY ATTORNEY

John Stephen Jenkins, Sr.

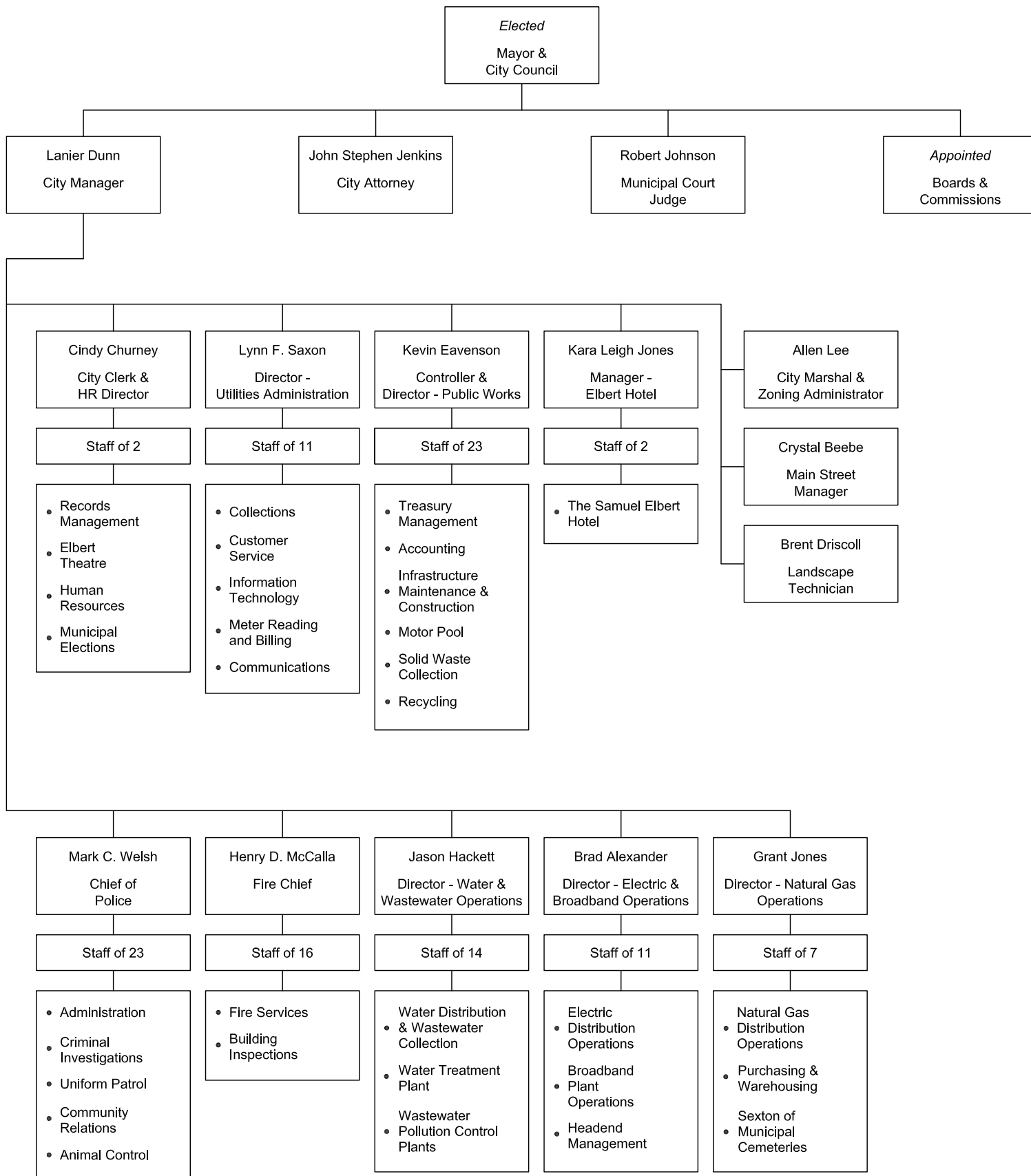
MUNICIPAL COURT JUDGE

Robert A. Johnson

City of Elberton, Ga.

Organizational Chart

as of June 30, 2019





CITY OF ELBERTON

P. O. Box 70

**230 N. McIntosh Street
ELBERTON, GA 30635**

Phone: 706-213-3100

Fax: 706-213-3125

October 31, 2019

The Honorable Larry L. Guest, Mayor
Members of the City Council, and
Citizens of the City of Elberton

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Elberton, Georgia, for the fiscal year ended June 30, 2019, is submitted for review as mandated by both local ordinance and state statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations concerning the finances of the City, the City of Elberton has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Elberton's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

In the Financial Section immediately after the independent auditor's report is a management's discussion and analysis which provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis begins on page 4. The Elberton Code of Ordinances and the Official Code of Georgia, annotated, require an annual audit of the books of account, financial records and transactions of all funds and activities of the City by independent certified public accountants selected by the Mayor and Council. This requirement has been met, and the independent auditor's report has been included in the Financial Section of this report.

This report has been prepared with the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA), in accordance with generally accepted accounting principles and current financial reporting standards as set forth by the Governmental Accounting Standards Board (GASB).

PROFILE OF THE GOVERNMENT

The City of Elberton is located in the northeast part of the State of Georgia, within the boundaries of Elbert County. According to the 2010 U.S. Census, Elberton has a population of 4,653 while Elbert County has 20,166. Elberton is approximately 35 miles east of Athens, Georgia, and about 100 miles east of Atlanta. Elberton was chartered by the State of Georgia in 1803. The governing authority of the City is composed of a Mayor and five Council Members, who appoint a Manager to administer the daily operations of the City.

The City of Elberton provides a full range of governmental and utility services. These include general government administration, police and fire protection, sanitation and recycling services, animal control, streets and public works, cemetery services, parks and recreation, planning and zoning, and a municipal court system. Elberton Utilities, a department of the City of Elberton, provides electric, natural gas, water and wastewater services to customers in the City as well as a large portion of Elbert County. ElbertonNET Technology Services, a department of the City, provides telecommunications, cable television, and Internet, and voice-over-IP phone services to customers in the City and parts of Elbert County.

The annual budget serves as the foundation for the City of Elberton's financial planning and control. All agencies of the City of Elberton are required to submit requests for appropriation to the City Manager in April of each year. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review during the month of May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Elberton's fiscal year. The appropriated budget is prepared by fund, function, and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

This report includes all the funds of the City of Elberton. Following standards established by the Governmental Accounting Standards Board and others, the City of Elberton has reviewed the relationship between itself and other local agencies to determine the amount of control or dependency on the City. The procedures to determine the amount of control or dependency have been outlined in the notes in the Financial Section. As stated in the notes to the basic financial statements, the City of Elberton Housing Authority has not been included in the City's financial statements. The City has included the Downtown Development Authority in this financial report as a discretely presented component unit because that legally separate entity has a high level of financial dependency from the City, and the authority board members are appointed by the Mayor and Council of the City.

ECONOMIC CONDITION AND OUTLOOK

The City's economy continues to be based on the granite industry, which began operation in 1898. In 1951 the Elberton Granite Association, Inc., was formed to encourage cooperation between quarries and manufacturers. A total of 120 separate firms and quarries are operating businesses in granite production or its allied services in Elbert County. Approximately 1,800 persons are employed in the granite industry, with an annual payroll of \$57 million. Statistics indicate that Georgia's stone industry, centered in the Elberton granite district, continues to lead the nation in total production. The financial well-being of Elberton is heavily dependent on a stable granite industry.

The City's purchase of and continuing investment in the Elberton Industrial Park underscores the City's commitment to economic growth in the area. In fact, the size of the Park was nearly doubled in fiscal year 2019 with the addition of a large tract of vacant land. Elberton Utilities and ElbertonNET will continue to work closely with local industry to provide needed infrastructure for expansion at local plants. Elberton's Industrial Park is home to the nationally famous "Bubba Burger." "Bubba Burgers," made in Elberton, are shipped all over the eastern seaboard and Midwestern U.S.

The Downtown Development Authority has operated the Main Street Elberton organization for over twenty years. The City employs a full time director to manage the Main Street program and to work with businesses in the historic downtown area to plan and promote events that attract commerce to the downtown area. Main Street also recruits small businesses to occupy vacant commercial spaces in the area. Annually, Main Street Elberton is recognized as an "Accredited National Main Street Program" by the National Trust for Historic Preservation.

LONG-TERM FINANCIAL PLANNING

The Mayor and Council of the City of Elberton meet annually with the City Manager and department heads to discuss the overall operations of the city. The elected officials and staff review the financial performance of the city departments and evaluate the various revenue streams of the city including taxes and sales of utility services. During this planning session, the elected officials agree on the overall strategic direction of the city and various projects to be included in the upcoming annual budget. The progress of long-term capital projects are reviewed and evaluated.

The Mayor and Council will review proposed expansion capital projects for the utility systems based on an anticipated payback schedule. Most projects have a payback period of less than ten years. However, some are longer.

The Mayor and Council are presented with financial information usually with a ten-year history of revenues and expenditures. The total unrestricted cash on hand at year-end is examined and the days of operating cash on hand is evaluated. The current ratio (current assets divided by current liabilities) is examined. Total long-term debt and total required debt service (principal and interest payments) are considered.

MAJOR EVENTS OR INITIATIVES

The City continued to provide daily services to 5,000 citizens in the City as well as over 6,100 utility accounts in the City and Elbert County. The impact the City has on this community is evident on a daily basis in the majority of homes, businesses, and organizations in the area. Following are highlights of major projects or events in fiscal year 2019.

The City of Elberton began receiving proceeds from the 2017 special purpose local option sales tax in fiscal year 2018. This special sales tax, approved by Elbert County voters, was budgeted to fund \$3.4 million of capital projects over the next six years in the City of Elberton. The proceeds from the 2017 special purpose local option sales tax (SPLOST) are scheduled to conclude in June, 2023. Several capital projects during fiscal year 2019 were funded by the 2017 sales tax. Included in these projects were purchases of vehicles and equipment for the police department and the construction of a new concrete parking lot and driveway for the fire

department. Additionally, the sales tax funded the purchase of a backhoe for the public works department and the installation of a storm pipe liner on North McIntosh Street. The City was also able to complete the renovation of the second floor apartments in the W.O. Jones building, which was funded through the SPLOST proceeds.

The divisions of Elberton Utilities concluded several projects in fiscal year 2019 that are part of long term renewal or expansion plans. The electric division continues working on a system protection and coordination project to increase the safety, longevity and reliability of the city's electric grid. During fiscal year 2019, the electric division completed additional reconductoring of electric distribution lines from the substation. The natural gas division during the year completed extensions of new gas service mains to several poultry farms and residential customers within the county. Additionally, the water division completed the construction of a new 12" water main in the western portion of the county to serve a new commercial customer.

ElbertonNET continues to explore expansion possibilities within the rural areas of Elbert County. ElbertonNET was able to complete several small expansions of the system in various areas of the county during the year. Additionally, ElbertonNET continues to invest in upgrades to headend equipment to accommodate higher bandwidth needs and Internet usage growth.

AWARDS AND ACKNOWLEDGEMENTS

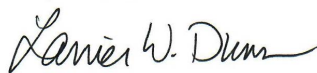
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Elberton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, for the sixteenth consecutive year. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

We would like to thank the Mayor and the members of the City Council for their interest and support in this report on the financial condition of the City. The Mayor and Council should also be acknowledged for their valuable contributions in the planning and conducting of the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,



Lanier W. Dunn, CPA
City Manager



Kevin Eavenson
Controller

Part II

Financial Section



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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Elberton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, 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 of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 13 and 70 through 75, respectively be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elberton, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Elberton, Georgia's basic financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements. In our report dated November 2, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elberton's basic financial statements as a whole. The individual fund financial statements and schedules, related to the 2018 financial statements, are presented for the purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, on our consideration of the City of Elberton, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the 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 Elberton's internal control over financial reporting.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
October 31, 2019

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CITY OF ELBERTON

P. O. Box 70

230 N. McIntosh Street

ELBERTON, GA 30635

Phone: 706-213-3100

Fax: 706-213-3125

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Elberton is pleased to provide this narrative discussion and analysis of the City's financial activities for the fiscal year ended June 30, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Elberton exceeded its liabilities and deferred inflows at the close of the fiscal year by \$47.7 million (reported as "*net position*"). Of this amount, \$14.4 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,874,548 as a result of this year's activities.
- The City's governmental funds report combined ending fund balances of \$1,576,230. Approximately 32.5% of this amount, \$512,040, is available for spending at the City's discretion (*unassigned fund balance*), within the purposes of the funds.
- The City's proprietary funds report net position of \$40.6 million at the end of the fiscal year, an increase of \$3,158,090 as a result of the current year's operations.
- The City's liabilities totaled \$16.7 million on June 30, 2019. Most of these liabilities (75% or \$12.5 million) consist of revenue bonds, notes payable, capital leases, or interest on those obligations to finance improvements or extensions of the City's business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* include the *statement of net position* and the *statement of activities*. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. The City's *net position*, which is the difference between assets, what the citizens own, and liabilities, what the citizens owe, is one way to measure the City's *financial position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, and utility systems) must be considered to assess the *overall health* of the City.

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

Both of the government-wide financial statements divide the City into two kinds of activities:

- **Governmental activities:** most of the City's basic services are reported here, including police, fire, infrastructure maintenance, parks and recreation, cemetery, and general administration. Taxes, grants, and interfund transfers from the utility system finance most of these activities.
- **Business-type activities:** the City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's utility and solid waste services are reported here.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law. The City of Elberton uses three categories of funds: governmental funds, proprietary funds, and a fiduciary fund.

In fund financial statements, information is presented in separate columns for each of the major funds. Data from non-major funds are combined into a single, aggregated column for presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

Governmental funds. Most of the City's basic *governmental activities* reported in the government-wide statements are accounted for in *governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The relationship (or differences) between *governmental activities* (reported in the *statement of net position* and the *statement of activities*) and *governmental funds* is described in a reconciliation following the fund financial statements. The City uses four governmental funds, of which the general fund is considered a major fund, whose basic financial statements can be found on pages 17-22 of this report.

Proprietary funds. When the City charges customers for the full or partial cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net position* and the *statement of activities* using the accrual basis of accounting. *Enterprise funds* are a type of proprietary fund used to account for functions reported as *business-type activities* in the government-wide statements. The City uses five enterprise funds to account for separate business-type activities and are reported in the basic proprietary fund financial statements on pages 23-27 of this report.

Fiduciary fund. The City is a trustee, or fiduciary, for the municipal court agency fund. The City's fiduciary activity is reported in a separate Statement of Fiduciary Assets and Liabilities on page 28. This activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combining financial statements for non-major funds referred to earlier. Individual fund statements and schedules are presented following the required supplementary information. These statements and schedules contain much more detailed financial information about individual services or divisions of the City.

This report includes two schedules (pages 18 and 20) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on the fund financial statements.
- Unless due and payable, long-term liabilities appear only in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Some expenses reported in the government-wide statements represent increases in liabilities on the government-wide statements but are not reported as expenditures in governmental funds because they do not require the use of current financial resources.

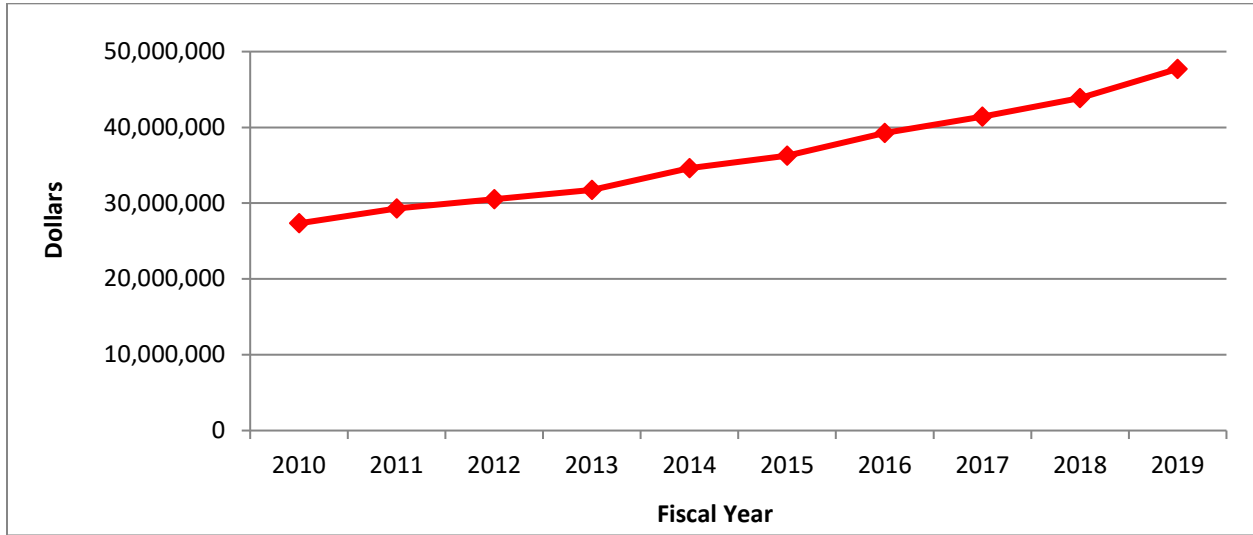
GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Elberton, assets exceeded liabilities by \$47,721,590 at the close of the most recent fiscal year.

City of Elberton
 Net Position as of June 30, 2019 and 2018
 (in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 2,976	\$ 2,810	\$ 20,520	\$ 18,634	\$ 23,496	\$ 21,444
Net Capital Assets	5,276	4,628	36,578	34,144	41,854	38,772
Total Assets	8,252	7,438	57,098	52,778	65,350	60,216
Deferred outflows of resources	282	383	258	378	540	761
Long-term Liabilities	263	275	10,947	10,965	11,210	11,240
Other Liabilities	336	307	5,114	4,012	5,450	4,319
Total Liabilities	599	582	16,061	14,977	16,660	15,559
Deferred inflows of resources	766	797	731	773	1,497	1,570
Net investment in capital assets	5,275	4,628	23,261	21,725	28,536	26,353
Restricted Net Position	814	608	4,007	3,711	4,821	4,319
Unrestricted Net Position	1,069	1,206	13,295	11,969	14,364	13,175
Total Net Position	\$ 7,158	\$ 6,442	\$ 40,563	\$ 37,405	\$ 47,721	\$ 43,847

Total Net Position – Ten Fiscal Years



The largest portion of the City’s net position (60%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position totaling \$4,820,814 is constrained by legal requirements and is not available for day-to-day operations of the City. The remaining balance of *unrestricted net position* (\$14,364,282) may be used to meet the City's ongoing obligations to citizens and creditors. The portion of unrestricted net position from business-type activities was \$13,295,485 at the end of the fiscal year. The portion of unrestricted net position resulting from the City's governmental activities was \$1,068,797 at the close of the fiscal year.

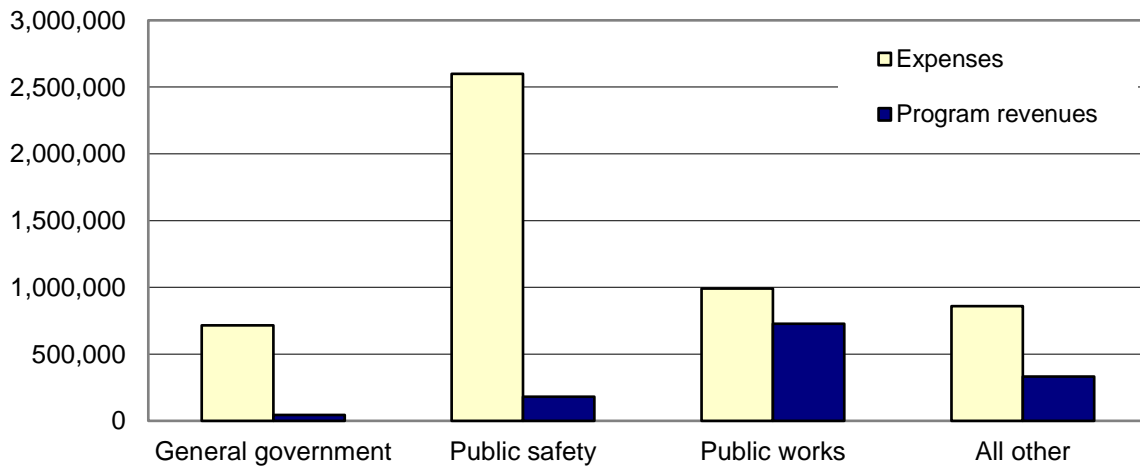
The City's net position increased by \$3,874,548 during the current fiscal year. Governmental activities resulted in an increase in net position of \$716,458 while business-type activities resulted in an increase of net position of \$3,158,090. The following table was derived from the government-wide Statement of Activities and reflects how the City's net position changed during the fiscal year.

City of Elberton
Changes in Net Position for the Fiscal Years ended June 30, 2019 and 2018
(in Thousands)

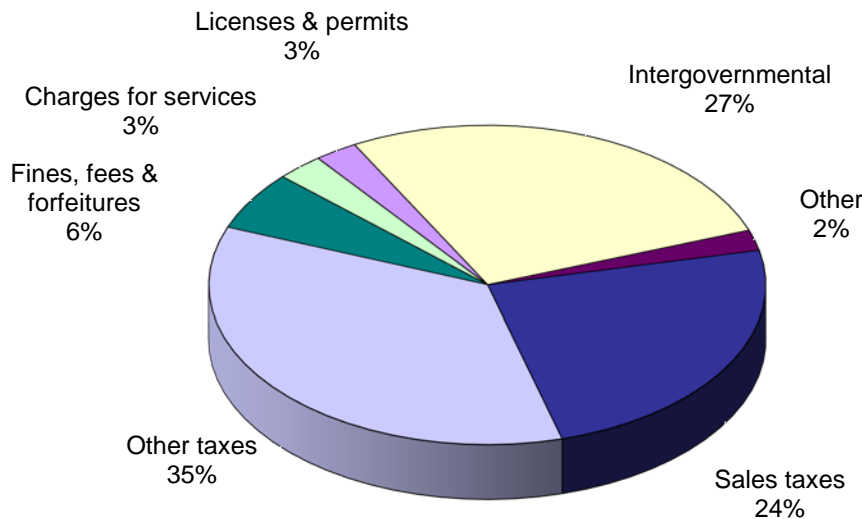
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 281	\$ 269	\$ 30,370	\$ 28,688	\$ 30,651	\$ 28,957
Operating Grants and Contributions	10	0	133	430	143	430
Capital Grants and Contributions	993	673	289	0	1,282	673
General Revenues:						
Taxes	1,492	1,400	0	0	1,492	1,400
Interest and Investment Earnings	9	6	418	287	427	293
Net change in the value of investments	0	0	229	(112)	229	(112)
Miscellaneous	43	40	68	14	111	54
Total Revenues	2,828	2,388	31,507	29,307	34,335	31,695
Expenses:						
General Government	715	727	0	0	715	727
Judicial	73	73	0	0	73	73
Public Safety	2,599	2,538	0	0	2,599	2,538
Public Works	942	1,063	0	0	942	1,063
Health and Welfare	65	65	0	0	65	65
Culture and Recreation	237	268	0	0	237	268
Housing and Development	531	402	0	0	531	402
Interest on long-term debt	0	4	0	0	0	4
Combined Public Utilities	0	0	18,907	17,956	18,907	17,956
ElbertonNET Technology Services	0	0	4,330	4,301	4,330	4,301
Solid Waste	0	0	990	864	990	864
Elbert Theatre	0	0	186	78	186	78
Elbert Hotel	0	0	886	931	886	931
Total Expenses	5,162	5,140	25,299	24,130	30,461	29,270
Indirect Cost Allocation	(610)	(625)	610	625	0	0
Increase (Dec) in Net Position Before Transfers	(1,724)	(2,127)	5,598	4,552	3,874	2,425
Transfers	2,440	2,362	(2,440)	(2,362)	0	0
Change in Net Position	716	235	3,158	2,190	3,874	2,425
Net Position - July 1	6,442	6,207	37,405	35,215	43,847	41,422
Net Position - June 30	\$ 7,158	\$ 6,442	\$ 40,563	\$ 37,405	\$ 47,721	\$ 43,847

Governmental Activities. Governmental activities increased the net position of the City by \$716,458. Revenues for the City’s governmental activities increased by 18.5% (\$441,874) over fiscal year 2018. Expenses for governmental activities increased by 1% (\$22,686) during fiscal year 2019.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

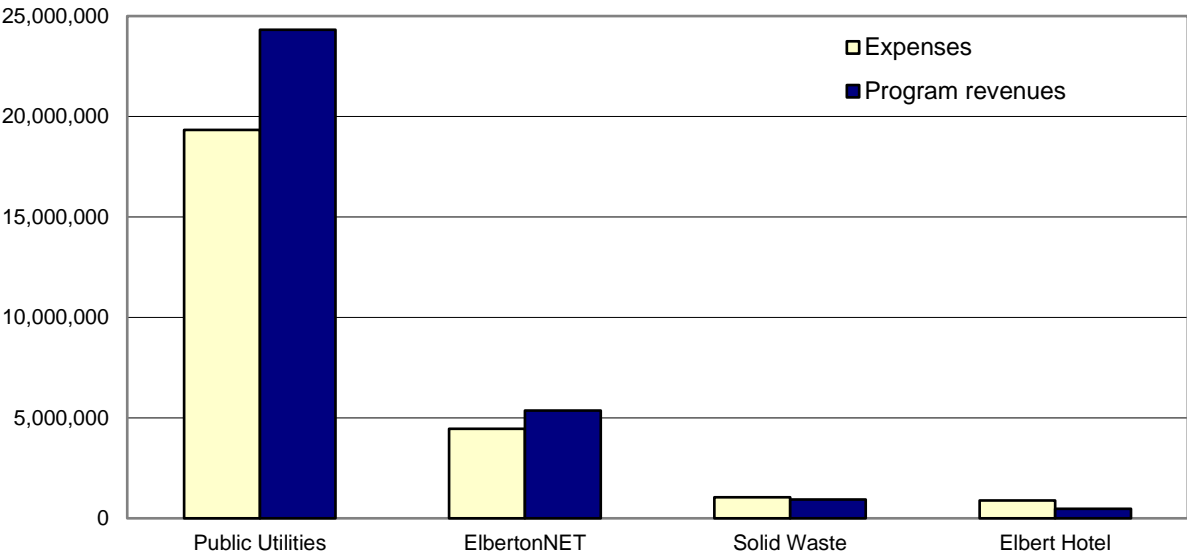


Business-type activities. Business-type activities increased the City’s net position by \$3,158,090. Key elements of this increase are as follows:

- Sales for business-type activities were \$30.3 million, which was an increase of \$1,633,895 from the prior fiscal year sales.
- Sales in the combined public utility fund for electric, water, sewer, and natural gas services increased by \$1,206,075 or 5.5% from last fiscal year. Electric sales increased 3.2%, natural gas sales increased by 12.8%, and water/sewer sales increased by 7.1%.

- Income in the combined public utility fund before transfers to the general fund was \$5.3 million, or 18% higher than last year’s income of \$4.5 million.
- The ElbertonNET technology services enterprise fund experienced sales of \$5,360,061, an increase of 7% over the prior year sales of \$5,003,088.
- Sales for the Solid Waste operations totaled \$879,477 a decrease of \$6,053, or 1% under the prior fiscal year.
- Sales in the Elbert Hotel fund totaled \$476,871 an increase of \$35,191, or 8% over the prior fiscal year.

Expenses and Program Revenues – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT’S INDIVIDUAL FUNDS

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

Governmental funds. The City uses governmental funds to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. The City of Elberton uses four governmental funds: the general fund, the 2017 special purpose local option sales tax (SPLOST) capital projects fund, the hotel/motel tax special revenue fund, and the revolving loan special revenue fund.

At the end of the current fiscal year, the City’s general fund reported an ending fund balance of \$762,381, a decrease of \$310,653 or 29% in comparison with the prior year. Approximately 78% of this amount (\$592,040) constitutes *unassigned fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance is either (a) *nonspendable* to indicate that these amounts cannot be spent because they are either not in a spendable form such as inventory and prepaid insurance, (b) are legally or contractually *restricted* for a particular purpose such as special purpose sales tax proceeds, or (c) are *assigned* for a particular purpose or project by management.

As a measure of the general fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 12% of total general fund expenditures for the current fiscal year.

As in previous fiscal years, the City of Elberton levied no property tax to finance current operations. Therefore, the City’s general fund relied heavily on transfers from the proprietary funds (or business-type activities) to finance the governmental activities of the City such as public safety and public works. The transfer from the combined public utility enterprise fund was \$2,520,000 which is the same amount transferred in fiscal year 2018.

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

The change in net position in the proprietary funds is depicted in the following table. Factors concerning the performance of the proprietary funds have already been addressed in the discussion of the City of Elberton’s business-type activities.

	Combined Public Utility System	ElbertonNET Tech Services	Elbert Hotel	All Other Proprietary
Operating Revenues	\$ 23,499,587	\$ 5,360,061	\$ 476,871	\$ 999,237
Operating Expenses	19,155,847	4,462,633	670,713	1,224,916
Operating income (loss)	4,343,740	897,428	(193,842)	(225,679)
Non-operating income (loss)	936,681	0	(215,331)	55,093
Transfers in (out)	(2,980,000)	(100,000)	440,000	200,000
Change in net position	2,300,421	797,428	30,827	29,414
Net Position, July 1	34,474,587	2,706,674	141,395	82,645
Net Position, June 30	\$ 36,775,008	\$ 3,504,102	\$ 172,222	\$ 112,059

GENERAL FUND BUDGETARY HIGHLIGHTS

There were three budget amendments approved during the fiscal year to account for revenues and expenditures that were not planned in the original budget. Total appropriations increased by \$476,303 between the original budget and the final amended budget. This was to account for the purchase of land adjacent to the Elberton Industrial Park in the amount of \$466,303 and a donation of \$10,000 to the Elberton Sister City program. A third amendment that did not increase total appropriations was also adopted to account for a one-time transfer of \$100,000 from the general fund to the solid waste fund in the fiscal year that was not originally budgeted.

General fund revenues ended the year at 1.5%, or \$33,444, above budget. Additionally, expenditures in the general fund were \$92,909, or 1.8%, under budget for the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Elberton’s investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$41,853,657 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and distribution systems for electricity, natural gas,

water, sewer, and broadband services. This total also includes \$377,692 in intangible assets, primarily for the City's raw water storage rights at Lake Richard B. Russell. More detailed information about the city's capital assets is presented in the notes to the basic financial statements.

During the fiscal year, the City invested \$5,147,297 in new capital assets. Investment for business-type activities totaled \$4,415,488 while \$731,809 was for governmental activities. Major capital asset events during the current fiscal year included the following:

Governmental Activities – \$731,809 total

- \$21,285 for the purchase of land and a building at 123 North McIntosh Street for demolition
- \$445,018 for the acquisition of 165 acres adjacent to the Elberton Industrial Park
- \$51,159 for the completion of a concrete parking area and driveway at the fire department
- \$65,630 for the purchase of vehicles and equipment for the police department
- \$56,078 for the purchase of a backhoe for the public works department
- \$85,310 for the completion of a storm pipe liner on North McIntosh Street
- \$7,329 for the installation of a HVAC system for the activities building at Burke Street

Business-type Activities – \$4,415,488 total

- \$41,674 to purchase vehicles and equipment for the water department
- \$1,864,596 to construct a new 12" water main west along Athens Highway
- \$72,827 to re-conductor and rehabilitate two electric circuits out of substation #1
- \$481,475 for two new bucket trucks for the electric department
- \$7,650 for two CSX Railroad easement crossings near Athens Highway
- \$1,445,566 to construct new gas service mains to several poultry farms and residential customers
- \$213,397 to purchase equipment for the natural gas department
- \$59,850 for the upgrade of headend equipment for ElbertonNET
- \$37,513 to complete the rebuild of the passive tap system for ElbertonNET
- \$88,567 for the construction of system expansions for ElbertonNET
- \$102,372 to purchase vehicles and equipment for ElbertonNET

Additional information on the City's capital assets can be found in Note 8 on pages 49-50 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$2,705,000. This entire amount was for the Series 2011 Combined Public Utility System Revenue Bonds secured solely by the specified revenue sources of the water and sewer, electric, and natural gas systems. There was no outstanding general obligation debt backed by the full faith and credit of the City.

In addition to revenue bonds, the City has entered into two capital lease-purchase agreements to replace aged natural gas lines and to purchase two garbage trucks. The balance of these leases at June 30, 2019 was \$1,066,312.

The City has three outstanding notes payable with the Georgia Environmental Facilities Authority for water system improvements and for sewer plants improvements. The balance of these notes at June 30, 2019 was \$4,292,688.

The City has entered into an intergovernmental agreement with the Elberton Downtown Development Authority (DDA) to finance renovations and improvements at the Samuel Elbert

Hotel. A Revenue Note was issued by the DDA for this purpose, and due to the contractual obligation of the City to make these note payments, the note payable is recognized by the City in its Elbert Hotel Enterprise Fund. The balance of this note payable at June 30, 2019 was \$4,369,093.

Other long-term obligations of the City include accrued vacation pay and contractual liability for the Elberton-Elbert County landfill post-closure care. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

Additional information on the City's long-term debt can be found in Note 10 on pages 52-57 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The local economy remained stable in fiscal year 2019 with increased activity along Elbert Street and in the downtown business district. Sales taxes for fiscal year 2019 increased approximately 2% over fiscal year 2018. The local unemployment rate decreased to 4.3% in 2019 from 5.3% in 2018.

During 2019, the City's utility system did not experience any losses of its top customers, and no new large customers were added. Several projects are in process to add extensions to the natural gas system to serve poultry farms. The businesses located in the Elberton Industrial Park and several large granite companies continue to provide stable employment and are vital utility customers of the City.

The overall City budget for fiscal year 2020 increased by 2.5% over fiscal year 2019. The rates and fees schedule for the general fund and utility services were reviewed in preparation for the 2020 budget. As a result, there were no changes made to the fees schedule in the general fund and all other rates for the City utilities and services will remain unchanged.

Other than certain capital grant revenues and expenditures, the overall policy of next year's budget will remain the same as this year. Property taxes will not be levied, and the general fund will operate on transfers from business-type operations.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the City Manager, Post Office Box 70, 203 Elbert Street, Elberton, Georgia 30635-0070.

BASIC FINANCIAL STATEMENTS

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	\$ 815,115	\$ 1,067,054	\$ 1,882,169	\$ 88,002
Investments	0	9,927,486	9,927,486	0
Restricted assets				
Cash	25	481,275	481,300	0
Investments	0	4,343,881	4,343,881	0
Receivables (net)				
Accounts	3,387	2,747,384	2,750,771	0
Taxes	90,427	0	90,427	0
Intergovernmental	103,194	304,968	408,162	0
Notes	110,832	0	110,832	0
Prepaid items	149,722	2,107	151,829	0
Inventories	20,594	578,113	598,707	0
Internal balances	81,721	(81,721)	0	0
Other current assets	0	18,934	18,934	0
Total current assets	1,375,017	19,389,481	20,764,498	88,002
Noncurrent assets				
Notes receivable	420,521	0	420,521	0
Net pension asset	1,180,563	1,130,188	2,310,751	0
Capital assets				
Non-depreciable	1,534,125	3,488,879	5,023,004	63,385
Depreciable (net)	3,741,403	33,089,250	36,830,653	792,676
Total noncurrent assets	6,876,612	37,708,317	44,584,929	856,061
Total assets	8,251,629	57,097,798	65,349,427	944,063
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	258,852	245,248	504,100	0
Pension contributions subsequent to measurement date	12,861	12,313	25,174	0
Total deferred outflows of resources	271,713	257,561	529,274	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	85,066	2,224,413	2,309,479	5,182
Intergovernmental	0	44,240	44,240	0
Retainages	0	99,343	99,343	0
Sales tax	0	84,786	84,786	0
Interest	0	8,614	8,614	0
Accrued salaries and expenses	120,239	113,286	233,525	0
Compensated absences	116,526	123,574	240,100	0
Customer deposits payable	0	18,581	18,581	4,650
Other current liabilities	14,003	40,216	54,219	0
Notes payable	0	381,630	381,630	123,669
Capital lease payable	0	282,243	282,243	0
Liabilities payable from restricted assets				
Customer deposits payable	0	776,320	776,320	0
Interest payable	0	41,896	41,896	0
Bonds payable	0	875,000	875,000	0
Total current liabilities	335,834	5,114,142	5,449,976	133,501

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	\$ 49,940	\$ 52,961	\$ 102,901	\$ 0
Contractual liability	213,487	0	213,487	0
Notes payable	0	8,280,151	8,280,151	478,276
Capital lease payable	0	784,069	784,069	0
Bonds payable	0	1,830,000	1,830,000	0
Total noncurrent liabilities	263,427	10,947,181	11,210,608	478,276
Total liabilities	599,261	16,061,323	16,660,584	611,777
DEFERRED INFLOWS OF RESOURCES				
Pension experience differences	49,526	44,856	94,382	0
Pension assumption changes	91,699	87,786	179,485	0
Pension investment return differences	624,657	598,003	1,222,660	0
Total deferred inflows of resources	765,882	730,645	1,496,527	0
NET POSITION				
Net investment in capital assets	5,275,528	23,260,966	28,536,494	254,116
Restricted for:				
MEAG Generation Trust	0	3,567,561	3,567,561	0
Public Safety	25	0	25	0
Housing and Development	482,977	0	482,977	0
Capital projects	330,872	0	330,872	0
Debt service	0	439,379	439,379	0
Unrestricted	1,068,797	13,295,485	14,364,282	78,170
Total net position	\$ 7,158,199	\$ 40,563,391	\$ 47,721,590	\$ 332,286

CITY OF ELBERTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2019

	Program Revenues					Net (Expense) Revenue
	Expenses	Indirect Costs	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities						
General Government	\$ 715,271	\$ (482,100)	\$ 45,125	\$ 0	\$ 0	\$ (188,046)
Judicial	73,100	0	0	0	0	(73,100)
Public Safety	2,598,987	0	161,452	285	18,052	(2,419,198)
Public Works	990,896	(127,782)	58,177	136	670,164	(134,637)
Health and Welfare	65,100	0	0	10,000	0	(55,100)
Culture and Recreation	189,270	0	0	0	0	(189,270)
Housing and Development	530,647	0	16,739	0	305,048	(208,860)
Total governmental activities	<u>5,163,271</u>	<u>(609,882)</u>	<u>281,493</u>	<u>10,421</u>	<u>993,264</u>	<u>(3,268,211)</u>
Business-type activities						
Combined Public Utilities						
Electric	13,464,338	207,207	15,659,814	132,837	0	2,121,106
Water and Sewer	2,876,701	108,361	3,403,339	0	288,534	706,811
Natural Gas	2,565,559	110,025	4,412,776	0	0	1,737,192
ElbertonNET Technology						
Services	4,330,304	132,329	5,360,061	0	0	897,428
Solid Waste	989,933	51,960	879,477	0	0	(162,416)
Elbert Theatre	185,830	0	119,760	0	0	(66,070)
Elbert Hotel	886,046	0	476,871	0	0	(409,175)
Total business-type activities	<u>25,298,711</u>	<u>609,882</u>	<u>30,312,098</u>	<u>132,837</u>	<u>288,534</u>	<u>4,824,876</u>
Total primary government	<u>30,461,982</u>	<u>0</u>	<u>30,593,591</u>	<u>143,258</u>	<u>1,281,798</u>	<u>1,556,665</u>
Component Unit						
Downtown Development Authority						
	<u>104,286</u>	<u>0</u>	<u>73,357</u>	<u>8,000</u>	<u>0</u>	<u>(22,929)</u>
			Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net position						
Net (expense) revenue			<u>\$ (3,268,211)</u>	<u>\$ 4,824,876</u>	<u>\$ 1,556,665</u>	<u>\$ (22,929)</u>
General revenues						
Taxes						
Title ad valorem			103,699	0	103,699	0
Sales			607,207	0	607,207	0
Franchise			94,681	0	94,681	0
Occupational			140,341	0	140,341	0
Insurance premium			328,128	0	328,128	0
Alcoholic beverage			122,119	0	122,119	0
Hotel/Motel			90,030	0	90,030	0
Other			5,920	0	5,920	0
Interest and investment earnings			9,325	418,456	427,781	6
Net increase (decrease) in the fair value of investments			0	229,025	229,025	0
Payments from City of Elberton			0	0	0	246,372
Gain on sale of assets			39,282	44,175	83,457	0
Miscellaneous			3,937	81,558	85,495	390
Transfers			<u>2,440,000</u>	<u>(2,440,000)</u>	<u>0</u>	<u>0</u>
Total general revenues and transfers			<u>3,984,669</u>	<u>(1,666,786)</u>	<u>2,317,883</u>	<u>246,768</u>
Change in net position			716,458	3,158,090	3,874,548	223,839
Net position - beginning			<u>6,441,741</u>	<u>37,405,301</u>	<u>43,847,042</u>	<u>108,447</u>
Net position - ending			<u>\$ 7,158,199</u>	<u>\$ 40,563,391</u>	<u>\$ 47,721,590</u>	<u>\$ 332,286</u>

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS			
Cash	\$ 432,826	\$ 382,289	\$ 815,115
Restricted assets			
Cash	25	0	25
Receivables (net)			
Accounts	3,387	0	3,387
Taxes	82,196	8,231	90,427
Intergovernmental	0	103,194	103,194
Notes	80,000	451,353	531,353
Prepaid items	149,722	0	149,722
Inventories	20,594	0	20,594
Due from other funds	308,919	0	308,919
	<u>308,919</u>	<u>0</u>	<u>308,919</u>
Total assets	<u>\$ 1,077,669</u>	<u>\$ 945,067</u>	<u>\$ 2,022,736</u>
LIABILITIES			
Accounts payable	\$ 81,046	\$ 4,020	\$ 85,066
Accrued salaries and payroll liabilities	120,239	0	120,239
Due to other funds	100,000	127,198	227,198
Other liabilities	14,003	0	14,003
	<u>14,003</u>	<u>0</u>	<u>14,003</u>
Total liabilities	<u>315,288</u>	<u>131,218</u>	<u>446,506</u>
FUND BALANCES			
Nonspendable:			
Inventory	20,594	0	20,594
Prepaid items	149,722	0	149,722
Notes receivable	80,000	0	80,000
Restricted for:			
Public Safety	25	0	25
Housing and Development	0	482,977	482,977
Capital projects	0	330,872	330,872
Unassigned	512,040	0	512,040
	<u>512,040</u>	<u>0</u>	<u>512,040</u>
Total fund balances	<u>762,381</u>	<u>813,849</u>	<u>1,576,230</u>
Total liabilities and fund balances	<u>\$ 1,077,669</u>	<u>\$ 945,067</u>	<u>\$ 2,022,736</u>

CITY OF ELBERTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2019

Total fund balance - total governmental funds \$ 1,576,230

Some assets are not financial resources and, therefore, are not reported in the funds.

These are:

Capital assets, net of accumulated depreciation	\$ 5,275,528	
Net pension asset	<u>1,180,563</u>	6,456,091

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

These are:

Compensated absences	(166,466)	
Contractual liability	<u>(213,487)</u>	(379,953)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension experience differences	258,852	
Pension contributions subsequent to measurement date	12,861	

Deferred inflows of resources:

Pension experience differences	(49,526)	
Pension assumption changes	(91,699)	
Pension investment return differences	<u>(624,657)</u>	<u>(494,169)</u>

Net position of governmental activities \$ 7,158,199

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2019

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 1,402,094	\$ 90,031	\$ 1,492,125
Licenses and permits	62,694	0	62,694
Fines, fees and forfeitures	149,924	0	149,924
Charges for services	678,757	0	678,757
Intergovernmental	18,052	670,164	688,216
Interest	8,835	626	9,461
Contributions	10,285	0	10,285
Other	3,937	0	3,937
Total revenues	<u>2,334,578</u>	<u>760,821</u>	<u>3,095,399</u>
EXPENDITURES			
Current			
General Government	725,301	0	725,301
Judicial	75,142	0	75,142
Public Safety	2,543,089	0	2,543,089
Public Works	886,166	0	886,166
Health and Welfare	65,100	0	65,100
Culture and Recreation	85,500	0	85,500
Housing and Development	769,230	57,121	826,351
Capital outlay	0	473,902	473,902
Total expenditures	<u>5,149,528</u>	<u>531,023</u>	<u>5,680,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,814,950)</u>	<u>229,798</u>	<u>(2,585,152)</u>
Other financing sources (uses)			
Transfers in	2,565,015	20,000	2,585,015
Transfers out	(100,000)	(45,015)	(145,015)
Sale of capital assets	39,282	0	39,282
Total other financing sources (uses)	<u>2,504,297</u>	<u>(25,015)</u>	<u>2,479,282</u>
Net change in fund balance	(310,653)	204,783	(105,870)
Fund balances, July 1	<u>1,073,034</u>	<u>609,066</u>	<u>1,682,100</u>
Fund balances, June 30	<u><u>\$ 762,381</u></u>	<u><u>\$ 813,849</u></u>	<u><u>\$ 1,576,230</u></u>

CITY OF ELBERTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2019

Net change in fund balances - total governmental funds \$ (105,870)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 731,809	
Depreciation	<u>(388,862)</u>	342,947

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 17,146	
Cost of benefits earned net of employee contributions	<u>138,157</u>	155,303

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Individual contributions		305,048
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Payments of contractual liabilities are an expenditure in the governmental funds, but the payments reduce long-term liabilities in the statements of net position.

Payment of contractual liabilities		8,841
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Some expenses reported in the statements of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.

Change in compensated absences		<u>10,189</u>
Change in net position of governmental activities		<u><u>\$ 716,458</u></u>

CITY OF ELBERTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 1,367,200	\$ 1,380,948	\$ 1,402,094	\$ 21,146
Licenses and permits	58,500	58,500	62,694	4,194
Fines, fees and forfeitures	113,600	113,600	149,924	36,324
Intergovernmental	0	18,052	18,052	0
Charges for services	707,984	707,984	678,757	(29,227)
Interest	4,200	4,200	8,835	4,635
Contributions	10,350	10,350	10,285	(65)
Other	7,500	7,500	3,937	(3,563)
Total revenues	2,269,334	2,301,134	2,334,578	33,444
EXPENDITURES				
Current				
General Government				
Mayor and Council	180,065	180,065	172,196	7,869
City Manager's Office	158,725	158,725	151,463	7,262
Finance	166,438	167,323	167,320	3
Human Resources	63,389	63,389	58,773	4,616
City Clerk	102,998	104,118	104,113	5
Elections	0	70	69	1
City Attorney	20,000	23,605	23,602	3
City Hall Maintenance	43,046	47,766	47,765	1
Judicial				
Municipal Court	78,730	78,730	75,142	3,588
Public Safety				
Police - Administration	363,323	384,623	384,335	288
Police - Uniform Division	1,011,796	955,796	954,876	920
Police - Criminal Investigations	152,695	152,695	142,482	10,213
Police - Community Relations	71,489	71,489	67,225	4,264
Police - Detention	29,000	34,700	34,672	28
Fire	937,836	901,836	901,457	379
Animal Control	63,980	63,980	58,042	5,938
Public Works				
Administrative	113,385	113,385	104,772	8,613
Infrastructure Maintenance	407,945	359,945	358,941	1,004
Parks and Rights-of-Way	112,731	116,881	116,849	32
Motor Pool	170,376	170,376	166,217	4,159
Street Lighting	29,000	29,000	14,000	15,000
Cemetery	124,308	125,408	125,387	21
Health and Welfare				
Agency allocations	65,100	65,100	65,100	0
Culture and Recreation				
Agency allocations	85,500	85,500	85,500	0
Housing and Development				
Zoning/City Marshal	73,334	73,334	68,688	4,646
Code Enforcement	58,889	58,889	55,143	3,746
Mainstreet Elberton	82,561	154,406	154,189	217
Community Development	75,000	501,303	491,210	10,093
Total expenditures	4,841,639	5,242,437	5,149,528	92,909

CITY OF ELBERTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
Excess (deficiency) of revenues over (under) expenditures	\$ (2,572,305)	\$ (2,941,303)	\$ (2,814,950)	\$ 126,353
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,555,000	2,555,000	2,565,015	10,015
Transfers out	0	(100,000)	(100,000)	0
Sales of capital assets	20,000	20,000	39,282	19,282
Contingency	(2,695)	0	0	0
Total other financing sources (uses)	2,572,305	2,475,000	2,504,297	29,297
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(466,303)	(310,653)	155,650
Fund balances, July 1	0	466,303	1,073,034	606,731
Fund balances, June 30	\$ 0	\$ 0	\$ 762,381	\$ 762,381

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
ASSETS					
Current assets					
Cash	\$ 958,348	\$ 0	\$ 52,520	\$ 56,186	\$ 1,067,054
Investments	9,927,486	0	0	0	9,927,486
Restricted assets					
Cash	481,275	0	0	0	481,275
Investments	4,343,881	0	0	0	4,343,881
Receivables (net)					
Accounts	2,222,802	446,269	635	77,678	2,747,384
Intergovernmental	304,968	0	0	0	304,968
Inventories	514,156	60,156	2,346	1,455	578,113
Prepays	0	0	2,107	0	2,107
Due from other funds	649,574	0	4,181	100,000	753,755
Other current assets	18,934	0	0	0	18,934
Total current assets	<u>19,421,424</u>	<u>506,425</u>	<u>61,789</u>	<u>235,319</u>	<u>20,224,957</u>
Noncurrent assets					
Other assets					
Net pension asset	773,137	135,179	61,044	160,828	1,130,188
Advances to other funds	2,703,644	0	0	0	2,703,644
Capital assets					
Non-depreciable	3,350,579	6,900	107,500	23,900	3,488,879
Depreciable (net)	22,167,296	5,903,038	4,816,947	201,969	33,089,250
Total noncurrent assets	<u>28,994,656</u>	<u>6,045,117</u>	<u>4,985,491</u>	<u>386,697</u>	<u>40,411,961</u>
Total assets	<u>48,416,080</u>	<u>6,551,542</u>	<u>5,047,280</u>	<u>622,016</u>	<u>60,636,918</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension experience differences	169,528	29,640	10,817	35,263	245,248
Pension contributions subsequent to measurement date	8,423	1,473	665	1,752	12,313
Total deferred outflows of resources	<u>177,951</u>	<u>31,113</u>	<u>11,482</u>	<u>37,015</u>	<u>257,561</u>
LIABILITIES					
Current liabilities					
Payables					
Accounts	1,959,539	201,313	7,203	56,358	2,224,413
Intergovernmental	0	44,240	0	0	44,240
Retainages	99,343	0	0	0	99,343
Sales tax	76,738	0	8,048	0	84,786
Interest	0	0	8,529	85	8,614
Accrued salaries	68,301	17,771	9,523	17,691	113,286
Compensated absences	87,136	14,996	2,890	18,552	123,574
Customer deposits payable	0	2,465	16,116	0	18,581
Other current liabilities	40,216	0	0	0	40,216
Due to other funds	183,429	0	426,882	225,165	835,476
Capital leases payable	240,514	0	0	41,729	282,243
Note payable	141,919	0	239,711	0	381,630
Liabilities payable from restricted assets:					
Customer deposits payable	776,320	0	0	0	776,320
Interest payable	41,896	0	0	0	41,896
Bonds payable	875,000	0	0	0	875,000
Total current liabilities	<u>4,590,351</u>	<u>280,785</u>	<u>718,902</u>	<u>359,580</u>	<u>5,949,618</u>

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
Noncurrent liabilities					
Compensated absences	\$ 37,344	\$ 6,427	\$ 1,239	\$ 7,951	\$ 52,961
Advances from other funds	0	2,703,644	0	0	2,703,644
Notes payable	4,150,768	0	4,129,383	0	8,280,151
Bonds payable	1,830,000	0	0	0	1,830,000
Capital lease payable	708,964	0	0	75,105	784,069
Total noncurrent liabilities	<u>6,727,076</u>	<u>2,710,071</u>	<u>4,130,622</u>	<u>83,056</u>	<u>13,650,825</u>
Total liabilities	<u>11,317,427</u>	<u>2,990,856</u>	<u>4,849,524</u>	<u>442,636</u>	<u>19,600,443</u>
DEFERRED INFLOWS OF RESOURCES					
Pension experience differences	32,438	5,671	0	6,747	44,856
Pension assumption changes	60,056	10,500	4,738	12,492	87,786
Pension investment return differences	409,102	71,526	32,278	85,097	598,003
Total deferred inflows of resources	<u>501,596</u>	<u>87,697</u>	<u>37,016</u>	<u>104,336</u>	<u>730,645</u>
NET POSITION					
Net investment in capital assets	16,686,640	5,909,938	555,353	109,035	23,260,966
Restricted for:					
Debt service	439,379	0	0	0	439,379
MEAG Generation Trust	3,567,561	0	0	0	3,567,561
Unrestricted	16,081,428	(2,405,836)	(383,131)	3,024	13,295,485
Total net position	<u>\$ 36,775,008</u>	<u>\$ 3,504,102</u>	<u>\$ 172,222</u>	<u>\$ 112,059</u>	<u>\$ 40,563,391</u>

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
OPERATING REVENUES					
Charges for sales and services	\$ 23,475,929	\$ 5,360,061	\$ 476,871	\$ 999,237	\$ 30,312,098
Miscellaneous revenues	23,658	0	0	0	23,658
Total operating revenues	23,499,587	5,360,061	476,871	999,237	30,335,756
OPERATING EXPENSES					
Costs of sales and services	15,495,970	3,688,324	176,079	520,088	19,880,461
Personal services	2,217,654	423,727	276,806	643,542	3,561,729
Depreciation	1,388,811	313,813	217,828	61,286	1,981,738
Other	53,412	36,769	0	0	90,181
Total operating expenses	19,155,847	4,462,633	670,713	1,224,916	25,514,109
Operating income (loss)	4,343,740	897,428	(193,842)	(225,679)	4,821,647
Non-operating revenues (expenses)					
Interest revenue	418,454	0	2	0	418,456
Intergovernmental revenue	132,837	0	0	0	132,837
Net increase (decrease) in the fair value of investments	229,025	0	0	0	229,025
Gain on sale of capital assets	44,175	0	0	0	44,175
Other revenue	0	0	0	57,900	57,900
Debt issue costs	(25,000)	0	0	0	(25,000)
Interest expense	(151,344)	0	(215,333)	(2,807)	(369,484)
Total non-operating revenues (expenses)	648,147	0	(215,331)	55,093	487,909
Net income (loss) before capital contributions and transfers	4,991,887	897,428	(409,173)	(170,586)	5,309,556
Capital contributions					
Intergovernmental revenue	288,534	0	0	0	288,534
Net income (loss) before transfers	5,280,421	897,428	(409,173)	(170,586)	5,598,090
Transfers in (out)					
Transfers in	0	0	440,000	200,000	640,000
Transfers out	(2,980,000)	(100,000)	0	0	(3,080,000)
Total transfers	(2,980,000)	(100,000)	440,000	200,000	(2,440,000)
Change in net position	2,300,421	797,428	30,827	29,414	3,158,090
Net position, July 1	34,474,587	2,706,674	141,395	82,645	37,405,301
Net position, June 30	\$ 36,775,008	\$ 3,504,102	\$ 172,222	\$ 112,059	\$ 40,563,391

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
Cash flows from operating activities:					
Receipts from customers	\$ 23,164,136	\$ 5,332,909	\$ 481,800	\$ 990,224	\$ 29,969,069
Payments to suppliers	(15,355,513)	(3,670,897)	(173,003)	(484,166)	(19,683,579)
Payments to employees	(2,294,155)	(433,321)	(288,657)	(654,987)	(3,671,120)
Other receipts	23,658	0	0	0	23,658
Other payments	(53,412)	(36,769)	0	0	(90,181)
Net cash provided (used) by operating activities	<u>5,484,714</u>	<u>1,191,922</u>	<u>20,140</u>	<u>(148,929)</u>	<u>6,547,847</u>
Cash flows from non-capital financing activities:					
Receipts from other funds	0	0	5,793	223,148	228,941
Receipts from other government	651,675	0	0	0	651,675
Payments to other funds	(3,011,805)	(903,619)	0	(60,000)	(3,975,424)
Net cash provided (used) by non-capital financing activities	<u>(2,360,130)</u>	<u>(903,619)</u>	<u>5,793</u>	<u>163,148</u>	<u>(3,094,808)</u>
Cash flows from capital and related financing activities:					
Receipts from other governments	132,836	0	0	0	132,836
Receipts from other funds	0	0	440,000	0	440,000
Payments to other funds	(20,000)	0	0	0	(20,000)
Proceeds from insurance on capital assets	0	0	0	57,900	57,900
Proceeds from the sale of capital assets	44,175	0	0	0	44,175
Payment of capital related accounts payable	(3,457)	0	0	0	(3,457)
Acquisition of capital assets	(2,954,582)	(288,303)	0	0	(3,242,885)
Debt issue costs	(25,000)	0	0	0	(25,000)
Interest paid	(161,315)	0	(215,773)	(2,837)	(379,925)
Issuance of notes payable	1,514,805	0	0	0	1,514,805
Principal payments - bonds	(855,000)	0	0	0	(855,000)
Principal payments - notes payable	(140,099)	0	(225,626)	0	(365,725)
Principal payments - capital leases	(235,614)	0	0	(40,887)	(276,501)
Net cash provided (used) by capital and related financing activities	<u>(2,703,251)</u>	<u>(288,303)</u>	<u>(1,399)</u>	<u>14,176</u>	<u>(2,978,777)</u>
Cash flows from investing activities:					
Interest received	418,538	0	2	0	418,540
Proceeds from sale of investments	40,000	0	0	0	40,000
Purchase of investments	(509,692)	0	0	0	(509,692)
Net cash provided (used) by investing activities	<u>(51,154)</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>(51,152)</u>
Net increase (decrease) in cash	370,179	0	24,536	28,395	423,110
Cash, July 1	<u>1,069,444</u>	<u>0</u>	<u>27,984</u>	<u>27,791</u>	<u>1,125,219</u>
Cash, June 30	<u><u>\$ 1,439,623</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 52,520</u></u>	<u><u>\$ 56,186</u></u>	<u><u>\$ 1,548,329</u></u>

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 4,343,740	\$ 897,428	\$ (193,842)	\$ (225,679)	\$ 4,821,647
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,388,811	313,813	217,828	61,286	1,981,738
(Increase) decrease in accounts receivable	(343,911)	(26,144)	(631)	(9,013)	(379,699)
(Increase) decrease in prepaids	0	0	(69)	0	(69)
(Increase) decrease in inventories	61,475	6,559	2,488	(105)	70,417
(Increase) decrease in other current assets	(1,521)	0	0	0	(1,521)
(Increase) decrease in net pension asset/liability	(138,388)	(23,061)	(27,169)	(29,882)	(218,500)
(Increase) decrease in pension contributions made subsequent to measurement date	77,420	10,351	8,428	15,373	111,572
Increase (decrease) in accounts payable	80,504	1,024	(1,527)	36,027	116,028
Increase (decrease) in intergovernmental payable	0	9,844	0	0	9,844
Increase (decrease) in sales tax payable	16,896	0	2,184	0	19,080
Increase (decrease) in customer deposits payable	13,068	(1,008)	5,560	0	17,620
Increase (decrease) in other current liabilities	2,154	0	0	0	2,154
Increase (decrease) in accrued salaries	12,495	6,101	(1,683)	4,040	20,953
Increase (decrease) in compensated absences payable	4,086	947	636	4,674	10,343
Increase (decrease) in pension experience differences	(37,596)	(6,213)	11,191	(7,981)	(40,599)
Increase (decrease) in pension assumption differences	(34,451)	(1,089)	2,676	(6,103)	(38,967)
Increase (decrease) in pension investment return differences	39,932	3,370	(5,930)	8,434	45,806
Total adjustments	1,140,974	294,494	213,982	76,750	1,726,200
Net cash provided (used) by operating activities	\$ 5,484,714	\$ 1,191,922	\$ 20,140	\$ (148,929)	\$ 6,547,847
Cash reconciliation:					
Cash	\$ 958,348	\$ 0	\$ 52,520	\$ 56,186	\$ 1,067,054
Restricted assets					
Cash	481,275	0	0	0	481,275
Total cash	\$ 1,439,623	\$ 0	\$ 52,520	\$ 56,186	\$ 1,548,329

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled \$229,025.

Acquisition of capital assets through accounts payable totaled \$784,727.

Acquisition of capital assets through retainage payable totaled \$99,343.

Contributions of capital assets totaled \$288,534.

CITY OF ELBERTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2019

	<u>Municipal Court Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 10,951
LIABILITIES	
Due to other agencies	<u>\$ 10,951</u>

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

1. Description of Government Unit

The City of Elberton was incorporated under the laws of the State of Georgia in 1803 and operates under an elected Mayor-Council form of government. The City provides a full range of governmental services, including public safety, highways and streets, public improvements, recreation, planning and zoning, and general administrative services, as well as electric, water and sewerage, natural gas, telecommunications, and sanitation services provided through enterprise funds.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Elberton Downtown Development Authority

The Elberton Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members, who are appointed by the Mayor and Council, and an executive director. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Elberton. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, accounting, payroll, etc. The Authority is included in the reporting entity due to the significance of its financial relationship with the City. The City has assumed the obligation of providing the necessary contributions to fund any deficits from the operation of the Downtown Development Authority.

The Elberton Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Financial Report in the sections labeled "Component Unit" (See Exhibit I). The Elberton Downtown Development Authority has a June 30th year-end. Individual financial statements may be obtained by contacting the Elberton Downtown Development Authority, PO Box 70, Elberton, GA 30635.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Combined Public Utilities and ElbertonNET Technology Services Enterprise Funds and the other functions of the government. Elimination of these charges would distort the direct costs of program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

General Fund - The general operating fund of the City is used to account for all financial resources not accounted for and reported in another fund.

The City reports the following major proprietary funds:

Combined Public Utility System Enterprise Fund - This fund is used to account for activities connected with the development, operation, and maintenance of the City's Electric, Water and Sewer, and Natural Gas Systems pursuant to requirements of the revenue bond ordinance.

ElbertonNET Technology Services Enterprise Fund - This fund is used to account for the activities connected with the development, operation, and maintenance of the City's cable television, high-speed Internet, Voice-over-Internet Protocol phone, and fiber optic-based telecommunications services.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Elbert Hotel Enterprise Fund - This fund is used to account for the activities connected with the construction and operations of the Samuel Elbert Hotel located in downtown Elberton.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds - Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the City or for others. The City has the Municipal Court Agency Fund.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Component Units

The Elberton Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and 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.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting

The City Council adopts an annual operating budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the City Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

In mid April each year, the departments submit their budget requests to the Finance Director. The Finance Department compiles a complete citywide budget and submits the proposed budget to the City Manager for review. Meetings are held between the City Manager, Finance Director, and department heads in May to review the proposed budget. City ordinance requires the City Manager to submit the proposed budget to the City Council forty days prior to the beginning of the next fiscal year. The proposed budget is made available to the public for review during this period. During June, the Mayor and Council conduct two public hearings to discuss the proposed budget and to obtain input from the citizens of the City of Elberton. These hearings are publicized in the local newspaper at least one week before each hearing. The final proposed budget is then adopted by the City Council on or before June 30 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. All operating budget transfers between departments must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end. The City does not use the encumbrance system of accounting.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The City reports investments using net asset value (NAV) when NAV is calculated in a manner consistent with fair value measurement guidelines, fair value is not readily determinable, and it is not probable for the investment to be sold at an amount other than NAV.

I. Property Taxes

Amounts received from the local option sales tax which are required to be used to roll back property taxes exceeded the City's normal tax levy resulting in no property tax levy during the current fiscal year.

J. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

K. Inventories

Inventories for the General Fund are valued at average cost and recorded as expenditures when consumed. Inventories of the Combined Public Utility System Enterprise Fund are valued at cost on the first-in, first-out method.

L. Prepaid Items

Payments made to vendors that benefit future reporting periods are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007. The City elected not to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life	Capitalization
	in Years	Threshold
Utility distribution system	10 to 50	\$ 10,000 – 20,000
Land improvements	5 to 50	10,000
Buildings	30 to 50	10,000
Equipment	2 to 10	5,000
Vehicles	5 to 10	5,000
Infrastructure	10 to 50	10,000 – 30,000
Land	N/A	1
Nondepreciable intangibles	N/A	5,000

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources related to their defined benefit pension plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources related to their defined benefit pension plans.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

O. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

P. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Q. Restricted Assets and Restricted Net Position

Restricted assets for bond redemption of the Combined Utility System Enterprise Fund represent resources set aside for the repayment of revenue bonds outstanding. The assets are maintained in a separate bank account and their use is limited by application of bond covenants. Restricted assets for the MEAG Generation Trust represent resources held in separate investment accounts for future MEAG construction projects. See Note 3 for further discussion.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds

The City of Elberton implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable, by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Elberton's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number, title, and date of original adoption. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 90 days of fiscal year-end.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the City Manager, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. The City Manager has determined that all equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

S. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

T. Compensation for Future Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

2. Summary of Significant Accounting Policies (continued)

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

V. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain prior fiscal year amounts have been reclassified to conform with the current fiscal year presentation.

W. Pension Plans

For purposes of measuring the net pension liability, and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees Benefit System (GMEBS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City investment policies require that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The City's investment policies place no limits on the maximum maturity of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

3. Deposit and Investment Risk (continued)

Credit Risk

The City's investment policies authorize investment in the following securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, and pooled investment programs of the State of Georgia. The City's policies do not establish a minimum credit rating for investments. Investments are reported at fair value.

Concentration of Credit Risk

City's policies place no limits on the amount the may invest in any one issuer, but require that the investment portfolio be diversified.

Foreign Currency Risk

The City's investment policies do not allow for investments denominated in a foreign currency.

The City participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

3. Deposit and Investment Risk (continued)

Georgia Fund 1 is rated AA Af by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 10 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$477,259.

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City may elect to have their funds deposited in MEAG's Voluntary Flexible Operating Account or Generation Trust Account fund in lieu of receiving a refund. The voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct MEAG to retain or use the discretionary funds. The generation trust account is used to offset the City's share of future MEAG generation projects.

The Municipal Competitive Trust accounts are held in the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios; these portfolios are not rated. At the end of the current fiscal year, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 16.11, 54.19, and 1.29 months, respectively. The investments in each of the funds consist primarily of debt securities such as U.S. Treasuries, U.S. Agency obligations, municipal bonds, and time deposits with financial institutions. The funds in these accounts are invested in securities that are typically held to maturity. At the end of the current fiscal year, the City's balances in the Voluntary Flexible Operating Accounts were \$10,703,806, and in the Generation Trust Accounts were \$3,567,561. The City of Elberton has no unfunded commitments or restriction on its ability to sell the investments in the Municipal Competitive Trust accounts.

Investments measured at net asset value at the end of the current fiscal year consist of the following:

Investment Type	Fair Value
Municipal Competitive Trust	
Short-term Portfolio	\$ 1,268,015
Intermediate Portfolio	3,033,043
Intermediate Extended Portfolio	9,970,309
Total Investments	\$ 14,271,367

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

3. Deposit and Investment Risk (continued)

Investment Type	Fair Value
Municipal Competitive Trust Investments	\$ 9,927,486
Restricted Investments	4,343,881
Total Investments	\$ 14,271,367

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Major Funds		
General	\$ 7,519	
Less: Allowance for Uncollectibles	(4,132)	\$ 3,387
Enterprise Funds		
Combined Public Utility System	2,545,112	
Less: Allowance for Uncollectibles	(322,310)	
ElbertonNET Technology Services	635,969	
Less: Allowance for Uncollectibles	(189,700)	
Elbert Hotel	635	2,669,706
Nonmajor Funds		
Solid Waste	93,488	
Less: Allowance for Uncollectibles	(15,810)	77,678
Total primary government		\$ 2,750,771

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Major Funds	
Enterprise Funds	
Combined Public Utility System	\$ 304,968
Nonmajor Funds	
Governmental Funds	
2017 SPLOST	103,194
Total primary government	\$ 408,162

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

6. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at the end of the current fiscal year is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Combined Public Utility System	\$ 183,429
	Nonmajor Governmental	125,490
Combined Public Utility System	Elbert Hotel	426,882
	Nonmajor Proprietary	220,984
	Nonmajor Governmental	1,708
Elbert Hotel	Nonmajor Proprietary	4,181
Nonmajor Proprietary	General	<u>100,000</u>
Subtotal		<u><u>\$ 1,062,674</u></u>

The balance reported as Due to/Due from represent loans between the borrower fund and the lender fund. The balance between the Combined Public Utility System Fund and the ElbertonNET Technology Services Fund resulted from transactions to fund operations and is reported as an advance to other fund in the Combined Utilities Fund and an advance from other fund in the ElbertonNET Technology Services Fund and it is not expected to be repaid within one year. All other balances are expected to be repaid within one year.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

6. Interfund Receivables, Payables, and Transfers, continued

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Nonmajor Proprietary	\$ 100,000
Combined Public Utility System	General	2,520,000
	Elbert Hotel	440,000
	Nonmajor Governmental	20,000
ElbertonNet Technology Services	Nonmajor Proprietary	100,000
Nonmajor Governmental	General	45,015
		<u>\$ 3,225,015</u>

Interfund transfers were used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

7. Intradepartmental Billings

Total operating revenues and total operating expenses in the Combined Public Utilities Enterprise Fund includes \$66,773, \$15,782, and \$486,182 of intradepartmental billings for water and sewer, natural gas, and electric usage, respectively. Total operating revenues and total operating expenses in the ElbertonNET Technology Services Enterprise Fund include \$73,537 of intradepartmental billings for cable television and high-speed internet usage.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

8. Capital Assets

Capital asset activity for the primary government for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 762,775	\$ 771,350	\$ 0	\$ 1,534,125
Construction in progress	72,139	0	(72,139)	0
Total non-depreciable assets	<u>834,914</u>	<u>771,350</u>	<u>(72,139)</u>	<u>1,534,125</u>
Depreciable assets				
Buildings	2,114,741	7,329	0	2,122,070
Land improvements	1,175,351	51,159	0	1,226,510
Vehicles and equipment	2,960,101	182,205	(141,153)	3,001,153
Infrastructure	3,133,424	96,953	0	3,230,377
Total depreciable assets	<u>9,383,617</u>	<u>337,646</u>	<u>(141,153)</u>	<u>9,580,110</u>
Accumulated depreciation				
Buildings	(1,221,782)	(70,490)	0	(1,292,272)
Land improvements	(944,753)	(38,775)	0	(983,528)
Vehicles and equipment	(2,095,059)	(187,253)	141,153	(2,141,159)
Infrastructure	(1,329,404)	(92,344)	0	(1,421,748)
Total accumulated depreciation	<u>(5,590,998)</u>	<u>(388,862)</u>	<u>141,153</u>	<u>(5,838,707)</u>
Total depreciable assets, net	<u>3,792,619</u>	<u>(51,216)</u>	<u>0</u>	<u>3,741,403</u>
Governmental activities capital assets, net	<u>\$ 4,627,533</u>	<u>\$ 720,134</u>	<u>\$ (72,139)</u>	<u>\$ 5,275,528</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 385,335	\$ 7,650	\$ 0	\$ 392,985
Construction in progress	466,913	2,700,322	(449,033)	2,718,202
Intangible assets	377,692	0	0	377,692
Total non-depreciable assets	<u>1,229,940</u>	<u>2,707,972</u>	<u>(449,033)</u>	<u>3,488,879</u>
Depreciable assets				
Buildings	5,448,765	0	0	5,448,765
Land improvements	110,732	0	0	110,732
Distribution system	51,817,541	1,317,632	(206,039)	52,929,134
Vehicles and equipment	4,194,955	838,918	(322,185)	4,711,688
Total depreciable assets	<u>61,571,993</u>	<u>2,156,550</u>	<u>(528,224)</u>	<u>63,200,319</u>
Accumulated depreciation				
Buildings	(924,601)	(150,133)	0	(1,074,734)
Land improvements	(57,157)	(4,757)	0	(61,914)
Distribution system	(24,720,638)	(1,494,720)	196,096	(26,019,262)
Vehicles and equipment	(2,955,159)	(332,128)	332,128	(2,955,159)
Total accumulated depreciation	<u>(28,657,555)</u>	<u>(1,981,738)</u>	<u>528,224</u>	<u>(30,111,069)</u>
Total depreciable assets, net	<u>32,914,438</u>	<u>174,812</u>	<u>0</u>	<u>33,089,250</u>
Business-type activities capital assets, net	<u>\$ 34,144,378</u>	<u>\$ 2,882,784</u>	<u>\$ (449,033)</u>	<u>\$ 36,578,129</u>

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Downtown Development Authority Component Unit				
Non-depreciable assets				
Land	\$ 37,100	\$ 14,000	\$ 0	\$ 51,100
Construction in progress	130,395	12,285	(130,395)	12,285
Total non-depreciable assets	<u>167,495</u>	<u>26,285</u>	<u>(130,395)</u>	<u>63,385</u>
Depreciable assets				
Buildings	802,919	433,433	0	1,236,352
Less accumulated depreciation				
Buildings	<u>(398,979)</u>	<u>(44,697)</u>	<u>0</u>	<u>(443,676)</u>
Total depreciable assets, net	<u>403,940</u>	<u>388,736</u>	<u>0</u>	<u>792,676</u>
Downtown Development Authority Component Unit capital assets, net	<u>\$ 571,435</u>	<u>\$ 415,021</u>	<u>\$ (130,395)</u>	<u>\$ 856,061</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 14,511
Public Safety	129,348
Public Works	136,934
Culture and Recreation	101,681
Housing and Development	6,388
Total depreciation expense for governmental activities	<u>\$ 388,862</u>

Business-type activities

Combined Public Utilities	
Electric Department	\$ 280,116
Water and Sewer Department	863,788
Natural Gas Department	244,907
Solid Waste	59,225
ElbertonNet Technology Services	313,813
Elbert Theatre	2,061
Elbert Hotel	217,828
Total depreciation expense for business-type activities	<u>\$ 1,981,738</u>

Downtown Development Authority Component Unit \$ 44,697

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

9. Capital and Operating Leases Agreements

Business-type Activities

The City has entered into a lease-purchase agreement to finance the replacement of aged natural gas lines in Elberton. The terms of the agreement meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of the lease at the end of the current fiscal year is \$1,066,312.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of the end of the current fiscal year:

Year Ending June 30,	Business-type Activities
2020	\$ 301,535
2021	301,535
2022	290,604
2023	214,842
Total minimum lease payments	1,108,516
Less amounts representing interest	(42,204)
Present value of minimum lease payments	\$ 1,066,312

Total assets leased under capital leases are \$2,764,895 and are classified as follows:

	Business-type Activities	
	Cost	Accumulated Depreciation
Distribution system	\$ 2,479,901	\$ 212,014
Vehicles and equipment	284,994	169,639
Total assets under capital leases	\$ 2,764,895	\$ 381,653

Amortization of leased equipment under capital leases is included in depreciation expense.

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

10. Long-Term Debt

Revenue Bonds

Business-type Activities

Revenue bonds issued for business-type activities are comprised of the following individual issues at the end of the current fiscal year:

\$8,355,000 2011 Combined Utility System Refunding Revenue series bonds due in annual installments of \$740,000 to \$930,000 through January 1, 2022; interest at 2.725% (\$2,705,000 outstanding). Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The bonds are secured by a first lien of the City's combined net revenues of the water and sewerage system, gas distribution, and electric distribution system.

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ 875,000	\$ 73,711	\$ 948,711
2021	900,000	49,868	949,868
2022	930,000	25,343	955,343
Totals	<u>\$ 2,705,000</u>	<u>\$ 148,922</u>	<u>\$ 2,853,922</u>

Notes from Direct Borrowings

Business-type Activities

The City entered into a direct borrowing agreement with the Georgia Environmental Finance Authority (GEFA) to finance improvements to the City's water system. The City borrowed \$2,000,000 due in monthly installments of \$9,296 of principal and interest through October 1, 2036; interest at 1.11% (\$1,758,268 outstanding). Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-type Activities, continued

The City entered into a direct borrowing agreement with the Georgia Environmental Finance Authority to finance improvements to the City's sewerage system. The City borrowed \$1,120,000 due in monthly installments of \$5,472 of principal and interest through May 1, 2037; interest at 1.63% (\$1,019,614 outstanding). Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City.

The City entered into a direct borrowing agreement the Georgia Environmental Finance Authority in the amount of \$2,500,000 for expansion of the City's water system. GEFA agrees to forgive \$400,000 of the loan if all funds are drawn. Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 239 months; interest at 2.25%. The City has drawn \$1,803,339 on this agreement and recognized \$288,534 in principal forgiveness. As of the end of the current fiscal year, this note is still in the drawdown phase (\$1,514,806 outstanding) and is not included in the amortization schedule on the next page. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City.

The City entered into a direct borrowing agreement with Northeast Georgia Bank to finance the City of Elberton Facility Redevelopment Project. The proceeds were used to finance the acquisition, installation, refurbishment, redevelopment, and equipping of the hotel located at 4 South Public Square, Elberton, Georgia. The City borrowed a total of \$4,900,000 on the agreement. Monthly installments of principal and interest in the amount of \$36,783 through December 2025; interest at the Prime Rate plus 1.5%. Total principal outstanding at end of the current fiscal year is \$4,369,093. Upon an event of default, all outstanding principal and accrued interest will be declared immediately due and payable and the interest rate will increase to the lesser of 3% above the stated interest rate or the maximum lawful interest rate. In the event of default, the City agrees to levy a property tax sufficient to meet the debt service payments outlined in the borrowing agreement. Debt service payments of the agreement are secured by the revenues of the City.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-type Activities, continued

Annual debt service requirements for notes from direct borrowings are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 381,630	\$ 237,428	\$ 619,058
2021	395,110	223,947	619,057
2022	409,181	209,876	619,057
2023	423,870	195,188	619,058
2024	439,205	179,853	619,058
2025-2029	2,450,905	644,383	3,095,288
2030-2034	2,203,330	171,709	2,375,039
2035-2037	443,744	8,065	451,809
Totals	<u>\$ 7,146,975</u>	<u>\$ 1,870,449</u>	<u>\$ 9,017,425</u>

Elberton Downtown Development Authority Component Unit

The Elberton Downtown Development Authority entered into a direct borrowing agreement with the City of Elberton to refinance a lending agreement with Pinnacle Bank in the original amount of \$65,000. At the end of the current fiscal year, the balance of this note is \$42,000. The agreement is secured by real property located at 9 North McIntosh Street in downtown Elberton, GA. In the event of default, the lender has the option to declare the full amount of unpaid principal and interest due immediately. Monthly installments of \$105 interest are due through May 31, 2020; interest at 3.00%. All unpaid principal and interest are due in full on June 30, 2020.

The Elberton Downtown Development Authority entered into a direct borrowing agreement with the City of Elberton to help finance the planning of the renovation of the upstairs of the William O. Jones Building in downtown Elberton, GA, in the original amount of \$51,250. The agreement is secured by the William O. Jones Building. In the event of default, the lender has the option to declare the full unpaid principal balance due immediately. At the end of the current fiscal year, the balance of this note is \$46,352. Monthly installments of \$449 principal and interest are due through June 1, 2028; interest at 1.00%.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Elberton Downtown Development Authority Component Unit, continued

The Elberton Downtown Development Authority entered into a direct borrowing agreement with the Georgia Department of Community Affairs to refinance a lending agreement with Pinnacle Bank in the original amount of \$180,854. The agreement is secured by the William O. Jones Building located in downtown Elberton, GA. In the event of default, the lender has the option to declare the full unpaid principal balance due immediately. At the end of the current fiscal year, the balance of this note is \$70,593. Monthly installments of \$1,182 principal and interest are due through September 1, 2024; interest at 2.00%.

The Elberton Downtown Development Authority has also entered into a direct borrowing agreement with the City of Elberton for improvements to the William O. Jones Building in the original amount of \$480,000. The agreement is secured by the William O. Jones Building. In the event of default, the lender has the option to declare the full unpaid principal balance due immediately. At the end of the current fiscal year, the balance of this note is \$280,000. Monthly installments of \$2,000 are due through February 28, 2031; interest at 0.00%.

The Elberton Downtown Development Authority has entered into a direct borrowing agreement with the City of Elberton to assist with the acquisition and renovation of the building located at 23 North Public Square in downtown Elberton, GA, in the original amount of \$40,000. The agreement is secured by the real property located at 23 North Public Square in downtown Elberton, GA. In the event of default, the lender has the option to declare the full unpaid principal balance due immediately. At the end of the current fiscal year, the balance of this note is \$38,000. Monthly installments of \$32 interest are due through May 31, 2020; interest at 1.00%. All unpaid principal and interest are due in full on June 30, 2020.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Elberton Downtown Development Authority Component Unit, continued

The Elberton Downtown Development Authority has entered into a direct borrowing agreement with the City of Elberton to finance the acquisition and renovation of two commercial buildings located at 17 and 21 North McIntosh Street in downtown Elberton, GA, in the original amount of \$125,000. The agreement is secured by the real property located at 17 and 21 North McIntosh Street in downtown Elberton, GA. In the event of default, the lender has the option to declare the full unpaid principal balance due immediately. At the end of the current fiscal year, the balance of this note is \$125,000. No interest is due until March 1, 2020. Monthly installments of \$575 principal and interest are due through February 1, 2040; interest at 1.00%.

Annual debt service requirements for notes from direct borrowing are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 123,669	\$ 3,371	\$ 127,040
2021	47,615	1,596	49,211
2022	47,983	1,489	49,472
2023	48,358	1,380	49,738
2024	48,739	1,271	50,010
2025-2029	175,985	4,714	180,699
2030-2034	71,778	2,714	74,492
2035-2039	33,407	1,085	34,492
2040	4,411	18	4,429
Totals	\$ 601,945	\$ 17,638	\$ 619,583

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

11. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Contractual liability	\$ 222,328	\$ 0	\$ (8,841)	\$ 213,487	\$ 0
Compensated absences	176,655	113,469	(123,658)	166,466	116,526
Total Governmental Activities	\$ 398,983	\$ 113,469	\$ (132,499)	\$ 379,953	\$ 116,526
Business-type Activities					
Revenue bonds	\$ 3,560,000	\$ 0	\$ (855,000)	\$ 2,705,000	\$ 875,000
Notes from direct borrowings	7,512,701	1,514,805	(365,725)	8,661,781	381,630
Capital lease obligations	1,342,813	0	(276,501)	1,066,312	282,243
Compensated absences	166,192	126,677	(116,334)	176,535	123,574
Total Business-type Activities	\$ 12,581,706	\$ 1,641,482	\$ (1,613,560)	\$ 12,609,628	\$ 1,662,447
Downtown Development Authority Component Unit					
Notes from direct borrowings	\$ 522,263	\$ 125,000	\$ (45,318)	\$ 601,945	\$ 123,669

Total interest incurred and expensed in the governmental activities and the business-type activities during the current fiscal year was \$0 and \$369,484, respectively.

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund.

The City is subject to a legal debit margin of 10% of total assessed property value. The City's net assessed value is \$124,234,887. The City has \$0 of outstanding general obligation debt. The City has a total of \$12,423,489 (100%) of outstanding legal debt margin remaining.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

12. Nonspendable, Restricted, Committed, and Assigned Fund Balances

The following is a summary of nonspendable, restricted, committed, and assigned fund balances of the governmental funds at the end of the current fiscal year:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory	\$ 20,594	\$ 0	\$ 20,594
Prepaid items	149,722	0	149,722
Notes receivable	80,000	0	80,000
	<u>250,316</u>	<u>0</u>	<u>250,316</u>
Restricted for:			
Public Safety			
Police facilities and equipment	25	0	25
Housing and Development			
Downtown development	0	480,000	480,000
Tourism and City promotion	0	2,977	2,977
Capital projects	0	330,872	330,872
	<u>25</u>	<u>813,849</u>	<u>813,874</u>

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

13. Landfill Closure and Post-Closure Care Costs

At June 30, 1995, the City owned and operated a landfill site located on approximately 200 acres of land north of Elberton. The landfill had been operated at the site since 1990. State and federal laws and regulations require the operator to close the landfill once its capacity is reached and to monitor and maintain the site for thirty subsequent years. The City recognized a portion of the closure and post closure care costs in each operating period even though actual payouts would not occur until the landfill was closed. The amount recognized each year was based on the landfill capacity used as of the balance sheet date.

Effective July 1, 1995, Elbert County, Georgia, became the owner and operator of the sanitary landfill. All assets of the landfill and related capital leases were transferred to the County as of that date.

The agreement with Elbert County calls for the City and the County to each assume one-half of the closure and post closure care costs of the landfill cells (cells 1 - 8) existing on July 1, 1995, for future years. The City has recorded a contractual obligation to Elbert County of \$213,487. The obligation will be adjusted annually based upon current data and engineering studies. The landfill is closed and has no estimated remaining life. This liability is reported as a non-current contractual liability in the Governmental Activities on the Statement of Net Position.

14. Risk Management and Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has elected to manage its risk financing activities through the purchase of commercial insurance. There have been no insurance settlements exceeding insurance coverage for any of the past three fiscal years.

The City is a member of the Georgia Municipal Association (GMA) Group Self-Insurance Workers' Compensation Fund, a group self-insured program authorized by state statute and administered by GMA. The fund provides workers' compensation statutory coverage to local government entities in Georgia as an alternative to the standard commercial insurance market. The membership owns and controls the fund, resulting in dividends (or renewal credits) returned to the fund members, significantly reducing the cost of coverage for the membership. The cost of coverage is based on individual loss experience and underwriting.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

14. Risk Management and Self-Insurance (continued)

Membership includes proactive safety and risk control service which includes loss control field service, individual member problem analysis, and on-site and regional training. Workers' compensation claims are reported to and administered by GMA employees.

The City's deductible for workers' compensation claims is \$500,000. At the end of the current fiscal year, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

15. Pension Plan

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees. All employees are eligible for immediate participation. Officials are covered under the plan and are eligible for immediate participation.

There are no loans to any of the City officials or other "party-in-interest," and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Elberton. The funds are managed by independent money managers.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

15. Pension Plan (continued)

The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

At January 1, 2019, the date of the most recent actuarial valuation, there were 237 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	94
Terminated vested participants entitled to but not yet receiving benefits	30
Active participants	113
Total number of participants	237

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Members with thirty years of total service are eligible to retire at age 62 with no reduction in benefit. Officials are eligible to retire at age 65 with no reduction of benefits. Members are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 10 years of service. The benefit formula is 1.25% - 1.75% with a ten year vesting schedule for terminations on or after January 1, 2001. The benefit formula is 1.00% - 1.75% with a ten year vesting schedule for terminations prior to January 1, 2001.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. The City's actuarially determined contribution rate for the current fiscal year was \$337,256 or 6.74% of covered payroll. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

15. Pension Plan (continued)

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension asset of \$2,310,751. The net pension asset 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. For the current fiscal year, the City recognized pension income of \$262,428. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 504,100	\$ (94,382)
Changes of assumptions	0	(179,485)
Net difference between projected and actual earnings on pension plan investments	0	(1,222,660)
City contributions subsequent to the measurement date	25,174	0
Totals	\$ 529,274	\$ (1,496,527)

The \$25,174 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30		
2020	\$	(228,730)
2021		(357,739)
2022		(304,647)
2023		(101,311)
Totals	\$	(992,427)

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

15. Pension Plan (continued)

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

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

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

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 of January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

15. Pension Plan (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

15. Pension Plan (continued)

Changes in Net Pension Liability (Asset)

	<u>Total Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 9/30/17	\$ 18,892,255	\$ 20,749,226	\$ (1,856,971)
Changes for the year:			
Service cost	153,205	0	153,205
Interest	1,386,472	0	1,386,472
Differences between expected and actual experience	263,547	0	263,547
Contributions—employer	0	261,335	(261,335)
Net investment income	0	2,029,341	(2,029,341)
Benefit payments, including refunds of employee contributions	(1,118,331)	(1,118,331)	0
Administrative expense	0	(33,672)	33,672
Net changes	<u>684,893</u>	<u>1,138,673</u>	<u>(453,780)</u>
Balances at 9/30/18	<u>\$ 19,577,148</u>	<u>\$ 21,887,899</u>	<u>\$ (2,310,751)</u>

Plan fiduciary net position as a percentage of the total pension asset	111.80%
Covered payroll	\$ 4,647,492
Employer's net pension asset as percentage of covered payroll	(49.72%)

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

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.50%	\$ (25,185)
Current discount rate	7.50%	(2,310,751)
1% increase	8.50%	(4,214,959)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

15. Pension Plan (continued)

Other Plans. In addition to the plan above, various City employees are covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report. These plans are immaterial to the financial statements.

16. Deferred Compensation Plan

The City also provides retirement benefits for its employees through a deferred compensation, defined contribution plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a). The Plan is administered by the Georgia Municipal Association (GMA), an independent third party. The City began participation in the plan during fiscal year 2004. All employees who work at least 30 hours per week are eligible to participate in the Plan. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer a maximum of 25% of their salary, up to the maximum allowable by federal law. After completing 30 days of service, the City contributes 100% of the employee's contributions up to 6% of compensation per year.

Employee contributions are vested 100% at the time of contribution. Employer contributions are vested on a schedule of 20% after the first year of service and an additional 20% each year thereafter; employer contributions are fully vested after 5 years of service. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the fiscal year, the City contributed \$215,032 to the plan based on covered salaries of \$4,030,658. Plan members made voluntary contributions of \$220,084 to the plan. Total payroll was \$5,391,229.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plans assets are held in trust by the administrator for the exclusive benefit of the participants of the Plans.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

17. Post Employment Health Care Benefits

The City does not provide post-employment benefits other than pensions and those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the 10th day of the month for the actual month covered. This program is offered for the duration of 18 months after the employee's termination date. There is no associated cost to the City under this program.

18. Hotel/Motel Lodging Tax

The City has levied a 6% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(3.7). The City is required to spend an amount equal to the amount by which the total taxes collected under the Code section exceed the taxes which would be collected at a rate of 3 percent for the purpose of promoting tourism, conventions, and trade shows, or for facilities used for these purposes. A summary of the transactions for the current fiscal year were as follows:

Lodging tax receipts	\$ 90,031
Disbursements to Chamber of Commerce, for Elbert Theatre, and for other tourism and visitor programs	\$ 101,646 112.9% of tax receipts

19. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Northeast Georgia Regional Commission and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the NEGRC financial statements can be obtained from the Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

20. Related Organizations

The City of Elberton Housing Authority is considered a related organization to the City of Elberton. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Elberton. The City received no payments for services provided during the current fiscal year.

21. Commitments and Contingencies

Commitments

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$11,217,478 from MEAG during the current fiscal year. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply.

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. At the end of the current fiscal year, the balance in this account was \$10,703,806. This amount is included in investments in the Combined Public Utility System Fund. The generation trust account is used to offset the City's share of future MEAG generation projects. At the end of the current fiscal year, the balance in this account was \$3,567,561. This amount is included in restricted investments in the Combined Public Utility Fund.

CITY OF ELBERTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2019

21. Commitments and Contingencies (continued)

Contingencies

The City's legal counsel has stated that there are presently no determinable lawsuits.

22. Subsequent Events

Subsequent to the current fiscal year, the City refinanced its direct borrowing agreement secured by the Samuel Elbert Hotel. The total of the new loan agreement is \$4,000,000. The agreement is payable over ten years with interest at 2%.

23. New Accounting Pronouncements

During the current fiscal year, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for the City's current fiscal year.

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Required Supplementary Information



CITY OF ELBERTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2019
(Unaudited)

	Fiscal Year End	
	2019	2018
Total pension liability		
Service cost	\$ 153,205	\$ 164,994
Interest	1,386,472	1,359,452
Differences between expected and actual experience	263,547	617,994
Changes of assumptions	0	(358,973)
Changes of benefit terms	0	90,421
Benefit payments, including refunds of employee contributions	(1,118,331)	(1,045,886)
Net change in total pension liability	684,893	828,002
Total pension liability - beginning	18,892,255	18,064,253
Total pension liability - ending (a)	\$ 19,577,148	\$ 18,892,255
Plan fiduciary net position		
Contributions - employer	\$ 261,335	\$ 358,526
Net investment income	2,029,341	2,767,707
Benefit payments, including refunds of employee contributions	(1,118,331)	(1,045,886)
Administrative expense	(33,672)	(35,849)
Net change in total pension liability	1,138,673	2,044,498
Plan fiduciary net position - beginning	20,749,226	18,704,728
Plan fiduciary net position - ending (b)	\$ 21,887,899	\$ 20,749,226
Net pension liability (asset) - ending : (a) - (b)	\$ (2,310,751)	\$ (1,856,971)
Plan's fiduciary net position as a percentage of the total pension liability	111.80%	109.83%
Covered payroll	\$ 4,647,492	\$ 4,221,554
Net pension liability (asset) as a percentage of covered payroll	-49.72%	-43.99%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior to 2015 are not reported.

Fiscal Year End		
2017	2016	2015
\$ 173,629	\$ 185,301	\$ 200,459
1,347,052	1,299,615	1,345,099
(387,757)	0	(358,709)
0	151,751	(847,478)
0	(117,838)	0
(899,965)	(913,514)	(939,024)
232,959	605,315	(599,653)
17,831,294	17,225,979	17,825,632
<u>\$ 18,064,253</u>	<u>\$ 17,831,294</u>	<u>\$ 17,225,979</u>
\$ 344,865	\$ 358,930	\$ 348,379
1,912,937	221,538	1,863,860
(899,965)	(913,514)	(939,024)
(21,184)	(24,006)	(19,423)
1,336,653	(357,052)	1,253,792
17,368,075	17,725,127	16,471,335
<u>\$ 18,704,728</u>	<u>\$ 17,368,075</u>	<u>\$ 17,725,127</u>
<u>\$ (640,475)</u>	<u>\$ 463,219</u>	<u>\$ (499,148)</u>
103.55%	97.40%	102.90%
\$ 4,200,078	\$ 4,545,318	\$ 4,461,208
-15.25%	10.19%	-11.19%

CITY OF ELBERTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2019
(Unaudited)

	<u>Fiscal Year End</u>	
	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 337,256	\$ 365,616
Contributions in relation to the actuarially determined contribution	<u>(337,256)</u>	<u>(365,616)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 5,003,067	\$ 4,848,402
Contributions as a percentage of covered payroll	6.74%	7.54%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior to 2015 are not reported.

Fiscal Year End		
2017	2016	2015
\$ 337,948	\$ 365,616	\$ 365,924
<u>(337,948)</u>	<u>(365,616)</u>	<u>(365,924)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 4,633,317	\$ 4,454,847	\$ 4,461,208
7.29%	8.21%	8.20%

CITY OF ELBERTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2019

1. 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 ended June 30, 2020.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = N/A

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.50%

Projected salary increases = 2.75% plus service based merit increases

Cost of living adjustments = 2.75%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and on year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

CITY OF ELBERTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2019

3. Changes in Benefits

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

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%.

The cost-of-living assumption was decreased from 3.25% to 2.75%.

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Supplementary Information



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COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

CITY OF ELBERTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	<u>Special Revenue</u>		<u>Capital</u>	<u>Total</u>
	<u>Hotel/ Motel Tax</u>	<u>Revolving Loan</u>	<u>Projects 2017 SPLOST</u>	
ASSETS				
Cash	\$ 0	\$ 154,137	\$ 228,152	\$ 382,289
Receivables				
Taxes	8,231	0	0	8,231
Intergovernmental	0	0	103,194	103,194
Notes	0	451,353	0	451,353
	<u>0</u>	<u>451,353</u>	<u>0</u>	<u>451,353</u>
Total assets	<u>\$ 8,231</u>	<u>\$ 605,490</u>	<u>\$ 331,346</u>	<u>\$ 945,067</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,546	\$ 0	\$ 474	\$ 4,020
Due to other funds	1,708	125,490	0	127,198
	<u>1,708</u>	<u>125,490</u>	<u>0</u>	<u>127,198</u>
Total liabilities	<u>5,254</u>	<u>125,490</u>	<u>474</u>	<u>131,218</u>
Fund balances				
Restricted for:				
Housing and Development	2,977	480,000	0	482,977
Capital Projects	0	0	330,872	330,872
	<u>0</u>	<u>0</u>	<u>330,872</u>	<u>330,872</u>
Total fund balances	<u>2,977</u>	<u>480,000</u>	<u>330,872</u>	<u>813,849</u>
Total liabilities and fund balances	<u>\$ 8,231</u>	<u>\$ 605,490</u>	<u>\$ 331,346</u>	<u>\$ 945,067</u>

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2019

	Special Revenue		Capital Projects	Total Nonmajor Funds
	Hotel/ Motel Tax	Revolving Loan	2017 SPLOST	
REVENUES				
Taxes	\$ 90,031	\$ 0	\$ 0	\$ 90,031
Intergovernmental	0	0	670,164	670,164
Interest	0	490	136	626
Total revenues	<u>90,031</u>	<u>490</u>	<u>670,300</u>	<u>760,821</u>
EXPENDITURES				
Current				
Housing and Development	56,631	490	0	57,121
Capital outlay	0	0	473,902	473,902
Total expenditures	<u>56,631</u>	<u>490</u>	<u>473,902</u>	<u>531,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,400</u>	<u>0</u>	<u>196,398</u>	<u>229,798</u>
Other financing sources (uses)				
Transfers in	0	0	20,000	20,000
Transfers out	(45,015)	0	0	(45,015)
Total other financing sources (uses)	<u>(45,015)</u>	<u>0</u>	<u>20,000</u>	<u>(25,015)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(11,615)</u>	<u>0</u>	<u>216,398</u>	<u>204,783</u>
Fund balances, July 1	<u>14,592</u>	<u>480,000</u>	<u>114,474</u>	<u>609,066</u>
Fund balances, June 30	<u><u>\$ 2,977</u></u>	<u><u>\$ 480,000</u></u>	<u><u>\$ 330,872</u></u>	<u><u>\$ 813,849</u></u>

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2019

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
ASSETS			
Current assets			
Cash	\$ 0	\$ 56,186	\$ 56,186
Receivables (net)			
Accounts	77,678	0	77,678
Inventories	0	1,455	1,455
Due from other funds	100,000	0	100,000
	<u>177,678</u>	<u>57,641</u>	<u>235,319</u>
Total current assets			
Noncurrent assets			
Capital assets			
Non-depreciable	23,900	0	23,900
Depreciable (net)	173,291	28,678	201,969
Other assets			
Net pension asset	160,828	0	160,828
	<u>358,019</u>	<u>28,678</u>	<u>386,697</u>
Total noncurrent assets			
	<u>535,697</u>	<u>86,319</u>	<u>622,016</u>
Total assets			
DEFERRED OUTFLOWS OF RESOURCES			
Pension experience differences	35,263	0	35,263
Pension contributions subsequent to measurement date	1,752	0	1,752
	<u>37,015</u>	<u>0</u>	<u>37,015</u>
Total deferred outflows of resources			
LIABILITIES			
Current liabilities			
Payables			
Accounts	52,340	4,018	56,358
Interest	85	0	85
Accrued salaries	16,327	1,364	17,691
Compensated absences	14,760	3,792	18,552
Due to other funds	205,250	19,915	225,165
Capital leases payable	41,729	0	41,729
	<u>330,491</u>	<u>29,089</u>	<u>359,580</u>
Total current liabilities			

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2019

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
Noncurrent liabilities			
Compensated absences	\$ 6,326	\$ 1,625	\$ 7,951
Capital lease payable	75,105	0	75,105
Total noncurrent liabilities	<u>81,431</u>	<u>1,625</u>	<u>83,056</u>
Total liabilities	<u>411,922</u>	<u>30,714</u>	<u>442,636</u>
DEFERRED INFLOWS OF RESOURCES			
Pension experience differences	6,747	0	6,747
Pension assumption changes	12,492	0	12,492
Pension investment return differences	85,097	0	85,097
Total deferred inflows of resources	<u>104,336</u>	<u>0</u>	<u>104,336</u>
NET POSITION			
Net investment in capital assets	80,357	28,678	109,035
Unrestricted	<u>(23,903)</u>	<u>26,927</u>	<u>3,024</u>
Total net position	<u>\$ 56,454</u>	<u>\$ 55,605</u>	<u>\$ 112,059</u>

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
OPERATING REVENUES			
Charges for sales and services	\$ 879,477	\$ 119,760	\$ 999,237
OPERATING EXPENSES			
Costs of sales and services	425,183	94,905	520,088
Personal services	554,678	88,864	643,542
Depreciation	59,225	2,061	61,286
Total operating expenses	<u>1,039,086</u>	<u>185,830</u>	<u>1,224,916</u>
Operating income (loss)	<u>(159,609)</u>	<u>(66,070)</u>	<u>(225,679)</u>
Non-operating revenues (expenses)			
Other revenue	57,900	0	57,900
Interest expense	<u>(2,807)</u>	<u>0</u>	<u>(2,807)</u>
Total non-operating revenues (expenses)	<u>55,093</u>	<u>0</u>	<u>55,093</u>
Net income (loss) before transfers	(104,516)	(66,070)	(170,586)
Transfers in (out)			
Transfers in	<u>132,000</u>	<u>68,000</u>	<u>200,000</u>
Change in net position	27,484	1,930	29,414
Net position, July 1	<u>28,970</u>	<u>53,675</u>	<u>82,645</u>
Net position, June 30	<u><u>\$ 56,454</u></u>	<u><u>\$ 55,605</u></u>	<u><u>\$ 112,059</u></u>

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
Cash flows from operating activities:			
Receipts from customers	\$ 870,464	\$ 119,760	\$ 990,224
Payments to suppliers	(392,308)	(91,858)	(484,166)
Payments to employees	(570,805)	(84,182)	(654,987)
Net cash provided (used) by operating activities	<u>(92,649)</u>	<u>(56,280)</u>	<u>(148,929)</u>
Cash flows from non-capital financing activities:			
Receipts from other funds	138,473	84,675	223,148
Payments to other funds	(60,000)	0	(60,000)
Net cash provided (used) by non-capital financing activities	<u>78,473</u>	<u>84,675</u>	<u>163,148</u>
Cash flows from capital and related financing activities:			
Interest paid	(2,837)	0	(2,837)
Proceeds from insurance on capital assets	57,900	0	57,900
Principal payments - capital leases	(40,887)	0	(40,887)
Net cash provided (used) by capital and related financing activities	<u>14,176</u>	<u>0</u>	<u>14,176</u>
Net increase (decrease) in cash	0	28,395	28,395
Cash, July 1	<u>0</u>	<u>27,791</u>	<u>27,791</u>
Cash, June 30	<u>\$ 0</u>	<u>\$ 56,186</u>	<u>\$ 56,186</u>

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (159,609)	\$ (66,070)	\$ (225,679)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	59,225	2,061	61,286
(Increase) decrease in accounts receivable	(9,013)	0	(9,013)
(Increase) decrease in inventories	0	(105)	(105)
(Increase) decrease in net pension asset/liability	(29,882)	0	(29,882)
(Increase) decrease in pension contributions made subsequent to measurement date	15,373	0	15,373
Increase (decrease) in accounts payable	32,875	3,152	36,027
Increase (decrease) in accrued salaries	4,775	(735)	4,040
Increase (decrease) in compensated absences payable	(743)	5,417	4,674
Increase (decrease) in pension experience differences	(7,981)	0	(7,981)
Increase (decrease) in pension assumption differences	(6,103)	0	(6,103)
Increase (decrease) in pension investment return differences	8,434	0	8,434
Total adjustments	<u>66,960</u>	<u>9,790</u>	<u>76,750</u>
Net cash provided (used) by operating activities	<u>\$ (92,649)</u>	<u>\$ (56,280)</u>	<u>\$ (148,929)</u>

GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 432,826	\$ 612,223
Restricted cash	25	25
Receivables (net)		
Accounts	3,387	3,448
Taxes	82,196	74,162
Notes	80,000	84,000
Prepaid items	149,722	141,337
Inventory, at cost	20,594	26,443
Due from other funds	308,919	354,214
	<u>308,919</u>	<u>354,214</u>
Total assets	<u>\$ 1,077,669</u>	<u>\$ 1,295,852</u>
LIABILITIES		
Accounts payable	\$ 81,046	\$ 46,913
Accrued salaries and payroll liabilities	120,239	122,655
Due to other funds	100,000	40,000
Other liabilities	14,003	13,250
	<u>14,003</u>	<u>13,250</u>
Total liabilities	<u>315,288</u>	<u>222,818</u>
FUND BALANCES		
Nonspendable:		
Prepaid items	149,722	141,337
Inventory	20,594	26,443
Notes receivable	80,000	84,000
Restricted for Public Safety	25	25
Unassigned	512,040	821,229
	<u>512,040</u>	<u>821,229</u>
Total fund balances	<u>762,381</u>	<u>1,073,034</u>
Total liabilities and fund balances	<u>\$ 1,077,669</u>	<u>\$ 1,295,852</u>

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ 1,402,094	\$ 1,322,856
Licenses and permits	62,694	67,261
Fines, fees and forfeitures	149,924	115,047
Charges for services	678,757	711,197
Intergovernmental	18,052	0
Interest	8,835	5,930
Contributions	10,285	1,285
Other	3,937	28,639
	<u>2,334,578</u>	<u>2,252,215</u>
Total revenues	<u>2,334,578</u>	<u>2,252,215</u>
EXPENDITURES		
Current		
General Government	725,301	763,729
Judicial	75,142	78,402
Public Safety	2,543,089	2,571,983
Public Works	886,166	814,101
Health and Welfare	65,100	65,100
Culture and Recreation	85,500	170,165
Housing and Development	769,230	305,557
	<u>5,149,528</u>	<u>4,769,037</u>
Total expenditures	<u>5,149,528</u>	<u>4,769,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,814,950)</u>	<u>(2,516,822)</u>
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Fund	45,015	37,503
Combined Public Utility System Fund	2,520,000	2,520,000
Solid Waste Fund	(100,000)	(40,000)
Sale of capital assets	39,282	11,009
	<u>2,504,297</u>	<u>2,528,512</u>
Total other financing sources (uses)	<u>2,504,297</u>	<u>2,528,512</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(310,653)	11,690
Fund balances, July 1	<u>1,073,034</u>	<u>1,061,344</u>
Fund balances, June 30	<u><u>\$ 762,381</u></u>	<u><u>\$ 1,073,034</u></u>

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
Intangibles tax	\$ 5,500	\$ 5,919	\$ 419	\$ 4,436
Franchise tax	91,200	94,681	3,481	92,799
Occupational tax	125,500	140,341	14,841	131,521
Insurance premium tax	325,000	328,128	3,128	304,258
Title ad valorem tax	83,748	103,699	19,951	69,636
Liquor tax	20,000	19,287	(713)	19,006
Beer and wine tax	110,000	102,832	(7,168)	103,949
Local option sales tax	620,000	607,207	(12,793)	597,251
Total taxes	1,380,948	1,402,094	21,146	1,322,856
Licenses and permits				
Building permits	15,000	16,639	1,639	22,986
Alcoholic beverage licenses	40,000	42,250	2,250	41,000
Other permits	3,500	3,805	305	3,275
Total licenses and permits	58,500	62,694	4,194	67,261
Fines, fees and forfeitures				
Parking fines	1,000	2,017	1,017	1,610
Court and DUI fines	109,600	144,907	35,307	110,437
Probation fees	3,000	3,000	0	3,000
Total fines, fees, and forfeitures	113,600	149,924	36,324	115,047
Charges for services				
Reimbursement of joint expenses	609,884	609,882	(2)	625,373
Cemetery sales and services	80,000	57,247	(22,753)	65,180
Public safety	14,000	6,415	(7,585)	14,765
Other	4,100	5,213	1,113	5,879
Total charges for services	707,984	678,757	(29,227)	711,197
Intergovernmental				
Grants	18,052	18,052	0	0
Interest	4,200	8,835	4,635	5,930
Contributions	10,350	10,285	(65)	1,285
Other				
Miscellaneous	7,500	3,937	(3,563)	28,639
Total revenues	\$ 2,301,134	\$ 2,334,578	\$ 33,444	\$ 2,252,215

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 133,547	\$ 132,741	\$ 806	\$ 120,644
Contractual services	46,268	38,589	7,679	48,833
Materials and supplies	250	866	(616)	15
Total Mayor and Council	<u>180,065</u>	<u>172,196</u>	<u>7,869</u>	<u>169,492</u>
City Manager's Office				
Personal services	152,290	148,564	3,726	147,636
Contractual services	5,435	2,966	2,469	2,646
Materials and supplies	1,000	(67)	1,067	2,186
Total City Manager's Office	<u>158,725</u>	<u>151,463</u>	<u>7,262</u>	<u>152,468</u>
Finance				
Personal services	113,983	110,579	3,404	158,446
Contractual services	52,240	56,386	(4,146)	52,104
Materials and supplies	1,100	355	745	365
Total Finance	<u>167,323</u>	<u>167,320</u>	<u>3</u>	<u>210,915</u>
Human Resources				
Personal services	53,645	49,947	3,698	51,994
Contractual services	8,144	6,583	1,561	9,658
Materials and supplies	1,600	2,243	(643)	2,370
Total Human Resources	<u>63,389</u>	<u>58,773</u>	<u>4,616</u>	<u>64,022</u>
City Clerk				
Personal services	99,205	93,278	5,927	97,108
Contractual services	705	542	163	927
Materials and supplies	4,208	10,293	(6,085)	4,064
Total City Clerk	<u>104,118</u>	<u>104,113</u>	<u>5</u>	<u>102,099</u>
Elections				
Personal services	0	0	0	550
Contractual services	70	69	1	741
Materials and supplies	0	0	0	186
Total Elections	<u>70</u>	<u>69</u>	<u>1</u>	<u>1,477</u>
City Attorney				
Contractual services	23,605	23,602	3	28,331
Total City Attorney	<u>23,605</u>	<u>23,602</u>	<u>3</u>	<u>28,331</u>

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
General Government - continued				
City Hall Maintenance				
Contractual services	\$ 36,766	\$ 38,721	\$ (1,955)	\$ 24,449
Materials and supplies	11,000	9,044	1,956	10,476
Total City Hall Maintenance	<u>47,766</u>	<u>47,765</u>	<u>1</u>	<u>34,925</u>
 Total General Government	 <u>745,061</u>	 <u>725,301</u>	 <u>19,760</u>	 <u>763,729</u>
Judicial				
Municipal Court				
Personal services	73,670	70,710	2,960	72,414
Contractual services	5,060	4,432	628	5,988
Total Judicial	<u>78,730</u>	<u>75,142</u>	<u>3,588</u>	<u>78,402</u>
Public Safety				
Police - Administration				
Personal services	170,838	169,322	1,516	181,192
Contractual services	183,562	186,258	(2,696)	160,744
Materials and supplies	30,223	28,755	1,468	24,359
Total Police - Administration	<u>384,623</u>	<u>384,335</u>	<u>288</u>	<u>366,295</u>
 Police - Uniform Division				
Personal services	884,458	883,999	459	913,691
Contractual services	25,000	29,625	(4,625)	31,634
Materials and supplies	46,338	41,252	5,086	44,167
Total Police - Uniform Division	<u>955,796</u>	<u>954,876</u>	<u>920</u>	<u>989,492</u>
 Police - Criminal Investigations				
Personal services	143,623	135,124	8,499	140,018
Contractual services	2,740	1,534	1,206	2,843
Materials and supplies	6,332	5,824	508	5,467
Total Police - Criminal Investigations	<u>152,695</u>	<u>142,482</u>	<u>10,213</u>	<u>148,328</u>
 Police - Community Relations				
Personal services	64,739	61,814	2,925	64,206
Contractual services	1,000	1,294	(294)	79
Materials and supplies	5,750	4,117	1,633	1,908
Total Police - Community Relations	<u>71,489</u>	<u>67,225</u>	<u>4,264</u>	<u>66,193</u>

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Public Safety - continued				
Police - Detention				
Contractual services	\$ 34,700	\$ 34,672	\$ 28	\$ 21,362
Fire				
Personal services	848,185	840,764	7,421	859,403
Contractual services	30,747	36,073	(5,326)	30,738
Materials and supplies	22,904	24,620	(1,716)	25,150
Total Fire	901,836	901,457	379	915,291
Animal Control				
Personal services	52,952	50,082	2,870	52,059
Contractual services	6,878	4,049	2,829	9,099
Materials and supplies	4,150	3,911	239	3,864
Total Animal Control	63,980	58,042	5,938	65,022
Total Public Safety	2,565,119	2,543,089	22,030	2,571,983
Public Works				
Administrative				
Personal services	61,453	58,779	2,674	59,137
Contractual services	27,296	20,659	6,637	19,772
Materials and supplies	15,636	16,493	(857)	14,717
Payments to others	9,000	8,841	159	8,725
Total Administration	113,385	104,772	8,613	102,351
Infrastructure Maintenance				
Personal services	310,130	304,254	5,876	304,663
Contractual services	17,381	16,672	709	14,721
Materials and supplies	32,434	38,015	(5,581)	30,267
Total Infrastructure Maintenance	359,945	358,941	1,004	349,651
Parks and Rights-of-Way				
Personal services	46,453	48,805	(2,352)	557
Contractual services	61,928	60,240	1,688	54,413
Materials and supplies	8,500	7,804	696	5,152
Total Parks and Rights of Way	116,881	116,849	32	60,122

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Public Works - continued				
Motor Pool				
Personal services	\$ 113,551	\$ 109,700	\$ 3,851	\$ 111,117
Contractual services	36,550	31,956	4,594	30,012
Materials and supplies	20,275	24,561	(4,286)	22,117
Total Motor Pool	170,376	166,217	4,159	163,246
Street Lighting				
Contractual services	15,000	0	15,000	0
Materials and supplies	14,000	14,000	0	12,863
Total Street Lighting	29,000	14,000	15,000	12,863
Cemetery				
Personal services	47,220	49,520	(2,300)	49,504
Contractual services	73,027	70,727	2,300	72,990
Materials and supplies	5,161	5,140	21	3,374
Total Cemetery	125,408	125,387	21	125,868
Total Public Works	914,995	886,166	28,829	814,101
Health and Welfare				
Agency allocations				
Elbert County Hospital Authority	57,600	57,600	0	57,600
Community Partnership	1,500	1,500	0	1,500
Elbert County Aging Program	6,000	6,000	0	6,000
Total Health and Welfare	65,100	65,100	0	65,100
Culture and Recreation				
Elbert Theatre				
Personal services	0	0	0	62,430
Contract services	0	0	0	14,526
Materials and supplies	0	0	0	19,709
Total Elbert Theatre	0	0	0	96,665
Agency allocations				
Library	68,000	68,000	0	66,000
Sister City Program	17,500	17,500	0	7,500
Total agency allocations	85,500	85,500	0	73,500
Total Culture and Recreation	85,500	85,500	0	170,165

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Housing and Development				
Zoning/City Marshal				
Personal services	\$ 67,604	\$ 65,339	\$ 2,265	\$ 65,631
Contractual services	2,840	1,487	1,353	1,983
Materials and supplies	2,390	1,832	558	2,307
Payments to others	500	30	470	0
Total Zoning/Special Projects	<u>73,334</u>	<u>68,688</u>	<u>4,646</u>	<u>69,921</u>
Code Enforcement				
Personal services	56,681	53,372	3,309	54,240
Contractual services	985	135	850	513
Materials and supplies	1,223	1,636	(413)	1,234
Total Code Enforcement	<u>58,889</u>	<u>55,143</u>	<u>3,746</u>	<u>55,987</u>
Mainstreet Elberton				
Personal services	42,737	43,290	(553)	38,694
Contractual services	4,824	6,148	(1,324)	5,924
Materials and supplies	19,150	17,250	1,900	14,723
Payments to others	87,695	87,501	194	63,288
Total Mainstreet Elberton	<u>154,406</u>	<u>154,189</u>	<u>217</u>	<u>122,629</u>
Community Development				
Contractual services	35,000	24,907	10,093	56,020
Capital outlay	466,303	466,303	0	1,000
Total Community Development	<u>501,303</u>	<u>491,210</u>	<u>10,093</u>	<u>57,020</u>
Total Housing and Development	<u>787,932</u>	<u>769,230</u>	<u>18,702</u>	<u>305,557</u>
Total expenditures	<u>\$ 5,242,437</u>	<u>\$ 5,149,528</u>	<u>\$ 92,909</u>	<u>\$ 4,769,037</u>

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Hotel/Motel Tax Fund - *This fund is used to collect Hotel/Motel taxes which are used to help support trade and tourism in the City of Elberton.*

Revolving Loan Fund – *This fund is used to record activities connected with US Department of Housing and Urban Development Community Development Block Grant. The objective of the grant is to develop employment opportunities, principally to persons of low and moderate income.*

CITY OF ELBERTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Taxes receivable	\$ 8,231	\$ 6,532
Due from other funds	0	8,060
Total assets	\$ 8,231	\$ 14,592
LIABILITIES		
Accounts payable	\$ 3,546	\$ 0
Due to other funds	1,708	0
Total liabilities	5,254	0
FUND BALANCES		
Restricted for Housing and Development	2,977	13,784
Assigned for Housing and Development	0	808
Total fund balances	2,977	14,592
Total liabilities and fund balances	\$ 8,231	\$ 14,592

CITY OF ELBERTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019

(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	\$ 101,700	\$ 90,031	\$ (11,669)	\$ 76,622
EXPENDITURES				
Current				
Housing and Development				
Contract services	35,000	4,393	30,607	17,898
Payments to other agencies	31,700	52,238	(20,538)	20,413
Total expenditures	<u>66,700</u>	<u>56,631</u>	<u>10,069</u>	<u>38,311</u>
Excess (deficiency) of revenues over (under) expenditures	35,000	33,400	(1,600)	38,311
Other financing sources (uses)				
Transfers in (out)				
General Fund	<u>(35,000)</u>	<u>(45,015)</u>	<u>(10,015)</u>	<u>(37,503)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(11,615)	(11,615)	808
Fund balances, July 1	<u>0</u>	<u>14,592</u>	<u>14,592</u>	<u>13,784</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 2,977</u></u>	<u><u>\$ 2,977</u></u>	<u><u>\$ 14,592</u></u>

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 154,137	\$ 124,750
Notes receivable	451,353	355,250
Total assets	\$ 605,490	\$ 480,000
LIABILITIES		
Due to other funds	\$ 125,490	\$ 0
FUND BALANCES		
Restricted for Housing and Development	480,000	480,000
Total liabilities and fund balances	\$ 605,490	\$ 480,000

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019

(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 24,000	\$ 0	\$ (24,000)	\$ 0
Interest	0	490	490	0
Total revenues	24,000	490	(23,510)	0
EXPENDITURES				
Current				
Housing and Development	24,000	490	23,510	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	480,000	480,000	480,000
Fund balances, June 30	\$ 0	\$ 480,000	\$ 480,000	\$ 480,000

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CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by the proprietary or fiduciary funds).

2011 Special Purpose Local Option Sales Tax Fund - *This fund is used to account for long-term projects financed by the passage of the 2011 special purpose local option sales tax.*

2017 Special Purpose Local Option Sales Tax Fund - *This fund is used to account for long-term projects financed by the passage of the 2017 special purpose local option sales tax.*

CITY OF ELBERTON, GEORGIA
2011 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ELBERTON, GEORGIA
2011 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
REVENUES		
Interest	\$ 0	\$ 45
Total revenues	0	45
EXPENDITURES		
Capital outlay		
Public Works	0	124,327
Debt service		
Public Safety	0	338,228
Total expenditures	0	462,555
Excess (deficiency) of revenues over (under) expenditures	0	(462,510)
Fund balances, July 1	0	462,510
Fund balances, June 30	\$ 0	\$ 0

CITY OF ELBERTON, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2018	2018
ASSETS		
Cash	\$ 228,152	\$ 18,956
Intergovernmental receivable	103,194	101,572
Total assets	\$ 331,346	\$ 120,528
 LIABILITIES		
Accounts payable	\$ 474	\$ 308
Due to other funds	0	5,746
Total liabilities	474	6,054
 FUND BALANCES		
Restricted for capital projects	330,872	114,474
Total liabilities and fund balances	\$ 331,346	\$ 120,528

CITY OF ELBERTON, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Intergovernmental	\$ 670,164	\$ 673,338
Interest	136	117
	<u>670,300</u>	<u>673,455</u>
Total revenues		
EXPENDITURES		
Capital outlay		
Public Safety	138,891	227,707
Public Works	143,054	56,206
Culture and Recreation	18,802	0
Housing and Development	173,155	102,964
	<u>473,902</u>	<u>386,877</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	196,398	286,578
Other financing sources (uses)		
Transfers in (out)		
Combined Public Utility System Fund	20,000	(118,395)
	<u>216,398</u>	<u>168,183</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		
	216,398	168,183
Fund balances, July 1	114,474	(53,709)
	<u>114,474</u>	<u>(53,709)</u>
Fund balances, June 30	<u>\$ 330,872</u>	<u>\$ 114,474</u>

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ENTERPRISE FUNDS

Enterprise Funds account for City operations which are financed and operated in a manner similar to private business enterprises.

Combined Public Utility System Fund - *This fund is used to account for the operations of the City's Electric, Water and Sewer, and Natural Gas Systems pursuant to requirements of the revenue bond ordinance.*

Solid Waste Fund - *This fund is used to account for the operation of the City's residential and commercial sanitation services and recycling operations.*

ElbertonNET Technology Services Fund - *This fund is used to account for the operation of the City's cable television service and high-speed internet service systems.*

Elbert Theatre Fund - *This fund is used to account for the operation of the City's historic theatre.*

Elbert Hotel Fund – *This fund is used to account for the construction and operation of the City's historic Samuel Elbert Hotel located in downtown Elberton.*

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

ASSETS	2019	2018
Current assets		
Cash	\$ 958,348	\$ 588,981
Certificates of deposit	0	40,000
Investments	9,927,486	9,486,810
Receivables		
Accounts (net)	2,222,802	2,183,859
Intergovernmental	304,968	0
Interest	0	84
Inventories	514,156	575,631
Due from other funds	649,574	486,785
Other current assets	18,934	17,413
Total current assets	14,596,268	13,379,563
Restricted assets		
MEAG Generation Trust		
Investments	3,567,561	3,282,587
Bond Redemption		
Cash	481,275	480,463
Customer Deposits		
Investments	776,320	763,252
Total restricted assets	4,825,156	4,526,302
Capital assets		
Land	254,685	247,035
Intangible assets	377,692	377,692
Buildings	503,721	503,721
Distribution system	44,108,236	43,321,597
Vehicles and equipment	2,529,395	2,115,034
Construction in progress	2,718,202	134,606
Accumulated depreciation	(24,974,056)	(23,920,184)
Total capital assets (net of accumulated depreciation)	25,517,875	22,779,501
Other assets		
Net pension asset	773,137	634,749
Advances to other funds	2,703,644	3,507,263
Total other assets	3,476,781	4,142,012
Total assets	48,416,080	44,827,378
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	169,528	169,996
Pension contributions subsequent to measurement date	8,423	85,843
Total deferred outflows of resources	177,951	255,839

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

LIABILITIES	<u>2019</u>	<u>2018</u>
Current liabilities		
Payables		
Accounts	\$ 1,959,539	\$ 1,094,308
Retainages	99,343	3,457
Sales tax	76,738	59,842
Accrued salaries	68,301	55,806
Compensated absences	87,136	84,276
Other current liabilities	40,216	38,062
Due to other funds	183,429	224,389
Note payable	141,919	140,099
Capital lease payable	240,514	235,614
	<u>2,897,135</u>	<u>1,935,853</u>
Total current liabilities		
Current liabilities payable from restricted assets		
Customer deposits payable	776,320	763,252
Interest payable	41,896	51,868
Bonds payable	875,000	855,000
	<u>1,693,216</u>	<u>1,670,120</u>
Total liabilities payable from restricted assets		
Noncurrent liabilities		
Compensated absences	37,344	36,118
Capital lease payable	708,964	949,478
Notes payable	4,150,768	2,777,882
Bonds payable	1,830,000	2,705,000
	<u>6,727,076</u>	<u>6,468,478</u>
Total noncurrent liabilities		
Total liabilities	<u>11,317,427</u>	<u>10,074,451</u>
DEFERRED INFLOWS OF RESOURCES		
Pension experience differences	32,438	70,502
Pension assumption changes	60,056	94,507
Pension investment return differences	409,102	369,170
	<u>501,596</u>	<u>534,179</u>
Total deferred inflows of resources		
NET POSITION		
Net investment in capital assets	16,686,640	15,112,971
Restricted for:		
Debt service	439,379	428,595
MEAG Generation Trust	3,567,561	3,282,587
Unrestricted	16,081,428	15,650,434
	<u>36,775,008</u>	<u>34,474,587</u>
Total net position		

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for sales and services	\$ 23,475,929	\$ 22,269,854
Miscellaneous revenues	23,658	13,735
Total operating revenues	<u>23,499,587</u>	<u>22,283,589</u>
OPERATING EXPENSES		
Costs of sales and services	15,495,970	14,642,321
Personal services	2,217,654	2,153,117
Depreciation	1,388,811	1,374,129
Miscellaneous expenses	53,412	53,300
Total operating expenses	<u>19,155,847</u>	<u>18,222,867</u>
Operating income (loss)	<u>4,343,740</u>	<u>4,060,722</u>
Non-operating revenues (expenses)		
Intergovernmental revenue	132,837	430,194
Interest revenue	418,454	286,649
Net increase (decrease) in the fair value of investments	229,025	(112,286)
Interest expense	(151,344)	(175,608)
Gain on sale of capital assets	44,175	0
Debt issue costs	(25,000)	0
Total non-operating revenues (expenses)	<u>648,147</u>	<u>428,949</u>
Net income (loss) before capital contributions and transfers	4,991,887	4,489,671
Capital contributions		
Intergovernmental revenue	<u>288,534</u>	<u>0</u>
Net income (loss) before transfers	<u>5,280,421</u>	<u>4,489,671</u>
Transfers in (out)		
General Fund	(2,520,000)	(2,520,000)
Elbert Hotel Fund	(440,000)	(456,000)
2017 SPLOST Fund	(20,000)	118,395
Total transfers	<u>(2,980,000)</u>	<u>(2,857,605)</u>
Change in net position	2,300,421	1,632,066
Net position, July 1	<u>34,474,587</u>	<u>32,842,521</u>
Net position, June 30	<u><u>\$ 36,775,008</u></u>	<u><u>\$ 34,474,587</u></u>

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
ELECTRIC UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for sales and services	\$ 15,659,814	\$ 15,178,416
Miscellaneous revenues	5,099	6,876
Total operating revenues	<u>15,664,913</u>	<u>15,185,292</u>
OPERATING EXPENSES		
Costs of sales and services	12,197,352	11,647,779
Personal services	1,152,456	1,149,001
Depreciation	280,116	305,332
Miscellaneous expenses	41,621	42,530
Total operating expenses	<u>13,671,545</u>	<u>13,144,642</u>
Operating income (loss)	<u>1,993,368</u>	<u>2,040,650</u>
Non-operating revenues (expenses)		
Intergovernmental revenue	132,837	430,194
Interest revenue	401,886	278,557
Gain on sale of capital assets	44,175	0
Net increase (decrease) in the fair value of investments	229,025	(112,286)
Total non-operating revenues (expenses)	<u>807,923</u>	<u>596,465</u>
Net income (loss) before transfers	<u>2,801,291</u>	<u>2,637,115</u>
Transfers in (out)		
Elbert Hotel Fund	(440,000)	(456,000)
General Fund	(1,600,000)	(1,600,000)
Total transfers	<u>(2,040,000)</u>	<u>(2,056,000)</u>
Change in net position	<u>\$ 761,291</u>	<u>\$ 581,115</u>

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
WATER AND SEWER UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for sales and services	\$ 3,403,339	\$ 3,179,301
Miscellaneous revenues	<u>2,126</u>	<u>71</u>
Total operating revenues	<u>3,405,465</u>	<u>3,179,372</u>
OPERATING EXPENSES		
Costs of sales and services	1,182,499	1,154,362
Personal services	757,437	771,734
Depreciation	863,788	866,500
Miscellaneous expenses	<u>4,994</u>	<u>5,230</u>
Total operating expenses	<u>2,808,718</u>	<u>2,797,826</u>
Operating income (loss)	<u>596,747</u>	<u>381,546</u>
Non-operating revenues (expenses)		
Interest revenue	16,568	8,092
Interest expense	(151,344)	(175,608)
Debt issue costs	<u>(25,000)</u>	<u>0</u>
Total non-operating revenues (expenses)	<u>(159,776)</u>	<u>(167,516)</u>
Net income (loss) before capital contributions and transfers	436,971	214,030
Capital contributions		
Intergovernmental	<u>288,534</u>	<u>0</u>
Net income (loss) before transfers	<u>725,505</u>	<u>214,030</u>
Transfers in (out)		
General Fund	(20,000)	(20,000)
2017 SPLOST Fund	<u>(20,000)</u>	<u>118,395</u>
Total transfers	<u>(40,000)</u>	<u>98,395</u>
Change in net position	<u>\$ 685,505</u>	<u>\$ 312,425</u>

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
NATURAL GAS UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services	\$ 4,412,776	\$ 3,912,137
Miscellaneous revenues	16,433	6,788
Total operating revenues	4,429,209	3,918,925
OPERATING EXPENSES		
Costs of sales and services	2,116,119	1,840,180
Personal services	307,761	232,382
Depreciation	244,907	202,297
Miscellaneous expenses	6,797	5,540
Total operating expenses	2,675,584	2,280,399
Operating income (loss)	1,753,625	1,638,526
Transfers in (out)		
General Fund	(900,000)	(900,000)
Change in net position	\$ 853,625	\$ 738,526

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Receipts from customers	\$ 23,164,136	\$ 22,071,775
Payments to suppliers	(15,355,513)	(14,646,459)
Payments to employees	(2,294,155)	(2,382,400)
Other receipts	23,658	13,735
Other payments	<u>(53,412)</u>	<u>(53,300)</u>
Net cash provided (used) by operating activities	<u>5,484,714</u>	<u>5,003,351</u>
Cash flows from non-capital financing activities:		
Receipts from other governments	0	430,194
Receipts from other funds	651,675	746,247
Payments to other funds	<u>(3,011,805)</u>	<u>(3,086,352)</u>
Net cash provided (used) from non-capital financing activities	<u>(2,360,130)</u>	<u>(1,909,911)</u>
Cash flows from capital and related financing activities:		
Receipts from other governments	132,836	0
Receipts from other funds	0	138,395
Payments to other funds	(20,000)	(20,000)
Proceeds from sale of capital assets	44,175	0
Payment of capital related accounts payable	(3,457)	(138,917)
Acquisition of capital assets	(2,954,582)	(1,088,291)
Debt issue costs	(25,000)	0
Interest paid	(161,315)	(187,172)
Issuance of notes payable	1,514,805	0
Principal payments - leases	(235,614)	(230,814)
Principal payments - notes payable	(140,099)	(138,305)
Principal payments - bonds	<u>(855,000)</u>	<u>(835,000)</u>
Net cash provided (used) by capital and related financing activities	<u>(2,703,251)</u>	<u>(2,500,104)</u>
Cash flows from investing activities:		
Interest received	418,538	286,649
Proceeds from sale of investments	40,000	40,000
Purchase of investments	<u>(509,692)</u>	<u>(1,470,625)</u>
Net cash provided (used) by investing activities	<u>(51,154)</u>	<u>(1,143,976)</u>
Net increase (decrease) in cash	370,179	(550,640)
Cash, July 1	<u>1,069,444</u>	<u>1,620,084</u>
Cash, June 30	<u><u>\$ 1,439,623</u></u>	<u><u>\$ 1,069,444</u></u>

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 4,343,740	\$ 4,060,722
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,388,811	1,374,129
(Increase) decrease in accounts receivable	(343,911)	(216,390)
(Increase) decrease in inventories	61,475	42,547
(Increase) decrease in other current assets	(1,521)	(79)
(Increase) decrease in net pension asset/liability	(138,388)	(412,726)
(Increase) decrease in pension contributions made subsequent to measurement date	77,420	10,594
Increase (decrease) in accounts payable	80,504	(46,606)
Increase (decrease) in sales tax payable	16,896	5,427
Increase (decrease) in deposits payable	13,068	16,515
Increase (decrease) in other current liabilities	2,154	(3,631)
Increase (decrease) in accrued salaries	12,495	2,180
Increase (decrease) in compensated absences payable	4,086	(240)
Increase (decrease) in pension experience differences	(37,596)	(205,965)
Increase (decrease) in pension assumption differences	(34,451)	19,298
Increase (decrease) in pension investment return differences	39,932	357,576
Total adjustments	1,140,974	942,629
Net cash provided (used) by operating activities	\$ 5,484,714	\$ 5,003,351
Cash reconciliation:		
Cash	\$ 958,348	\$ 588,981
Bond Redemption		
Cash	481,275	480,463
Total cash	\$ 1,439,623	\$ 1,069,444

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled \$229,025 and (\$112,286) for the fiscal years ended June 30, 2019 and 2018, respectively.

Acquisition of capital assets through accounts payable totaled \$784,727 and \$0 for the fiscal years ended June 30, 2019 and 2018, respectively.

Acquisition of capital assets through retainage payable totaled \$99,343 and \$3,457 for the fiscal years ended June 30, 2019 and 2018, respectively.

Contributions of capital assets totaled \$288,534 and \$0 for the fiscal years ended June 30, 2019 and 2018, respectively.

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

ASSETS	2019	2018
Current assets		
Accounts receivable (net)	\$ 77,678	\$ 68,665
Due from other funds	100,000	40,000
Total current assets	<u>177,678</u>	<u>108,665</u>
Capital assets		
Land	23,900	23,900
Land improvements	67,031	67,031
Buildings	86,886	86,886
Vehicles and equipment	542,302	542,302
Accumulated depreciation	<u>(522,928)</u>	<u>(463,703)</u>
Total capital assets (net of accumulated depreciation)	<u>197,191</u>	<u>256,416</u>
Other assets		
Net pension asset	<u>160,828</u>	<u>130,946</u>
Total assets	<u>535,697</u>	<u>496,027</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	35,263	34,643
Pension contributions subsequent to measurement date	<u>1,752</u>	<u>17,125</u>
Total deferred outflows of resources	<u>37,015</u>	<u>51,768</u>
LIABILITIES		
Current liabilities		
Accounts payable	52,340	19,465
Accrued salaries	16,327	11,552
Compensated absences	14,760	15,280
Capital leases payable	41,729	40,887
Interest payable	85	115
Due to other funds	<u>205,250</u>	<u>198,777</u>
Total current liabilities	<u>330,491</u>	<u>286,076</u>
Noncurrent liabilities		
Compensated absences	6,326	6,549
Capital leases payable	<u>75,105</u>	<u>116,834</u>
Total noncurrent liabilities	<u>81,431</u>	<u>123,383</u>
Total liabilities	<u>411,922</u>	<u>409,459</u>
DEFERRED INFLOWS OF RESOURCES		
Pension experience differences	6,747	14,108
Pension assumption changes	12,492	18,595
Pension investment return differences	<u>85,097</u>	<u>76,663</u>
Total deferred inflows of resources	<u>104,336</u>	<u>109,366</u>
NET POSITION		
Net investment in capital assets	80,357	98,695
Unrestricted	<u>(23,903)</u>	<u>(69,725)</u>
Total net position	<u>\$ 56,454</u>	<u>\$ 28,970</u>

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

OPERATING REVENUES	<u>2019</u>	<u>2018</u>
Charges for sales and services		
Residential service	\$ 484,561	\$ 478,019
Commercial service	324,891	323,089
Sale of recyclables	54,985	70,123
Garbage container sales	15,040	14,299
	<u>879,477</u>	<u>885,530</u>
Total operating revenues	<u>879,477</u>	<u>885,530</u>
OPERATING EXPENSES		
Costs of sales and services	425,183	386,716
Personal services	554,678	461,525
Depreciation	59,225	63,485
	<u>1,039,086</u>	<u>911,726</u>
Total operating expenses	<u>1,039,086</u>	<u>911,726</u>
Operating income (loss)	<u>(159,609)</u>	<u>(26,196)</u>
Non-operating revenues (expenses)		
Other	57,900	0
Interest expense	(2,807)	(3,632)
	<u>55,093</u>	<u>(3,632)</u>
Total non-operating revenues (expenses)	<u>55,093</u>	<u>(3,632)</u>
Net income (loss) before transfers	<u>(104,516)</u>	<u>(29,828)</u>
Transfers in (out)		
General Fund	100,000	40,000
ElbertonNET Technology Services Fund	32,000	0
	<u>132,000</u>	<u>40,000</u>
Total transfers	<u>132,000</u>	<u>40,000</u>
Change in net position	27,484	10,172
Net position, July 1	<u>28,970</u>	<u>18,798</u>
Net position, June 30	<u>\$ 56,454</u>	<u>\$ 28,970</u>

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Receipts from customers	\$ 870,464	\$ 890,037
Payments to suppliers	(392,308)	(393,833)
Payments to employees	(570,805)	(507,048)
	<u>(92,649)</u>	<u>(10,844)</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Payments to other funds	(60,000)	(7,432)
Receipts from other funds	138,473	62,000
	<u>78,473</u>	<u>54,568</u>
Net cash provided (used) from non-capital financing activities		
Cash flows from capital and related financing activities:		
Interest paid	(2,837)	(3,661)
Proceeds from insurance on capital assets	57,900	0
Principal payments - capital leases	(40,887)	(40,063)
	<u>14,176</u>	<u>(43,724)</u>
Net cash provided (used) by capital and related financing activities		
Net increase (decrease) in cash	0	0
Cash, July 1	<u>0</u>	<u>0</u>
Cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (159,609)	\$ (26,196)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	59,225	63,485
(Increase) decrease in accounts receivable	(9,013)	4,507
(Increase) decrease in net pension asset/liability	(29,882)	(84,619)
(Increase) decrease in pension contributions made subsequent to measurement date	15,373	2,172
Increase (decrease) in accounts payable	32,875	(7,117)
Increase (decrease) in pension experience differences	(7,981)	(42,228)
Increase (decrease) in pension assumption differences	(6,103)	3,956
Increase (decrease) in pension investment return differences	8,434	73,313
Increase (decrease) in accrued salaries	4,775	(1,782)
Increase (decrease) in compensated absences payable	(743)	3,665
Total adjustments	<u>66,960</u>	<u>15,352</u>
Net cash provided (used) by operating activities	<u>\$ (92,649)</u>	<u>\$ (10,844)</u>

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Accounts receivable (net)	\$ 446,269	\$ 420,125
Inventories	60,156	66,715
	<u>506,425</u>	<u>486,840</u>
Capital assets		
Land	6,900	6,900
Buildings	519,065	519,065
Vehicles and equipment	607,030	504,658
Construction in progress	0	332,307
Distribution system	8,820,897	8,495,944
Accumulated depreciation	<u>(4,043,954)</u>	<u>(3,923,426)</u>
Total capital assets (net of accumulated depreciation)	<u>5,909,938</u>	<u>5,935,448</u>
Other assets		
Net pension asset	<u>135,179</u>	<u>112,118</u>
Total assets	<u>6,551,542</u>	<u>6,534,406</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	29,640	27,659
Pension contributions subsequent to measurement date	<u>1,473</u>	<u>11,824</u>
Total deferred outflows of resources	<u>31,113</u>	<u>39,483</u>
LIABILITIES		
Current liabilities		
Payables		
Accounts	201,313	200,289
Intergovernmental	44,240	34,396
Accrued salaries	17,771	11,670
Compensated absences	14,996	14,333
Customer deposits	<u>2,465</u>	<u>3,473</u>
Total current liabilities	<u>280,785</u>	<u>264,161</u>
Noncurrent liabilities		
Compensated absences	6,427	6,143
Advances from other funds	<u>2,703,644</u>	<u>3,507,263</u>
Total noncurrent liabilities	<u>2,710,071</u>	<u>3,513,406</u>
Total liabilities	<u>2,990,856</u>	<u>3,777,567</u>

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
DEFERRED INFLOWS OF RESOURCES		
Pension experience differences	\$ 5,671	\$ 9,903
Pension assumption changes	10,500	11,589
Pension investment return differences	71,526	68,156
Total deferred inflows of resources	87,697	89,648
 NET POSITION		
Investment in capital assets	5,909,938	5,935,448
Unrestricted	(2,405,836)	(3,228,774)
Total net position	\$ 3,504,102	\$ 2,706,674

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for sales and services	\$ 5,360,061	\$ 5,003,088
Total operating revenues	<u>5,360,061</u>	<u>5,003,088</u>
OPERATING EXPENSES		
Costs of sales and services	3,688,324	3,652,885
Personal services	423,727	420,831
Depreciation	313,813	318,613
Miscellaneous expenses	36,769	39,490
Total operating expenses	<u>4,462,633</u>	<u>4,431,819</u>
Operating income (loss)	<u>897,428</u>	<u>571,269</u>
Transfers in (out)		
Elbert Theatre Fund	(68,000)	0
Solid Waste Fund	(32,000)	0
Total transfers	<u>(100,000)</u>	<u>0</u>
Change in net position	797,428	571,269
Net position, July 1	<u>2,706,674</u>	<u>2,135,405</u>
Net position, June 30	<u>\$ 3,504,102</u>	<u>\$ 2,706,674</u>

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Receipts from customers	\$ 5,332,909	\$ 4,963,711
Payments to suppliers	(3,670,897)	(3,628,132)
Payments to employees	(433,321)	(462,555)
Other payments	(36,769)	(39,490)
Net cash provided (used) by operating activities	1,191,922	833,534
Cash flows from non-capital financing activities:		
Payments to other funds	(903,619)	(732,366)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(288,303)	(101,168)
Net increase (decrease) in cash	0	0
Cash, July 1	0	0
Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 897,428	\$ 571,269
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	313,813	318,613
(Increase) decrease in accounts receivable	(26,144)	(39,652)
(Increase) decrease in inventories	6,559	39,572
(Increase) decrease in net pension asset/liability	(23,061)	(70,084)
(Increase) decrease in pension contributions made subsequent to measurement date	10,351	1,793
Increase (decrease) in accounts payable	1,024	(19,571)
Increase (decrease) in intergovernmental payable	9,844	4,752
Increase (decrease) in customer deposits	(1,008)	275
Increase (decrease) in accrued salaries	6,101	(1,220)
Increase (decrease) in compensated absences payable	947	(1,237)
Increase (decrease) in pension experience differences	(6,213)	(34,977)
Increase (decrease) in pension assumption differences	(1,089)	3,277
Increase (decrease) in pension investment return differences	3,370	60,724
Total adjustments	294,494	262,265
Net cash provided (used) by operating activities	<u>\$ 1,191,922</u>	<u>\$ 833,534</u>

CITY OF ELBERTON, GEORGIA
ELBERT THEATRE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the fiscal years ended June 30, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Cash	\$ 56,186	\$ 27,791
Inventories	1,455	1,350
Total current assets	<u>57,641</u>	<u>29,141</u>
Capital assets		
Vehicles and equipment	30,910	30,910
Accumulated depreciation	(2,232)	(172)
Total capital assets (net of accumulated depreciation)	<u>28,678</u>	<u>30,738</u>
Total assets	<u>86,319</u>	<u>59,879</u>
LIABILITIES		
Current liabilities		
Accounts payable	4,018	866
Accrued salaries	1,364	2,099
Compensated absences	3,792	0
Due to other fund	19,915	3,239
Total current liabilities	<u>29,089</u>	<u>6,204</u>
Noncurrent liabilities		
Compensated absences	1,625	0
Total liabilities	<u>30,714</u>	<u>6,204</u>
NET POSITION		
Investment in capital assets	28,678	30,738
Unrestricted	26,927	22,937
Total net position	<u>\$ 55,605</u>	<u>\$ 53,675</u>

CITY OF ELBERTON, GEORGIA
ELBERT THEATRE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

OPERATING REVENUES	<u>2019</u>	<u>2018</u>
Charges for sales and services	\$ 119,760	\$ 87,974
Total operating revenues	<u>119,760</u>	<u>87,974</u>
 OPERATING EXPENSES		
Costs of sales and services	94,905	56,355
Personal services	88,864	21,549
Depreciation	<u>2,061</u>	<u>172</u>
Total operating expenses	<u>185,830</u>	<u>78,076</u>
Net income (loss) before transfers	(66,070)	9,898
Transfers in (out)		
ElbertonNET Technology Services Fund	<u>68,000</u>	<u>0</u>
Change in net position	1,930	9,898
Net position, July 1	<u>53,675</u>	<u>43,777</u>
Net position, June 30	<u><u>\$ 55,605</u></u>	<u><u>\$ 53,675</u></u>

CITY OF ELBERTON, GEORGIA
ELBERT THEATRE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Receipts from customers	\$ 119,760	\$ 87,974
Payments to suppliers	(91,858)	(59,398)
Payments to employees	<u>(84,182)</u>	<u>(19,450)</u>
Net cash provided (used) by operating activities	<u>(56,280)</u>	<u>9,126</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	<u>84,675</u>	<u>7,292</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>0</u>	<u>(30,910)</u>
Net increase (decrease) in cash	28,395	(14,492)
Cash, July 1	<u>27,791</u>	<u>42,283</u>
Cash, June 30	<u><u>\$ 56,186</u></u>	<u><u>\$ 27,791</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (66,070)</u>	<u>\$ 9,898</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	2,061	172
(Increase) decrease in inventories	(105)	(374)
Increase (decrease) in accounts payable	3,152	(2,669)
Increase (decrease) in compensated absences	5,417	0
Increase (decrease) in accrued salaries	<u>(735)</u>	<u>2,099</u>
Total adjustments	<u>9,790</u>	<u>(772)</u>
Net cash provided (used) by operating activities	<u><u>\$ (56,280)</u></u>	<u><u>\$ 9,126</u></u>

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the fiscal years ended June 30, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Cash	\$ 52,520	\$ 27,984
Accounts receivable	635	4
Prepaid items	2,107	2,038
Due from other funds	4,181	1,627
Inventories	2,346	4,834
Total current assets	<u>61,789</u>	<u>36,487</u>
Capital assets		
Land	107,500	107,500
Land improvements	43,700	43,700
Building	4,339,093	4,339,093
Machinery and equipment	1,002,051	1,002,051
Accumulated depreciation	(567,897)	(350,069)
Total capital assets (net of accumulated depreciation)	<u>4,924,447</u>	<u>5,142,275</u>
Other assets		
Net pension asset	61,044	33,875
Total assets	<u>5,047,280</u>	<u>5,212,637</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	10,817	22,008
Pension contributions subsequent to measurement date	665	9,093
Total deferred outflows of resources	<u>11,482</u>	<u>31,101</u>
LIABILITIES		
Current liabilities		
Payables		
Accounts	7,203	8,730
Interest	8,529	8,969
Sales tax	8,048	5,864
Customer deposits	16,116	10,556
Accrued salaries	9,523	11,206
Compensated absences	2,890	2,445
Notes payable	239,711	228,612
Due to other funds	426,882	418,535
Total current liabilities	<u>718,902</u>	<u>694,917</u>
Noncurrent liabilities		
Compensated absences	1,239	1,048
Notes payable	4,129,383	4,366,108
Total noncurrent liabilities	<u>4,130,622</u>	<u>4,367,156</u>
Total liabilities	<u>4,849,524</u>	<u>5,062,073</u>

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	\$ 4,738	\$ 2,062
Pension investment return differences	32,278	38,208
Total deferred inflows of resources	37,016	40,270
NET POSITION		
Net investment in capital assets	555,353	547,555
Unrestricted	(383,131)	(406,160)
Total net position	\$ 172,222	\$ 141,395

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for sales and services	\$ 463,233	\$ 427,349
Rent	13,638	14,331
Total operating revenues	<u>476,871</u>	<u>441,680</u>
OPERATING EXPENSES		
Costs of sales and services	176,079	199,822
Personal services	276,806	286,745
Depreciation	217,828	218,108
Total operating expenses	<u>670,713</u>	<u>704,675</u>
Operating income (loss)	<u>(193,842)</u>	<u>(262,995)</u>
Non-operating revenues (expenses)		
Interest revenue	2	1
Interest expense	(215,333)	(226,475)
Total non-operating expenses	<u>(215,331)</u>	<u>(226,474)</u>
Net income (loss) before transfers	(409,173)	(489,469)
Transfers in (out)		
Combined Public Utility System Fund	440,000	456,000
Change in net position	30,827	(33,469)
Net position, July 1	141,395	174,864
Net position, June 30	<u>\$ 172,222</u>	<u>\$ 141,395</u>

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Receipts from customers	\$ 481,800	\$ 439,858
Payments to suppliers	(173,003)	(194,191)
Payments to employees	(288,657)	(306,990)
Net cash provided (used) by operating activities	<u>20,140</u>	<u>(61,323)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	<u>5,793</u>	<u>80,295</u>
Cash flows from capital and related financing activities:		
Receipts from other funds	440,000	440,982
Interest paid	(215,773)	(226,894)
Principal payments - note payable	(225,626)	(214,507)
Net cash provided (used) by capital and related financing activities	<u>(1,399)</u>	<u>(419)</u>
Cash flows from investing activities:		
Interest received	<u>2</u>	<u>1</u>
Net increase (decrease) in cash	24,536	18,554
Cash, July 1	<u>27,984</u>	<u>9,430</u>
Cash, June 30	<u><u>\$ 52,520</u></u>	<u><u>\$ 27,984</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (193,842)</u>	<u>\$ (262,995)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	217,828	218,108
(Increase) decrease in accounts receivable	(631)	(4)
(Increase) decrease in prepaid items	(69)	2,297
(Increase) decrease in inventories	2,488	(99)
(Increase) decrease in net pension asset/liability	(27,169)	(33,875)
(Increase) decrease in pension contributions made subsequent to measurement date	8,428	(9,093)
Increase (decrease) in accounts payable	(1,527)	1,218
Increase (decrease) in sales tax payable	2,184	2,215
Increase (decrease) in customer deposits	5,560	(1,818)
Increase (decrease) in accrued salaries	(1,683)	4,014
Increase (decrease) in compensated absences payable	636	447
Increase (decrease) in pension experience differences	11,191	(22,008)
Increase (decrease) in pension assumption differences	2,676	2,062
Increase (decrease) in pension investment return differences	(5,930)	38,208
Total adjustments	<u>213,982</u>	<u>201,672</u>
Net cash provided (used) by operating activities	<u><u>\$ 20,140</u></u>	<u><u>\$ (61,323)</u></u>

AGENCY FUNDS

These funds are used to account for assets held by the City as an agent to be expended or invested in accordance with the conditions of its agency capacity.

Municipal Court Fund - *This fund is used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately are transmitted to the General Fund or another agency.*

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 10,951	\$ 8,432
LIABILITIES		
Due to other agencies	<u>\$ 10,951</u>	<u>\$ 8,432</u>

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2019

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
ASSETS				
Cash	\$ 8,432	\$ 202,771	(200,252)	\$ 10,951
LIABILITIES				
Due to other agencies	\$ 8,432	\$ 202,771	(200,252)	\$ 10,951

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COMPONENT UNIT

Downtown Development Authority - *This component unit is used to account for governmental revenues and contributions reserved for City business development.*

CITY OF ELBERTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 88,002	\$ 61,225
Total assets	\$ 88,002	\$ 61,225
 LIABILITIES		
Accounts payable	\$ 5,182	\$ 0
Deposits payable	4,650	1,950
Total liabilities	9,832	1,950
 FUND BALANCES		
Assigned for Housing and Development	78,170	59,275
Total liabilities and fund balances	\$ 88,002	\$ 61,225

CITY OF ELBERTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 0	\$ 24,000
Charges for service	29,910	9,284	(20,626)	8,464
Rents	17,475	30,104	12,629	20,695
Event revenue	42,150	33,969	(8,181)	24,924
Contributions	5,000	8,000	3,000	2,390
Interest revenue	0	6	6	10
Other	0	390	390	0
Total revenues	<u>118,535</u>	<u>105,753</u>	<u>(12,782)</u>	<u>80,483</u>
EXPENDITURES				
Current				
Economic Development				
Contract services	48,750	52,125	(3,375)	10,786
Materials and supplies	5,500	3,708	1,792	4,864
Capital outlay	140,207	106,951	33,256	58,076
Debt service	49,078	49,074	4	42,242
Total expenditures	<u>243,535</u>	<u>211,858</u>	<u>31,677</u>	<u>115,968</u>
Excess (deficiency) of revenues over (under) expenditures	(125,000)	(106,105)	18,895	(35,485)
Other financing sources (uses)				
Proceeds from note payable	125,000	125,000	0	40,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	18,895	18,895	4,515
Fund balances, July 1	0	59,275	59,275	54,760
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 78,170</u>	<u>\$ 78,170</u>	<u>\$ 59,275</u>

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Part III

Statistical Section



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City of Elberton
Statistical Section
(Unaudited)

This section of the City of Elberton's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This section includes data for the City (i.e. the primary government) only and does not include the City's discretely presented component unit. This information has not been audited by the independent auditor.

Contents

	<u>Page</u>
Financial Trends	126-140
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	
Revenue Capacity	141-144
These tables contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue sources and trends of these sources. Property taxes are not a source of revenue for the City; however, property tax valuation and tax rate information is included as an indicator of the City's growth and overall economic condition.	
Debt Capacity	145-151
These tables present information which may assist the reader in analyzing the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	152-153
These tables offer demographic and economic indicators that can be used for financial analysis and to provide a better understanding of the City's present and ongoing financial status.	
Operating Information	154-159
These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Other Information	160-161
Source:	Unless otherwise noted, the information in these tables is derived from the annual financial reports for the corresponding years.

City of Elberton
Net Position by Component
Last Ten Fiscal Years

	FISCAL YEAR		
	2019	2018	2017
Governmental Activities			
Net investment in capital assets	\$ 5,275,528	\$ 4,627,533	\$ 4,456,665
Restricted	813,874	608,283	956,319
Unrestricted	1,068,797	1,205,925	794,391
Total Governmental Activities Net Position	7,158,199	6,441,741	6,207,375
Business-type Activities			
Net investment in capital assets	23,260,966	21,725,407	21,118,188
Restricted	4,006,940	3,711,182	3,479,632
Unrestricted	13,295,485	11,968,712	10,617,545
Total Business-Type Activities Net Position	40,563,391	37,405,301	35,215,365
Primary Government			
Net investment in capital assets	28,536,494	26,352,940	25,574,853
Restricted	4,820,814	4,319,465	4,435,951
Unrestricted	14,364,282	13,174,637	11,411,936
Total Primary Government Net Position	\$ 47,721,590	\$ 43,847,042	\$ 41,422,740

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
\$ 4,699,117	\$ 4,794,106	\$ 4,230,037	\$ 4,289,328	\$ 4,474,881	\$ 4,138,536	\$ 3,924,223
480,025	825,553	1,067,009	882,783	940,916	1,214,456	851,529
508,437	108,315	469,531	412,159	374,476	483,631	517,319
<u>5,687,579</u>	<u>5,727,974</u>	<u>5,766,577</u>	<u>5,584,270</u>	<u>5,790,273</u>	<u>5,836,623</u>	<u>5,293,071</u>
19,533,634	18,676,675	17,877,860	17,350,028	16,525,113	15,555,835	15,262,590
3,287,785	2,957,667	2,702,871	2,317,674	2,020,369	1,383,145	504,668
10,774,926	8,886,182	8,281,490	6,518,491	6,170,317	6,516,711	6,280,127
<u>33,596,345</u>	<u>30,520,524</u>	<u>28,862,221</u>	<u>26,186,193</u>	<u>24,715,799</u>	<u>23,455,691</u>	<u>22,047,385</u>
24,232,751	23,470,781	22,107,897	21,639,356	20,999,994	19,694,371	19,186,813
3,767,810	3,783,220	3,769,880	3,200,457	2,961,285	2,597,601	1,356,197
11,283,363	8,994,497	8,751,021	6,930,650	6,544,793	7,000,342	6,797,446
<u>\$ 39,283,924</u>	<u>\$ 36,248,498</u>	<u>\$ 34,628,798</u>	<u>\$ 31,770,463</u>	<u>\$ 30,506,072</u>	<u>\$ 29,292,314</u>	<u>\$ 27,340,456</u>

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
	2019	2018	2017
Expenses			
Governmental Activities:			
General Government	\$ 715,271	\$ 727,427	\$ 733,183
Judicial	73,100	73,485	72,632
Public Safety	2,598,987	2,537,656	2,490,299
Public Works	990,896	1,062,867	963,917
Health and Welfare	65,100	65,100	61,968
Culture and Recreation	189,270	267,559	262,259
Housing and Development	530,647	402,360	288,416
Interest on Long-term Debt	0	4,132	7,660
Total Governmental Activities	<u>5,163,271</u>	<u>5,140,586</u>	<u>4,880,334</u>
Business-type Activities:			
Combined Public Utilities			
Electric	13,464,338	12,921,059	13,546,027
Water and Sewer	2,876,701	2,864,143	2,801,783
Natural Gas	2,565,559	2,170,830	2,026,826
ElbertonNET Technology Services	4,330,304	4,300,746	3,741,769
Industrial Park	0	0	0
Solid Waste	989,933	863,501	884,266
Elbert Theatre	185,830	78,076	80,539
Elbert Hotel	886,046	931,150	584,389
Total Business-type Activities	<u>25,298,711</u>	<u>24,129,505</u>	<u>23,665,599</u>
Total Primary Government Expenses	<u>30,461,982</u>	<u>29,270,091</u>	<u>28,545,933</u>
Indirect Costs			
Governmental Activities:			
General Government	(482,100)	(499,545)	(486,383)
Public Works	(127,782)	(125,828)	(133,313)
Total Governmental Activities Indirect Cost	<u>(609,882)</u>	<u>(625,373)</u>	<u>(619,696)</u>
Business-type Activities:			
Combined Public Utilities			
Electric	207,207	223,583	220,189
Water and Sewer	108,361	109,291	109,210
Natural Gas	110,025	109,569	109,377
ElbertonNET Technology Services	132,329	131,073	128,687
Solid Waste	51,960	51,857	52,233
Total Business-type Activities Indirect Cost	<u>609,882</u>	<u>625,373</u>	<u>619,696</u>
Total Primary Government Indirect Cost	<u>0</u>	<u>0</u>	<u>0</u>
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	45,125	45,703	42,005
Public Safety	161,452	133,963	127,646
Public Works	58,177	66,180	86,279
Housing and Development	16,739	23,186	15,090
Operating Grants and Contributions	10,421	502	350
Capital Grants and Contributions	993,264	673,384	656,122
Total Governmental Activities	<u>1,285,178</u>	<u>942,918</u>	<u>927,492</u>
Program Revenues	<u>1,285,178</u>	<u>942,918</u>	<u>927,492</u>
Business-type Activities:			
Charges for Services:			
Electric	15,659,814	15,178,416	15,252,364
Water and Sewer	3,403,339	3,179,301	3,230,494
Natural Gas	4,412,776	3,912,137	3,363,427
ElbertonNET Technology Services	5,360,061	5,003,088	4,540,110
Solid Waste	879,477	885,530	912,359
Elbert Theatre	119,760	87,974	99,349
Elbert Hotel	476,871	441,680	88,221
Operating Grants and Contributions	132,837	430,194	701,292
Capital Grants and Contributions	288,534	0	80,948
Total Business-type Activities	<u>30,733,469</u>	<u>29,118,320</u>	<u>28,268,564</u>
Program Revenues	<u>30,733,469</u>	<u>29,118,320</u>	<u>28,268,564</u>
Total Primary Government Program Revenues	<u>32,018,647</u>	<u>30,061,238</u>	<u>29,196,056</u>

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
\$ 696,460	\$ 661,068	\$ 673,908	\$ 657,516	\$ 697,793	\$ 782,934	\$ 776,304
67,311	63,335	106,386	107,728	104,279	99,901	101,982
2,355,893	2,439,366	2,539,885	2,476,946	2,395,267	2,509,964	2,442,237
1,067,173	966,313	1,067,150	1,151,627	1,166,098	1,155,171	1,178,530
65,687	60,275	58,144	67,100	9,000	11,900	9,900
269,221	221,761	174,478	186,059	167,465	163,831	161,416
253,670	251,937	259,179	249,642	247,896	205,442	246,774
8,891	10,097	11,278	8,667	92	437	2,716
<u>4,784,306</u>	<u>4,674,152</u>	<u>4,890,408</u>	<u>4,905,285</u>	<u>4,787,890</u>	<u>4,929,580</u>	<u>4,919,859</u>
13,592,179	14,279,534	12,991,858	13,179,039	13,064,053	12,136,219	11,302,256
2,759,461	2,721,254	2,740,178	2,734,886	2,816,229	2,797,193	2,808,412
1,903,129	2,414,678	3,193,275	2,861,258	2,734,236	3,075,133	3,329,597
3,566,175	3,362,855	3,040,601	2,855,925	2,623,765	2,435,188	2,166,187
0	0	0	0	0	459,399	7,047
804,982	816,844	837,283	778,294	768,886	757,211	774,633
77,321	44,895	0	0	0	0	0
137,102	0	0	0	0	0	0
<u>22,840,349</u>	<u>23,640,060</u>	<u>22,803,195</u>	<u>22,409,402</u>	<u>22,007,169</u>	<u>21,660,343</u>	<u>20,388,132</u>
<u>27,624,655</u>	<u>28,314,212</u>	<u>27,693,603</u>	<u>27,314,687</u>	<u>26,795,059</u>	<u>26,589,923</u>	<u>25,307,991</u>
(493,185)	(473,292)	(477,578)	(451,965)	(464,060)	(546,280)	(456,853)
<u>(129,750)</u>	<u>(119,422)</u>	<u>(141,520)</u>	<u>(227,844)</u>	<u>(204,846)</u>	<u>(202,378)</u>	<u>(225,423)</u>
<u>(622,935)</u>	<u>(592,714)</u>	<u>(619,098)</u>	<u>(679,809)</u>	<u>(668,906)</u>	<u>(748,658)</u>	<u>(682,276)</u>
230,783	221,039	212,571	220,989	244,671	294,516	263,319
107,795	119,743	118,470	124,911	143,042	147,294	137,540
115,851	103,448	103,949	123,707	174,494	196,945	180,607
116,033	81,986	80,701	129,713	50,756	54,817	48,630
52,473	66,498	103,407	80,489	55,943	55,086	52,180
<u>622,935</u>	<u>592,714</u>	<u>619,098</u>	<u>679,809</u>	<u>668,906</u>	<u>748,658</u>	<u>682,276</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
43,360	41,775	45,358	45,815	53,823	55,109	60,476
102,197	124,749	191,337	204,784	178,550	227,569	235,767
83,133	41,394	65,170	51,235	52,891	72,514	64,151
15,703	15,428	10,495	11,443	17,933	12,393	45,249
1,620	420	2,852	34,276	62,948	44,386	100,177
672,356	715,225	602,260	580,179	797,939	714,791	22,584
<u>918,369</u>	<u>938,991</u>	<u>917,472</u>	<u>927,732</u>	<u>1,164,084</u>	<u>1,126,762</u>	<u>528,404</u>
15,081,243	15,320,274	16,005,007	15,839,368	15,566,693	15,721,112	15,570,785
3,162,388	3,082,577	2,887,595	2,843,066	2,817,914	2,778,123	2,854,234
3,335,754	4,063,544	4,899,169	4,189,304	3,440,528	4,331,615	4,803,798
4,231,947	3,790,730	3,328,687	3,121,582	2,740,805	2,401,396	1,954,681
853,355	853,822	822,177	727,591	769,818	801,319	789,409
94,232	52,951	0	0	0	0	0
0	0	0	0	0	0	0
933,762	1,170,756	0	0	0	0	0
306,822	254,181	138,067	0	258,408	38,833	11,167
<u>27,999,503</u>	<u>28,588,835</u>	<u>28,080,702</u>	<u>26,720,911</u>	<u>25,594,166</u>	<u>26,072,398</u>	<u>25,984,074</u>
<u>28,917,872</u>	<u>29,527,826</u>	<u>28,998,174</u>	<u>27,648,643</u>	<u>26,758,250</u>	<u>27,199,160</u>	<u>26,512,478</u>

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
	2019	2018	2017
Change in Net Position			
Net (expense) Revenue - Governmental Activities	\$ (3,268,211)	\$ (3,572,295)	\$ (3,333,146)
Net (expense) Revenue - Business-type Activities	4,824,876	4,363,442	3,983,269
Total Primary Government Net (Expense) Revenue	<u>1,556,665</u>	<u>791,147</u>	<u>650,123</u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes:			
Title ad valorem	103,699	69,636	70,116
Sales	607,207	597,251	549,707
Franchise	94,681	92,799	91,906
Occupational	140,341	131,521	122,502
Insurance Premium	328,128	304,258	285,732
Alcoholic Beverages	122,119	122,954	133,842
Hotel/Motel	90,030	76,622	59,668
Other	5,920	4,436	4,541
Interest and Investment Earnings	9,325	5,930	3,374
Gain on Sale of Assets	39,282	11,009	60,618
Miscellaneous	3,937	28,640	7,936
Transfers	2,440,000	2,361,605	2,463,000
Total Government Activities	<u>3,984,669</u>	<u>3,806,661</u>	<u>3,852,942</u>
Business-type Activities			
Interest and Investment Earnings	418,456	286,650	207,233
Net increase (decrease) in the fair value of investments	229,025	(112,286)	(131,856)
Gain on Sale of Assets	44,175	0	14,230
Miscellaneous	81,558	13,735	9,144
Transfers	(2,440,000)	(2,361,605)	(2,463,000)
Total Business-type Activities	<u>(1,666,786)</u>	<u>(2,173,506)</u>	<u>(2,364,249)</u>
Total Primary Government General Revenues	<u>2,317,883</u>	<u>1,633,155</u>	<u>1,488,693</u>
Change in Net Position			
Governmental Activities	716,458	234,366	519,796
Business-type Activities	3,158,090	2,189,936	1,619,020
Total Primary Government Change in Net Position	<u>3,874,548</u>	<u>2,424,302</u>	<u>2,138,816</u>
Net Position - beginning (original)			
Governmental Activities	6,441,741	6,207,375	5,687,579
Business-type Activities	37,405,301	35,215,365	33,596,345
Total Primary Government Beginning Net Position (original)	<u>43,847,042</u>	<u>41,422,740</u>	<u>39,283,924</u>
Prior Period Adjustments			
Governmental Activities	0	0	0
Business-type Activities	0	0	0
Total Primary Government Prior Period Adjustments	<u>0</u>	<u>0</u>	<u>0</u>
Net Position - beginning (restated)			
Governmental Activities	6,441,741	6,207,375	5,687,579
Business-type Activities	37,405,301	35,215,365	33,596,345
Total Primary Government Beginning Net Position (restated)	<u>43,847,042</u>	<u>41,422,740</u>	<u>39,283,924</u>
Change in Net Position - ending			
Governmental Activities	7,158,199	6,441,741	6,207,375
Business-type Activities	40,563,391	37,405,301	35,215,365
Total Primary Government Ending Net Position	<u>\$ 47,721,590</u>	<u>\$ 43,847,042</u>	<u>\$ 41,422,740</u>

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
\$ (3,243,002)	\$ (3,142,447)	\$ (3,353,838)	\$ (3,297,744)	\$ (2,954,900)	\$ (3,054,160)	\$ (3,709,179)
<u>4,536,219</u>	<u>4,356,061</u>	<u>4,658,409</u>	<u>3,631,700</u>	<u>2,918,091</u>	<u>3,663,397</u>	<u>4,913,666</u>
<u>1,293,217</u>	<u>1,213,614</u>	<u>1,304,571</u>	<u>333,956</u>	<u>(36,809)</u>	<u>609,237</u>	<u>1,204,487</u>
80,432	102,458	105,085	31,875	0	0	0
577,700	529,378	550,972	577,225	592,734	633,998	1,345,161
98,172	90,654	89,389	91,243	90,041	84,338	86,620
119,704	117,607	125,781	110,828	74,804	73,352	79,349
263,786	246,913	240,020	231,813	218,245	255,324	262,968
136,212	151,413	142,639	149,169	153,664	143,118	141,394
55,836	49,138	46,283	51,865	45,344	58,650	72,661
4,465	3,739	4,096	7,061	5,294	3,160	3,829
2,435	2,095	2,117	2,317	2,646	2,500	4,092
49,369	38,113	0	0	0	10,123	1,800
11,216	9,374	23,773	19,415	9,288	17,953	17,034
<u>1,803,280</u>	<u>2,344,713</u>	<u>2,205,490</u>	<u>1,818,930</u>	<u>1,716,490</u>	<u>2,315,196</u>	<u>1,874,096</u>
<u>3,202,607</u>	<u>3,685,595</u>	<u>3,535,645</u>	<u>3,091,741</u>	<u>2,908,550</u>	<u>3,597,712</u>	<u>3,889,004</u>
152,902	119,388	135,465	86,101	38,738	33,603	66,891
177,697	6,185	73,896	(128,447)	0	0	0
0	27,284	0	17,213	2,404	1,220	5,225
12,283	9,745	13,748	16,140	17,365	25,282	25,665
<u>(1,803,280)</u>	<u>(2,344,713)</u>	<u>(2,205,490)</u>	<u>(1,818,930)</u>	<u>(1,716,490)</u>	<u>(2,315,196)</u>	<u>(1,874,096)</u>
<u>(1,460,398)</u>	<u>(2,182,111)</u>	<u>(1,982,381)</u>	<u>(1,827,923)</u>	<u>(1,657,983)</u>	<u>(2,255,091)</u>	<u>(1,776,315)</u>
<u>1,742,209</u>	<u>1,503,484</u>	<u>1,553,264</u>	<u>1,263,818</u>	<u>1,250,567</u>	<u>1,342,621</u>	<u>2,112,689</u>
(40,395)	543,148	181,807	(206,003)	(46,350)	543,552	179,825
<u>3,075,821</u>	<u>2,173,950</u>	<u>2,676,028</u>	<u>1,803,777</u>	<u>1,260,108</u>	<u>1,408,306</u>	<u>3,137,351</u>
<u>3,035,426</u>	<u>2,717,098</u>	<u>2,857,835</u>	<u>1,597,774</u>	<u>1,213,758</u>	<u>1,951,858</u>	<u>3,317,176</u>
5,727,974	5,766,577	5,584,270	5,790,273	5,836,623	5,293,071	5,113,246
<u>30,520,524</u>	<u>28,862,221</u>	<u>26,186,193</u>	<u>24,715,799</u>	<u>23,455,691</u>	<u>22,047,385</u>	<u>18,910,034</u>
<u>36,248,498</u>	<u>34,628,798</u>	<u>31,770,463</u>	<u>30,506,072</u>	<u>29,292,314</u>	<u>27,340,456</u>	<u>24,023,280</u>
0	(581,751)	0	0	0	0	0
0	(515,647)	0	(333,383)	0	0	0
0	(1,097,398)	0	(333,383)	0	0	0
5,727,974	5,184,826	5,584,270	5,790,273	5,836,623	5,293,071	5,113,246
<u>30,520,524</u>	<u>28,346,574</u>	<u>26,186,193</u>	<u>24,382,416</u>	<u>23,455,691</u>	<u>22,047,385</u>	<u>18,910,034</u>
<u>36,248,498</u>	<u>33,531,400</u>	<u>31,770,463</u>	<u>30,172,689</u>	<u>29,292,314</u>	<u>27,340,456</u>	<u>24,023,280</u>
5,687,579	5,727,974	5,766,077	5,584,270	5,790,273	5,836,623	5,293,071
<u>33,596,345</u>	<u>30,520,524</u>	<u>28,862,221</u>	<u>26,186,193</u>	<u>24,715,799</u>	<u>23,455,691</u>	<u>22,047,385</u>
<u>\$ 39,283,924</u>	<u>\$ 36,248,498</u>	<u>\$ 34,628,298</u>	<u>\$ 31,770,463</u>	<u>\$ 30,506,072</u>	<u>\$ 29,292,314</u>	<u>\$ 27,340,456</u>

City of Elberton
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	FISCAL YEAR		
	2019	2018	2017
General Fund			
Reserved			
Unreserved			
Nonspendable (1)	\$ 250,316	\$ 167,780	\$ 165,248
Restricted (1)	25	25	25
Unassigned (1)	512,040	905,229	896,071
Total General Fund	<u>762,381</u>	<u>1,073,034</u>	<u>1,061,344</u>
All Other Governmental Funds			
Unreserved, Reported in:			
Special Revenue Fund			
Capital Project Funds			(53,709)
Nonspendable (1)			
Restricted (1)	813,849	608,258	956,294
Assigned (1)		808	
Total All Other Governmental Funds	<u>813,849</u>	<u>609,066</u>	<u>902,585</u>
Total Governmental Fund Balances	<u>\$ 1,576,230</u>	<u>\$ 1,682,100</u>	<u>\$ 1,963,929</u>

Note 1: The City adopted GASB 54 for reporting of fund balance classifications in 2011.

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
						\$ 144,344
						865,048
\$ 147,473	\$ 146,986	\$ 146,234	\$ 190,731	\$ 158,855	\$ 170,860	
25	25	25	25	50	50	
859,995	696,935	706,758	645,418	663,004	801,597	
<u>1,007,493</u>	<u>843,946</u>	<u>853,017</u>	<u>836,174</u>	<u>821,909</u>	<u>972,507</u>	<u>1,009,392</u>
						485,210
(49,144)						366,319
40,000					448,000	
480,000	825,528	1,066,984	882,758	940,866	766,455	
2,692	4,288	12,869	4,407	3,061	4,068	
<u>473,548</u>	<u>829,816</u>	<u>1,079,853</u>	<u>887,165</u>	<u>943,927</u>	<u>1,218,523</u>	<u>851,529</u>
<u>\$ 1,481,041</u>	<u>\$ 1,673,762</u>	<u>\$ 1,932,870</u>	<u>\$ 1,723,339</u>	<u>\$ 1,765,836</u>	<u>\$ 2,191,030</u>	<u>\$ 1,860,921</u>

City of Elberton
Changes in Fund Balances - Governmental Funds (1)
Last Ten Fiscal Years

	FISCAL YEAR		
	2019	2018	2017
Revenues			
Taxes	\$ 1,492,125	\$ 1,399,478	\$ 1,318,016
Licenses and permits	62,694	67,261	57,785
Fines, fees and forfeitures	149,924	115,047	112,020
Charges for services	678,757	711,197	720,912
Intergovernmental	688,216	673,338	656,054
Interest	9,461	6,092	3,442
Contributions	10,285	1,285	350
Other	3,937	28,640	7,941
Total Revenues	3,095,399	3,002,338	2,876,520
Expenditures			
General Government	725,301	763,729	754,976
Judicial	75,142	78,402	76,613
Public Safety	2,543,089	2,571,983	2,442,340
Public Works	886,166	814,101	857,529
Health and Welfare	65,100	65,100	61,968
Culture and Recreation	85,500	170,165	162,355
Housing and Development	826,351	343,869	303,292
Debt Service - Principal	0	334,096	59,588
Debt Service - Interest	0	4,132	7,659
Capital Outlay	473,902	511,204	190,930
Total Expenditures	5,680,551	5,656,781	4,917,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,585,152)	(2,654,443)	(2,040,730)
Other Financing Sources (Uses)			
Transfers In	2,585,015	2,557,503	2,554,585
Transfers Out	(145,015)	(195,898)	(91,585)
Sale of Capital Assets	39,282	11,009	60,618
Total Other Financing Sources (Uses)	2,479,282	2,372,614	2,523,618
Net Change in Fund Balances	(105,870)	(281,829)	482,888
Fund Balances, July 1	1,682,100	1,963,929	1,481,041
Fund Balances, June 30	\$ 1,576,230	\$ 1,682,100	\$ 1,963,929
Debt service as a percentage of noncapital expenditures	0.00%	6.22%	1.39%

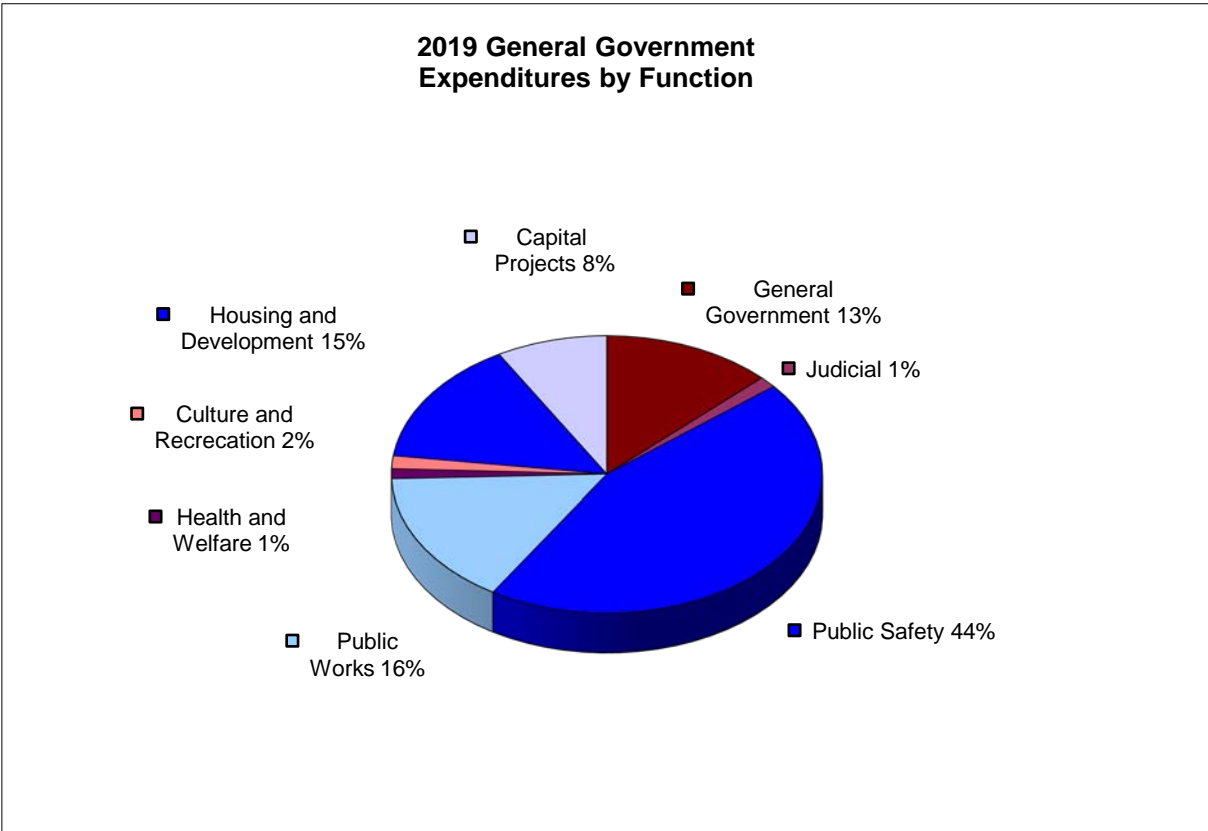
Note (1): Includes general, special revenue, and capital projects funds.

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
\$ 1,336,308	\$ 1,291,300	\$ 1,304,264	\$ 1,251,079	\$ 1,180,126	\$ 1,251,941	\$ 1,317,624
58,890	57,350	54,238	57,725	70,936	67,553	103,994
92,915	108,590	169,016	191,822	161,225	195,234	202,828
720,025	650,708	708,204	743,539	739,942	853,456	781,097
672,241	649,238	604,528	613,827	860,372	747,837	796,805
2,550	2,249	2,349	2,660	2,996	3,695	4,092
1,625	420	352	285	0	0	0
11,217	13,186	13,968	6,203	9,453	28,097	17,348
<u>2,895,771</u>	<u>2,773,041</u>	<u>2,856,919</u>	<u>2,867,140</u>	<u>3,025,050</u>	<u>3,147,813</u>	<u>3,223,788</u>
703,782	672,278	651,547	633,371	688,978	872,270	795,652
70,554	66,599	105,292	106,007	104,845	100,857	102,716
2,339,551	2,437,382	2,364,581	2,354,039	2,285,569	2,390,993	2,309,661
845,280	915,303	982,393	1,016,610	1,083,913	1,091,821	1,117,742
65,687	60,275	58,144	67,100	9,000	11,900	9,900
163,982	154,024	123,278	146,973	143,053	139,290	146,215
289,497	267,994	244,853	243,343	239,926	195,955	242,834
58,357	57,151	55,970	4,612	7,300	10,650	86,590
8,891	10,097	11,278	8,667	92	437	2,716
747,542	783,372	265,348	730,831	604,058	152,138	118,417
<u>5,293,123</u>	<u>5,424,475</u>	<u>4,862,684</u>	<u>5,311,553</u>	<u>5,166,734</u>	<u>4,966,311</u>	<u>4,932,443</u>
(2,397,352)	(2,651,434)	(2,005,765)	(2,444,413)	(2,141,684)	(1,818,498)	(1,708,655)
2,437,433	2,436,552	2,408,989	2,303,819	2,168,581	2,289,493	2,304,843
(282,171)	(82,339)	(203,499)	(484,889)	(452,091)	(151,009)	(430,747)
49,369	38,113	9,806	13,212	0	10,123	1,800
<u>2,204,631</u>	<u>2,392,326</u>	<u>2,215,296</u>	<u>2,401,916</u>	<u>1,716,490</u>	<u>2,148,607</u>	<u>1,875,896</u>
(192,721)	(259,108)	209,531	(42,497)	(425,194)	330,109	167,241
1,673,762	1,932,870	1,723,339	1,765,836	2,191,030	1,860,921	1,693,680
<u>\$ 1,481,041</u>	<u>\$ 1,673,762</u>	<u>\$ 1,932,870</u>	<u>\$ 1,723,339</u>	<u>\$ 1,765,836</u>	<u>\$ 2,191,030</u>	<u>\$ 1,860,921</u>
1.43%	1.47%	1.48%	0.29%	0.16%	0.24%	1.90%

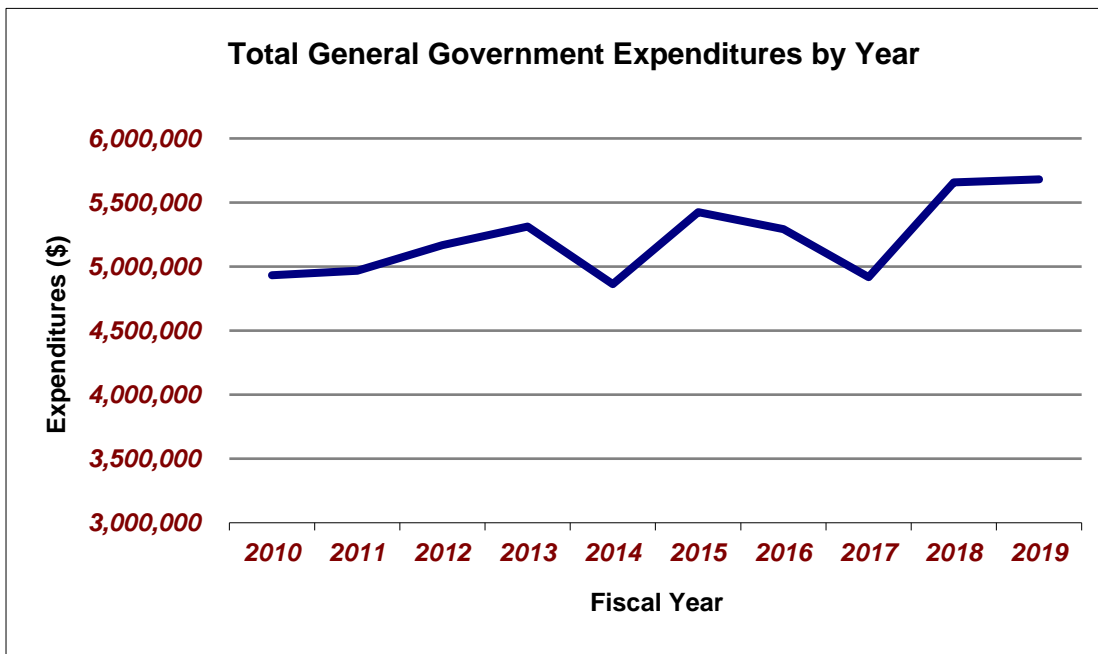
City of Elberton, Georgia
General Government Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health and Welfare
2010	795,652	102,716	2,309,661	1,117,742	9,900
2011	872,270	100,857	2,390,993	1,091,821	11,900
2012	688,978	104,845	2,285,569	1,083,913	9,000
2013	633,371	106,007	2,354,039	1,016,610	67,100
2014	651,547	105,292	2,364,581	982,393	58,144
2015	672,278	66,599	2,437,382	915,303	60,275
2016	703,782	70,554	2,339,551	845,280	65,687
2017	754,976	76,613	2,442,340	857,529	61,968
2018	763,729	78,402	2,571,983	814,101	65,100
2019	725,301	75,142	2,543,089	886,166	65,100

Note (1): Includes general, special revenue, and capital projects funds.



Culture and Recreation	Housing and Development	Capital Projects	Debt Service	Total
146,215	242,834	118,417	89,306	4,932,443
139,290	195,955	152,138	11,087	4,966,311
143,053	239,926	604,058	7,392	5,166,734
146,973	243,343	730,831	13,279	5,311,553
123,278	244,853	265,348	67,248	4,862,684
154,024	267,994	783,372	67,248	5,424,475
163,982	289,497	747,542	67,248	5,293,123
162,355	303,292	190,930	67,247	4,917,250
170,165	343,869	511,204	338,228	5,656,781
85,500	826,351	473,902	0	5,680,551

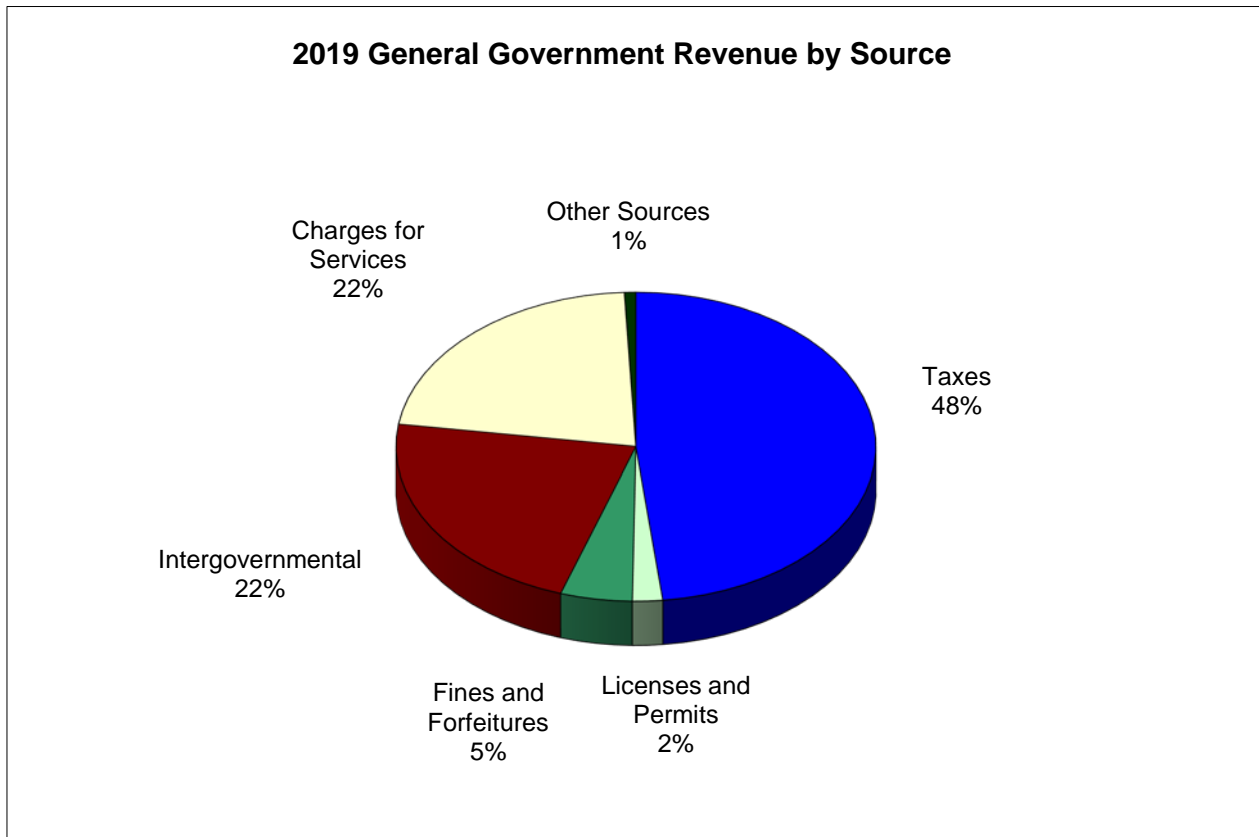


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City of Elberton, Georgia
General Government Revenue by Source (1)
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Intergovernmental	Charges for Services	Other Sources	Total
2010	1,317,624	103,994	202,828	796,805	781,097	21,440	3,223,788
2011	1,251,941	67,553	195,234	747,837	853,456	31,792	3,147,813
2012	1,180,126	70,936	161,225	860,372	739,942	12,449	3,025,050
2013	1,251,079	57,725	191,822	613,827	743,539	9,148	2,867,140
2014	1,304,264	54,238	169,016	604,528	708,204	16,669	2,856,919
2015	1,291,300	57,350	108,590	649,238	650,708	15,855	2,773,041
2016	1,336,308	58,890	92,915	672,241	720,025	15,392	2,895,771
2017	1,318,016	57,785	112,020	656,054	720,912	11,733	2,876,520
2018	1,399,478	67,261	115,047	673,338	711,197	36,017	3,002,338
2019	1,492,125	62,694	149,924	688,216	678,757	23,683	3,095,399

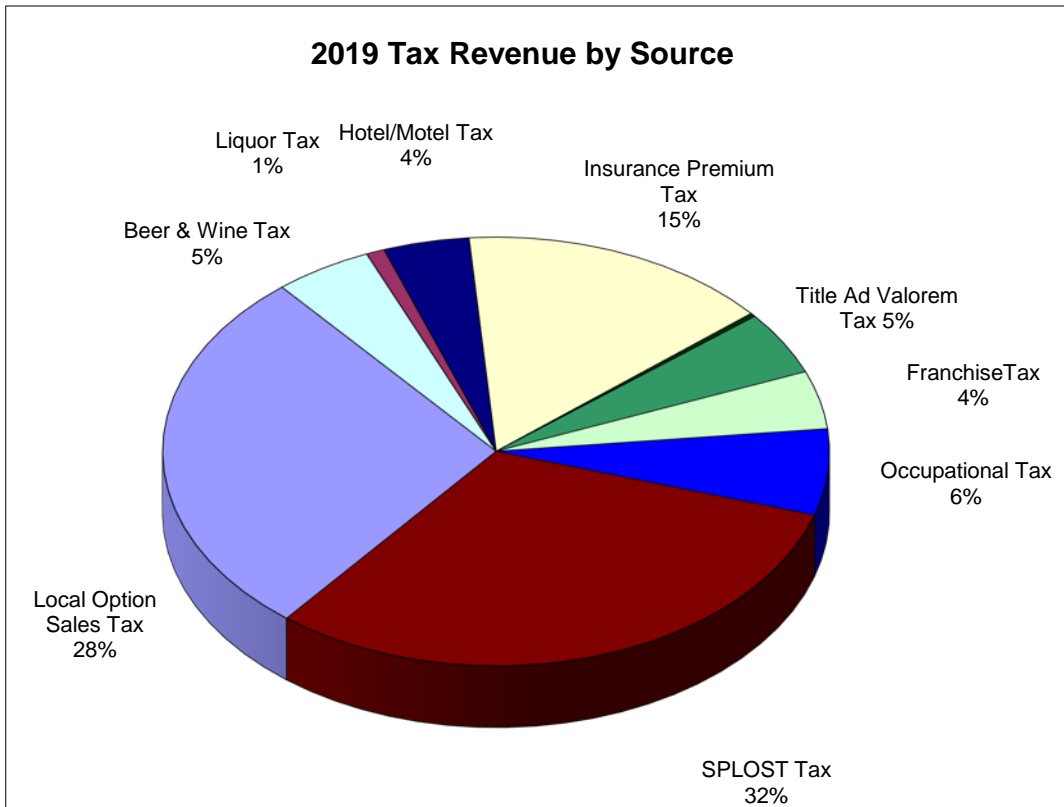
Note (1): Includes general, special revenue, and capital projects funds.



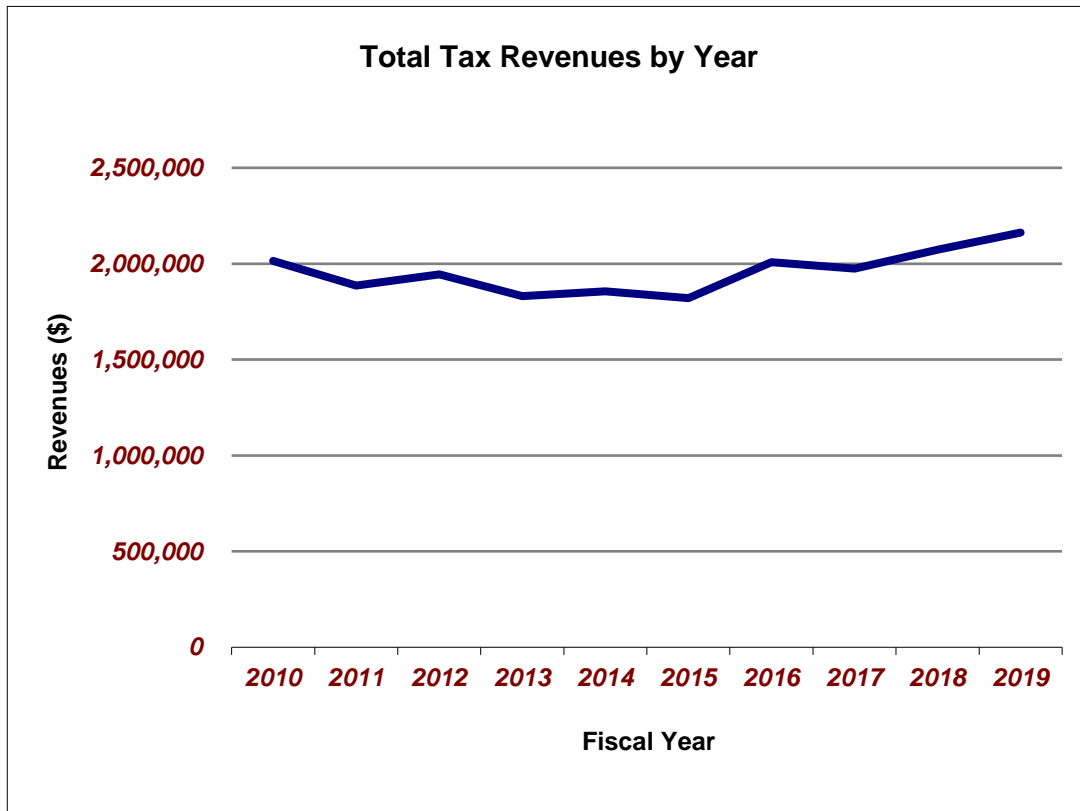
City of Elberton, Georgia
General Government Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Beer & Wine Tax	Liquor Tax	Hotel/Motel Tax (1)	Insurance Premium Tax	Intangible Tax
2010	120,035	21,359	72,661	262,968	3,829
2011	121,973	21,145	58,651	255,324	3,160
2012	129,709	23,955	45,344	218,245	5,294
2013	129,775	19,394	51,865	231,813	7,061
2014	125,992	16,647	46,282	240,020	4,096
2015	132,047	19,366	49,138	246,913	3,739
2016	113,771	22,441	55,837	263,786	4,465
2017	112,152	21,690	59,669	285,732	4,542
2018	103,949	19,006	76,622	304,258	4,436
2019	102,832	19,287	90,031	328,128	5,919

Note (1): Reported in the Hotel/Motel Tax Special Revenue Fund.
 Note (2): Reported as intergovernmental revenue in the SPLOST Capital Projects Funds.
 Note (3): In fiscal year 2013, the title ad valorem tax on motor vehicles became effective March 2013.



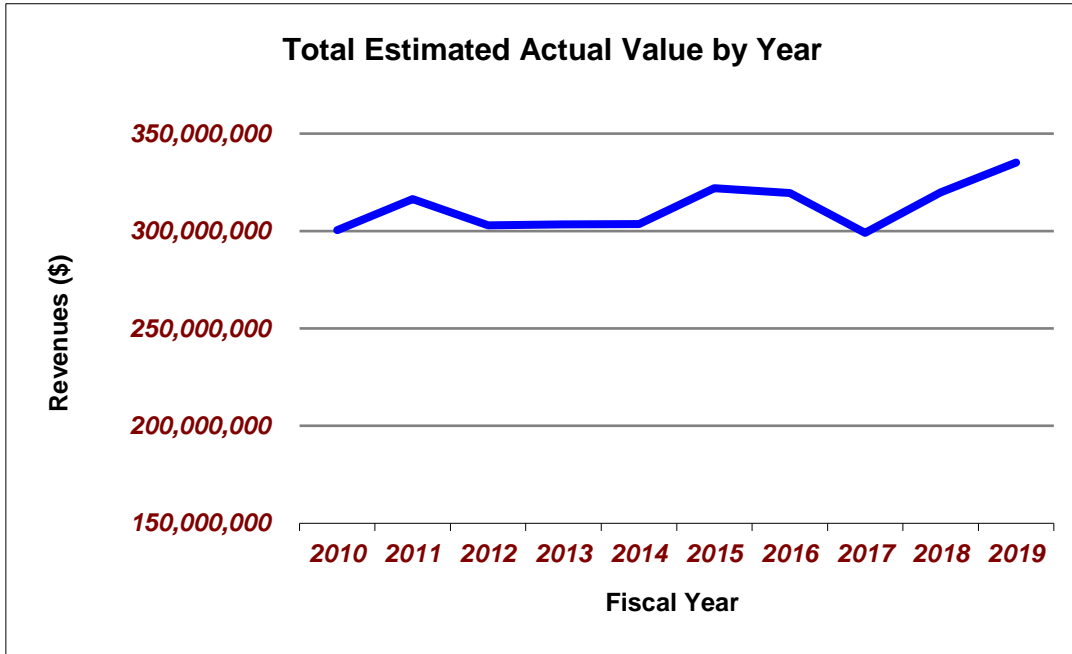
Title Ad Valorem Tax (3)	Franchise Tax	Occupational Tax	SPLOST Tax (2)	Local Option Sales Tax	Total
0	86,620	79,349	696,942	670,803	2,014,566
0	84,338	73,352	634,095	633,998	1,886,036
0	90,041	74,804	763,629	592,734	1,943,755
31,875	91,243	110,828	579,455	577,225	1,830,534
105,085	89,389	125,781	550,972	550,972	1,855,236
102,458	90,654	117,607	529,253	529,378	1,820,553
80,432	98,172	119,704	672,241	577,700	2,008,549
70,116	91,906	122,502	656,054	549,707	1,974,070
69,636	92,799	131,521	673,338	597,251	2,072,816
103,699	94,681	140,341	670,164	607,207	2,162,289



City of Elberton, Georgia
Assessed and Estimated Actual Value of Taxable Property
Digest Years 2010 - 2019

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Public Utilities
2010	109,001,131	8,183,060	332,583	2,697,887
2011	115,566,725	8,075,750	208,676	2,697,887
2012	107,168,885	7,840,330	205,713	5,963,813
2013	107,293,014	7,888,040	172,078	5,991,509
2014	108,348,155	6,913,940	156,160	5,991,509
2015	117,102,330	5,114,940	174,615	6,390,465
2016	117,212,123	4,009,730	168,519	6,390,465
2017	112,263,431	3,046,050	132,474	4,185,489
2018	121,331,524	2,361,690	242,322	3,977,895
2019	127,770,716	1,977,420	234,397	4,075,682

Source: Elbert County Tax Digest



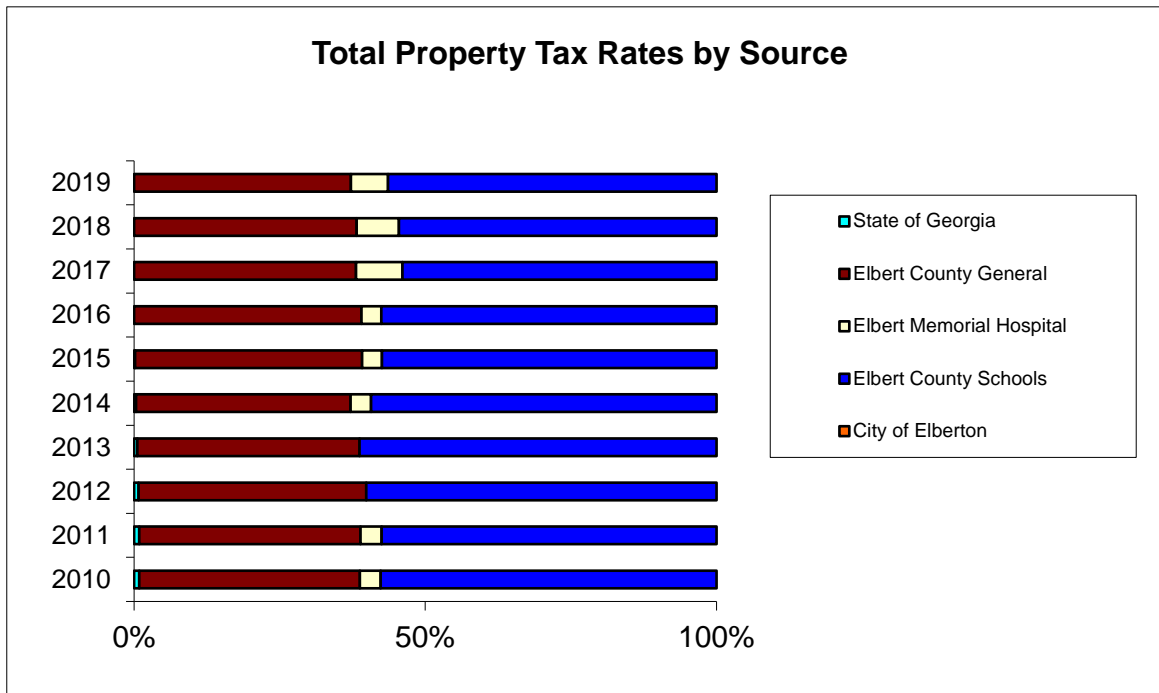
<u>Total Property</u>	<u>Less: Exemptions</u>	<u>Total Taxable Property</u>	<u>Total Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>
120,214,661	(3,839,856)	116,374,805	300,536,653	0.00
126,549,038	(8,162,096)	118,386,942	316,372,595	0.00
121,178,741	(4,334,640)	116,844,101	302,946,853	0.00
121,344,641	(5,205,734)	116,138,907	303,361,603	0.00
121,409,764	(6,261,621)	115,148,143	303,524,410	0.00
128,782,350	(7,982,703)	120,799,647	321,955,875	0.00
127,780,837	(10,886,992)	116,893,845	319,452,093	0.00
119,627,444	(6,934,039)	112,693,405	299,068,610	0.00
127,913,431	(7,067,537)	120,845,894	319,783,578	0.00
134,058,215	(9,823,328)	124,234,887	335,145,538	0.00

City of Elberton, Georgia
Property Tax Rates
(per \$1,000 of Assessed Value)
Digest Years 2010 - 2019

Calendar Year of Digest	State of Georgia	Elbert County (Incorporated area)			Elbert County Schools	City of Elberton	Total Tax Rate (1)
		Elbert County General	Elbert Memorial Hospital	Total County Tax Rate			
2010	0.25	10.50	1.00	11.50	16.00	0.00	27.74
2011	0.25	10.57	1.00	11.57	16.00	0.00	27.81
2012	0.20	10.44	0.00	10.44	16.06	0.00	26.70
2013	0.15	10.41	0.00	10.41	16.72	0.00	27.28
2014	0.10	10.43	1.00	11.43	16.80	0.00	28.33
2015	0.05	11.44	1.00	12.44	16.86	0.00	29.35
2016	0.00	11.45	1.00	12.45	16.90	0.00	29.35
2017	0.00	11.98	2.50	14.48	16.94	0.00	31.42
2018	0.00	11.13	2.10	13.23	15.87	0.00	29.10
2019	0.00	10.50	1.80	12.30	15.93	0.00	28.24

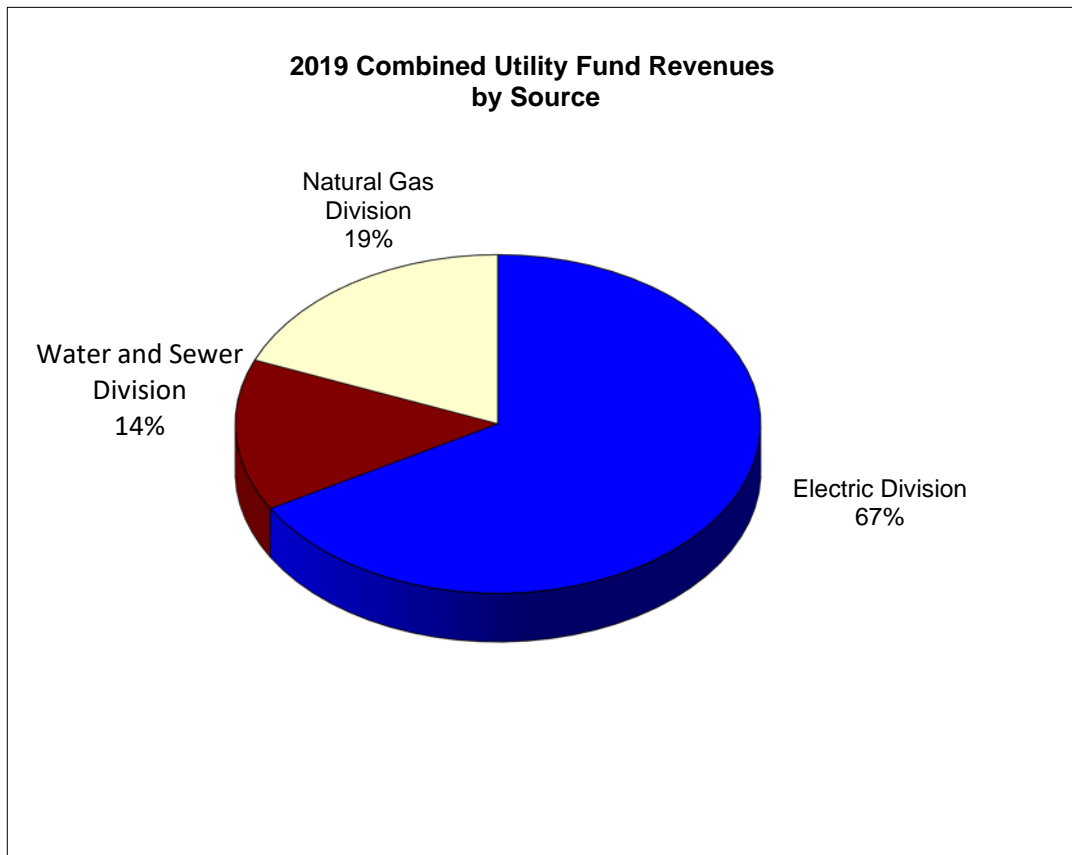
Source: Elbert County Tax Digest

Note (1): Tax rates are expressed in rate per \$1,000.



City of Elberton, Georgia
Combined Utility Fund Operating Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Electric Division	Water and Sewer Division	Natural Gas Utility Division	Total
2010	15,577,263	2,861,000	4,806,629	23,244,892
2011	15,737,432	2,783,284	4,335,416	22,856,132
2012	15,573,869	2,823,743	3,444,888	21,842,500
2013	15,845,922	2,845,625	4,196,331	22,887,878
2014	16,011,682	2,888,320	4,904,861	23,804,863
2015	15,324,173	3,082,987	4,068,943	22,476,103
2016	15,087,099	3,162,542	3,342,027	21,591,668
2017	15,258,308	3,230,673	3,366,448	21,855,429
2018	15,185,292	3,179,372	3,918,925	22,283,589
2019	15,664,913	3,405,465	4,429,209	23,499,587



City of Elberton, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Capital Leases	Water & Sewer Bonds	Notes Payable	Capital Leases			
2010	17,950	9,110,000	0	4,082,771 ⁽²⁾	13,210,721	2.37%	2,839
2011	7,300	8,535,000	0	3,329,935	11,872,235	2.08%	2,598
2012	0	8,220,000	0	2,565,299	10,785,299	1.82%	2,392
2013	565,162 ⁽³⁾	7,500,000	0	1,917,369	9,982,531	1.68%	2,219
2014	509,192	6,760,000	507,499 ⁽⁴⁾	1,562,987	9,339,678	1.51%	2,070
2015	452,041	5,995,000	1,568,991	3,041,061 ⁽⁵⁾	11,057,093	1.81%	2,466
2016	393,684	5,210,000	6,034,630 ⁽⁶⁾	2,477,256	14,115,570	2.24%	3,170
2017	334,096	4,395,000	7,865,513	1,613,690	14,208,299	2.15%	3,215
2018	0	3,560,000	7,512,701	1,342,813	12,415,514	N/A	2,867
2019	0	2,705,000	8,661,781 ⁽⁷⁾	1,066,312	12,433,093	N/A	2,859

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note (1): See the Demographic Statistics on exhibit J-16 for personal income and population information.

Note (2): Capital leases to finance the expansion of the broadband and cable television distribution system.

Note (3): Capital lease to purchase a new fire ladder truck for the fire department.

Note (4): Note payable through Georgia Environmental Finance Authority for improvements to water system.

Note (5): Capital lease to finance the replacement of natural gas bare steel lines.

Note (6): Note payable through Northeast Georgia Bank for the refurbishment of the Samuel Elbert Hotel and GEFA for sewer plant improvements.

City of Elberton, Georgia
Computation of Legal Debt Margin
June 30, 2019

Net assessed value	\$	124,234,887
Debt limit - 10% of total assessed value		12,423,489
Total General Obligation bonds outstanding		<u>0</u>
Legal debt margin	\$	<u>12,423,489</u>
Ratio of Legal Debt Margin to Debt Limit		100.00%

**Direct General Obligation and
Guaranteed Revenue Debt Outstanding**

		Debt per Capita
General Obligation Debt	\$	<u>0</u>
Guaranteed Revenue Debt:		
Series 2011 Combined Public Utility System Revenue Bonds	<u>2,705,000</u>	<u>622</u>
Total General Obligation and Guaranteed Revenue Debt	<u>\$</u>	<u>\$</u>
	2,705,000	622

City of Elberton
Legal Debt Margin Information
Last Ten Fiscal Years

	FISCAL YEAR		
	2019	2018	2017
Debt Limit	\$ 12,423,489	\$ 12,084,589	\$ 11,269,341
Total Net Debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>12,423,489</u>	<u>12,084,589</u>	<u>11,269,341</u>
Ratio of Legal Debt Margin to Debt Limit	100%	100%	100%

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
\$ 11,689,385	\$ 12,079,965	\$ 11,514,814	\$ 11,613,891	\$ 11,684,410	\$ 11,838,694	\$ 11,637,481
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>11,689,385</u>	<u>12,079,965</u>	<u>11,514,814</u>	<u>11,613,891</u>	<u>11,684,410</u>	<u>11,838,694</u>	<u>11,637,481</u>
100%	100%	100%	100%	100%	100%	100%

City of Elberton, Georgia
Revenue Bond Coverage
2011 Series Bonds for Water & Sewer Division
Combined Public Utility System Fund
Last Ten Fiscal Years

Fiscal Years	Debt Service			Water & Sewer Division			
	Principal	Interest	Total	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Coverage
2010	555,000	459,515	1,014,515	2,861,000	1,737,481	1,123,519	1.11
2011	575,000	434,714	1,009,714	2,783,284	1,752,208	1,031,076	1.02
2012	605,000	364,467	969,467	2,823,743	1,842,516	981,227	1.01
2013	720,000	214,185	934,185	2,845,625	1,909,350	936,275	1.00
2014	740,000	194,293	934,293	2,888,320	1,893,551	994,769	1.06
2015	765,000	173,787	938,787	3,082,987	1,847,536	1,235,451	1.32
2016	785,000	152,668	937,668	3,162,542	1,857,962	1,304,580	1.39
2017	815,000	130,868	945,868	3,230,673	1,898,498	1,332,175	1.41
2018	835,000	108,387	943,387	3,179,372	1,931,326	1,248,046	1.32
2019	855,000	85,361	940,361	3,405,465	1,944,930	1,460,535	1.55

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Operating Expenses do not include interest or depreciation.

Combined Public Utility System Fund

Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Coverage
23,244,892	16,439,395	6,805,497	6.71
22,856,132	17,029,446	5,826,686	5.77
21,842,500	17,602,914	4,239,586	4.37
22,887,878	17,856,527	5,031,351	5.39
23,804,863	19,259,642	4,545,221	4.86
22,476,103	18,460,071	4,016,032	4.28
21,591,668	17,265,663	4,326,005	4.61
21,855,429	17,331,844	4,523,585	4.78
22,283,589	16,848,738	5,434,851	5.76
23,499,587	17,767,036	5,732,551	6.10

City of Elberton, Georgia
Direct and Overlapping Governmental Debt
As of June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Elbert County Schools	\$ -	0%	\$ -
Elbert County	-	0%	-
Subtotal, overlapping debt			<u>-</u>
City of Elberton direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ -</u></u>

Source: Debt outstanding data provided by Elbert County Schools and Elbert County Finance Offices.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Elberton. The process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Note: The outstanding debt reported from overlapping authorities includes bonds, notes, and capital leases as reported on their Governmental Activities Sheet.

City of Elberton, Georgia

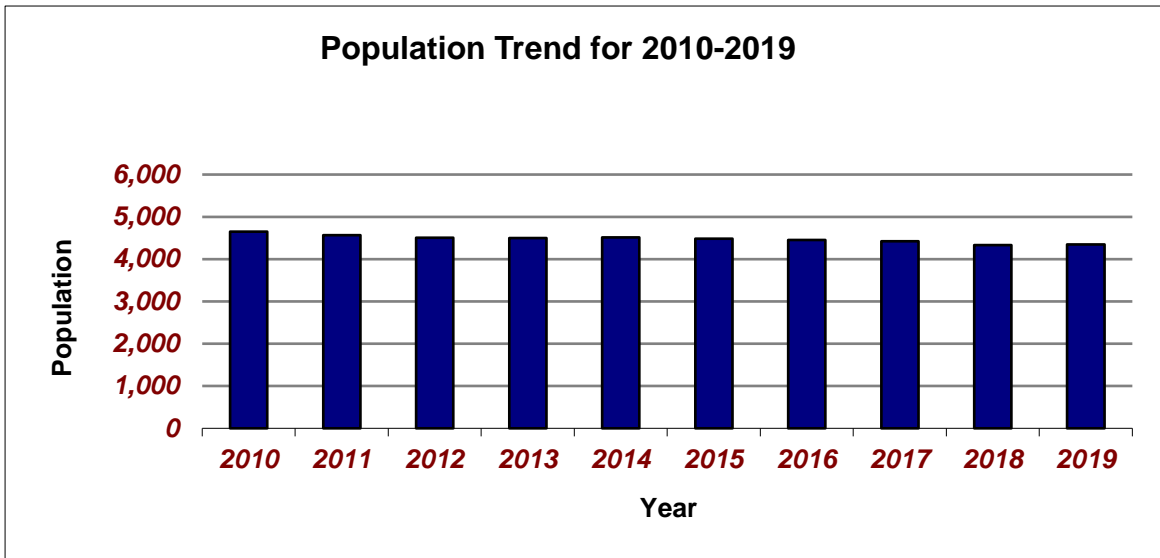
Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Unemployment Rate (2)	Median Household Income (3)	Per Capita Income (4)	Total Personal Income (4) (amounts in thousands)	School Enrollment (5)
2010	4,653	12.4%	30,543	27,754	558,390	3,341
2011	4,570	14.6%	32,046	28,713	570,984	3,278
2012	4,509	13.1%	35,053	30,099	592,472	3,220
2013	4,499	11.4%	35,817	30,416	593,531	3,105
2014	4,512	9.2%	35,170	31,716	616,501	3,049
2015	4,484	8.2%	35,388	31,519	610,330	3,009
2016	4,453	6.7%	35,739	32,857	628,988	3,079
2017	4,420	6.2%	35,207	34,541	660,045	3,064
2018	4,331	5.3%	N/A	N/A	N/A	3,113
2019	4,348	4.3%	N/A	N/A	N/A	3,133

- (1) U. S. Census Bureau
- (2) Georgia Department of Labor, for entire Elbert County
- (3) U. S. Census Bureau, for entire Elbert County
- (4) U. S. Dept. of Commerce, Bureau of Economic Analysis
- (5) Elbert County Board of Education, for entire Elbert County

N/A = information not available



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City of Elberton, Georgia
Principal Employers
For the Current Year and Nine Years Ago

Employer	2019			2010		
	Number of Employees (1)	Rank	Percentage of Total for Principal Employers	Number of Employees (2)	Rank	Percentage of Total for Principal Employers
Pilgrims Pride Corp	469	1	29.72%	638	1	42.50%
MollerTech South LLC	203	2	12.86%			
Star Granite Company	160	3	10.14%	119	4	7.93%
Bubba Foods	138	4	8.75%	176	2	11.73%
Eagle Granite Company	133	5	8.43%	66	8	4.40%
Elbert Memorial Hospital	108	6	6.84%	120	3	7.99%
Everlasting Granite	104	7	6.59%	71	7	4.73%
Keystone Memorials	90	8	5.70%	95	5	6.33%
Pinnacle Bank	89	9	5.64%	90	6	6.00%
Whitlow Electric	84	10	5.32%			
Century Granite Company				64	9	4.26%
Wal-mart				62	10	4.13%
Total for Principal Employers	1,578		100%	1,501		100%

Source:

(1) City of Elberton

(2) Elbert County Chamber of Commerce

Note: Governmental employers are not included in the ranking

City of Elberton
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30				
	2019	2018	2017	2016	2015
Primary government					
General Government	4	4	5	5	5
Judicial	1	1	1	1	1
Public Safety					
Animal Control	1	1	1	1	1
Police	22	22	22	22	22
Fire	16	16	16	16	16
Public Works	12	11	10	10	11
Culture and Recreation	1	1	1	1	1
Housing and Development	2	2	2	2	2
Combined Public Utilities	41	42	41	41	40
ElbertonNET Technology Services	6	6	6	6	6
Solid Waste	12	12	12	12	12
Total primary government	<u>118</u>	<u>118</u>	<u>117</u>	<u>117</u>	<u>117</u>
Component unit					
Downtown Development Authority	<u>4</u>	<u>5</u>	<u>7</u>	<u>1</u>	<u>1</u>
Total employees	<u><u>122</u></u>	<u><u>123</u></u>	<u><u>124</u></u>	<u><u>118</u></u>	<u><u>118</u></u>

Source: City of Elberton Annual Budget

Full-time Equivalent Employees as of June 30				
2014	2013	2012	2011	2010
5	5	5	6	7
1	1	1	1	1
1	1	1	1	1
22	22	22	22	23
16	16	16	16	19
11	12	14	14	14
1	1	1	1	1
2	2	2	2	2
40	46	47	48	48
5	6	6	6	6
12	12	11	11	11
<u>116</u>	<u>124</u>	<u>126</u>	<u>128</u>	<u>133</u>
<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>117</u>	<u>125</u>	<u>127</u>	<u>129</u>	<u>134</u>

City of Elberton, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

Function	FISCAL YEAR		
	2019	2018	2017
Police			
Number of Citations	3,066	2,072	1,551
Number of Calls for Service	12,200	9,931	8,838
Fire			
Number of Calls Answered	491	279	244
Number of Inspections Conducted	354	351	390
Electrical Service:			
Number of customers	4,460	4,426	4,385
Kilowatt hours sold	136,677,976	132,103,616	131,665,366
Water & Sewer Service:			
Number of water customers	3,520	3,498	3,472
Gallons of water sold	479,946,757	452,177,803	468,472,317
Natural Gas Service:			
Number of customers	3,913	3,909	3,907
Cubic feet sold	391,744,743	354,843,047	318,836,967

Source: Various City Departments

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	2010
1,046	1,398	1,599	2,660	2,081	2,529	2,095
8,302	7,774	6,323	6,750	7,535	8,542	4,852
255	244	263	238	204	295	299
390	514	418	465	212	288	316
4,400	4,384	4,372	4,432	4,477	4,484	4,508
129,984,996	135,569,236	142,837,883	150,210,061	150,187,217	149,315,808	149,630,117
3,468	3,458	3,444	3,464	3,508	3,524	3,521
453,497,843	439,992,472	418,102,962	440,791,336	460,021,368	451,648,930	469,613,481
3,938	3,931	3,928	3,973	4,045	4,036	4,069
354,308,102	395,448,001	439,296,494	394,789,619	331,140,000	374,576,000	428,663,000

City of Elberton
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	FISCAL YEAR		
	2019	2018	2017
Public safety			
Number of police stations	1	1	1
Number of fire stations	1	1	1
Highways and streets			
Miles of streets	53	53	53
Culture and Recreation			
Parks	4	4	4
Park acreage	29.42	29.42	29.42
Baseball/Softball fields	4	4	4
Tennis courts	6	6	6
Community Playgrounds	4	4	4
Electrical System			
# of Substations	3	3	3
# of Circuits	12	12	12
Miles of Distribution Line	164	164	164
Water and Sewerage System (MGD - Millions of Gallons per Day)			
Water System:			
Miles of water mains	126	124	124
Number of water treatment plants	1	1	1
Maximum daily capacity of treatment plants in gallons	3MGD	3MGD	3MGD
Sewer System:			
Miles of sanitary sewers	69	69	69
Number of wastewater treatment plants	2	2	2
Maximum daily capacity of treatment plant in gallons	1.5MGD	1.5MGD	1.5MGD
Natural Gas System			
Number of regulator stations	7	7	7
Miles of natural gas lines	199	195	195
Broadband System			
Miles of fiber optics	145	145	145
Miles of coaxial cable	188	188	188
Number of active nodes	33	33	33

Source: Various City Departments.

Note 1: No capital asset indicators are available for the general government function.

Note 2: Miles of gas, water and sanitary sewer mains were verified and updated in 2011 utilizing new GIS software. Actual extensions did not occur in 2011.

Note 3: Miles of city streets were verified and updated in 2013 utilizing new GIS software. Actual extensions did not occur in 2013.

FISCAL YEAR						
2016	2015	2014	2013 ⁽³⁾	2012	2011 ⁽²⁾	2010
1	1	1	1	1	1	1
1	1	1	1	1	1	1
53	53	53	53	35	35	35
4	4	4	4	4	4	4
29.42	29.42	29.42	29.42	29.42	29.42	29.42
4	4	4	4	4	4	4
6	6	6	6	6	6	6
4	4	4	4	4	4	3
3	3	3	3	3	3	3
12	12	12	12	12	12	12
164	164	164	163	163	163	163
124	124	124	124	121	121	107
1	1	1	1	1	1	1
3MGD	3MGD	3MGD	3MGD	3MGD	3MGD	3MGD
69	69	69	69	68	68	62
2	2	2	2	2	2	2
1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD
7	7	7	7	7	7	7
195	195	195	195	192	192	182
145	145	145	110	104	99	95
188	188	186	184	165	151	151
33	33	31	27	25	24	22

City of Elberton, Georgia
Property Value - Construction
Last Ten Fiscal Years

Fiscal Year	Number of Permits	Estimated Construction Costs
2010	197	7,445,351
2011	188	1,419,547
2012	122	2,916,596
2013	92	1,770,712
2014	100	3,056,851
2015	108	1,633,134
2016	114	6,178,322
2017	111	1,219,316
2018	120	3,297,476
2019	129	1,794,488

Source: City of Elberton Building Inspection Office

City of Elberton, Georgia
Miscellaneous Statistics
June 30, 2019

Date of incorporation	December 10, 1803
Form of government	Mayor--Council--Manager
Population (Census 2010)	4,653
Area	3.5 square miles
Fire protection:	
Number of certified firefighters	17
Police protection:	
Number of sworn police officers	22
Education:	
Elementary schools (PreK - 5)	2
Number of teachers	62
Number of students	831
Middle schools (6 - 8)	1
Number of teachers	61
Number of students	981
High schools (9 - 12)	1
Number of teachers	55
Number of students	822
Schools of post-secondary education	1
Recreation and Culture:	
Libraries	1
Recreation centers	4
Municipal cemeteries	2
Total acreage	24.10
Number of employees:	
Full-time	122
Part-time	8

Source: Various city departments and local institutions

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Part IV

Other Reporting Section



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SINGLE AUDIT SECTION

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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards***

Honorable Mayor and Members
of the City Council
City of Elberton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, 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 Elberton, Georgia's basic financial statements and have issued our report thereon dated October 31, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Elberton, 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 Elberton's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Elberton'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were 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 Elberton, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 is required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended 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 City of Elberton, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
October 31, 2019

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Mayor and Members
of the City Council
City of Elberton, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Elberton, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Elberton, Georgia's major federal programs for the year ended June 30, 2019. The City of Elberton, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Elberton, Georgia's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Elberton, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Elberton, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Elberton, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City of Elberton, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Elberton, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the

purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Elberton, Georgia's internal control over compliance.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
October 31, 2019

CITY OF ELBERTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2019

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Environmental Protection Agency</u>				
Passed through Georgia Environmental Finance Authority:				
Drinking Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water				
State Revolving Funds	66.468	DWSRF 18008		
Loans			\$ 1,514,805	\$ 0
Grants			<u>288,534</u>	<u>0</u>
Total Federal Awards			<u><u>\$ 1,803,339</u></u>	<u><u>\$ 0</u></u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

CITY OF ELBERTON, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Elberton, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

The City of Elberton, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

CITY OF ELBERTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2019

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiencies identified	
Not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified	
not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
66.468 Capitalization Grants for Drinking Water State Revolving Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings

A. Current Year Audit Findings

None reported

B. Prior Year Audit Findings Follow-Ups

None reported

CITY OF ELBERTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2019

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

STATE REPORTING SECTION

CITY OF ELBERTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior	Current	Total
			Years	Year	
2011 SPLOST					
Infrastructure Improvements	\$ 358,000	\$ 358,000	\$ 187,017	\$ 0	\$ 187,017
Recreation Facilities and Equipment	595,000	595,000	815,033	0	815,033
Downtown Elberton Revitalization	300,000	300,000	204,548	0	204,548
Public Safety Equipment	750,000	750,000	1,042,416	0	1,042,416
Public Works Equipment	125,000	125,000	797,590	0	797,590
Broadband Distribution					
System Improvements	350,000	350,000	324,856	0	324,856
Water and Sewer					
Distribution System					
Improvements	1,350,000	1,350,000	325,466	0	325,466
Total	\$ 3,828,000	\$ 3,828,000	\$ 3,696,926	\$ 0	\$ 3,696,926

* Estimated cost represents the portion of these projects to be financed with Special Purpose Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF ELBERTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2017 SPLOST					
Sidewalk Improvements	\$ 50,000	\$ 50,000	\$ 0	\$ 0	\$ 0
Cemetery Improvements	50,000	50,000	0	0	0
Street Improvements	250,000	250,000	0	0	0
Stormwater Improvements	150,000	150,000	375	66,976	67,351
Recreation Facilities and Equipment	120,000	120,000	0	18,802	18,802
Elbert Theatre Equipment	100,000	100,000	34,304	0	34,304
Downtown Elberton Revitalization	200,000	200,000	102,964	173,155	276,119
Fire Buildings and Equipment	100,000	100,000	49,295	59,912	109,207
Street Lighting Improvements	150,000	150,000	0	0	0
Public Works Facility Improvements	100,000	100,000	0	0	0
Police Vehicles and Equipment	350,000	350,000	197,817	78,979	276,796
Water Vehicles and Equipment	75,200	75,200	0	0	0
Public Works Vehicles and Equipment	250,000	250,000	0	56,078	56,078
Broadband Distribution					
System Improvements	750,000	750,000	0	0	0
Water and Sewer					
Distribution System					
Improvements	750,000	750,000	118,395	0	118,395
Total	\$ 3,445,200	\$ 3,445,200	\$ 503,150	\$ 453,902	\$ 957,052
Current year expenditures				\$ 453,902	
Expenditures financed through other revenues, financing sources, and transfers from other funds				20,000	
Total 2017 SPLOST Capital Projects Fund Expenditures and Transfers Out				\$ 473,902	

* Estimated cost represents the portion of these projects to be financed with Special Purpose Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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