

*Rock Solid*

# City of Elberton, Georgia

## Annual Comprehensive Financial Report

For the fiscal year ended  
June 30, 2021

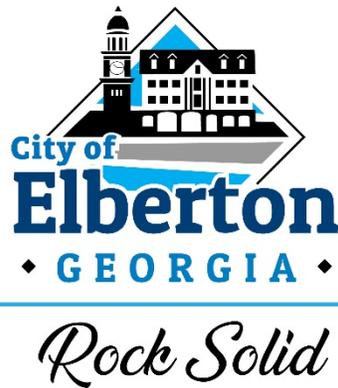
Prepared by:

Department of Finance

This page intentionally left blank.

# Part I

## Introductory Section



This page intentionally left blank.

**City of Elberton**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the fiscal year ended June 30, 2021**

**TABLE OF CONTENTS**

<b>Exhibit</b>		<b>PAGE</b>
<b><u>INTRODUCTORY SECTION:</u></b>		
	Table of Contents	i-v
	Certificate of Achievement for Excellence in Financial Reporting	vi
	Principal Officials	vii
	City of Elberton Organizational Chart	viii
	Letter of Transmittal	ix-xiii
<b><u>FINANCIAL SECTION:</u></b>		
	Independent Auditor's Report.....	1-3
	Management's Discussion and Analysis.....	4-13
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
A-1	Statement of Net Position.....	14-15
A-2	Statement of Activities.....	16
Fund Financial Statements:		
Governmental Funds:		
A-3	Balance Sheet.....	17
A-4	Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	18
A-5	Statement of Revenues, Expenditures and Changes in Fund Balances.....	19
A-6	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
A-7	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	21-22
Proprietary Funds:		
A-8	Statement of Net Position.....	23-24
A-9	Statement of Revenues, Expenses, and Changes in Net Position.....	25
A-10	Statement of Cash Flows.....	26-27
Fiduciary Fund:		
A-11	Statement of Fiduciary Net Position.....	28
A-12	Statement of Changes in Fiduciary Net Position.....	29
A-13	Notes to the Financial Statements	30-71
	1. Description of Government Unit.....	30
	2. Summary of Significant Accounting Policies.....	30-44
	3. Deposit and Investment Risk.....	44-47
	4. Accounts Receivable.....	47
	5. Intergovernmental Receivables.....	48
	6. Interfund Receivables and Payables, and Transfers.....	48-49
	7. Intradepartmental Billings.....	49
	8. Capital Assets.....	50-51
	9. Capital and Operating Leases Agreements.....	52

**City of Elberton**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the fiscal year ended June 30, 2021**

**TABLE OF CONTENTS**

**Exhibit**

**PAGE**

**FINANCIAL SECTION (continued)**

**Basic Financial Statements (continued):**

A-13	Notes to the Financial Statements (continued)	
	10. Long-Term Debt.....	52-57
	11. Long-Term Liabilities.....	58
	12. Nonspendable, Restricted, Committed, and Assigned Fund Balances.....	59
	13. Landfill Closure and Post Closure Care Costs.....	59-60
	14. Risk Management and Self Insurance.....	60
	15. Pension Plan.....	61-67
	16. Deferred Compensation Plan.....	67
	17. Post Employment Health Care Benefits.....	68
	18. Hotel/Motel Lodging Tax.....	68
	19. Joint Ventures.....	69
	20. Related Organizations.....	69
	21. Commitments and Contingencies.....	69-70
	22. Risks and Uncertainties.....	71
	23. Deficit Equity Balances.....	71
	24. Subsequent Events.....	71
	<b>Required Supplementary Information:</b>	
B-1	Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios.....	72-73
B-2	Schedule of Contributions.....	74-75
B-3	Notes to the Required Supplementary Information.....	76-79

**SUPPLEMENTARY INFORMATION**

**Combining and Individual Fund Statements and Schedules:**

C-1	Combining Balance Sheet - Nonmajor Governmental Funds.....	80
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	81
C-3	Combining Statement of Net Position – Nonmajor Enterprise Funds.....	82
C-4	Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds.....	83
C-5	Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	84-85
	<b>GENERAL FUND</b>	
D-1	Comparative Balance Sheets - General Fund.....	86
D-2	Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	87
D-3	Schedule of Revenues - Budget (GAAP Basis) and Actual - General Fund.....	88
D-4	Schedule of Expenditures - Budget (GAAP Basis) and Actual - General Fund.....	89-93

**City of Elberton**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the fiscal year ended June 30, 2021**

**TABLE OF CONTENTS**

**Exhibit**

**PAGE**

**SUPPLEMENTARY INFORMATION (continued)**

**Combining and Individual Fund Statements and Schedules (continued):**

***SPECIAL REVENUE FUNDS***

E-1	Comparative Balance Sheets - Hotel/Motel Special Revenue Fund.....	<b>94</b>
E-2	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Hotel/Motel Special Revenue Fund.....	<b>95</b>
E-3	Comparative Balance Sheets - Revolving Loan Special Revenue Fund.....	<b>96</b>
E-4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Revolving Loan Special Revenue Fund.....	<b>97</b>

***CAPITAL PROJECTS FUNDS***

F-1	Comparative Balance Sheets - 2017 Special Purpose Local Option Sales Tax Capital Projects Fund.....	<b>98</b>
F-2	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - 2017 Special Purpose Local Sales Tax Capital Projects Fund.....	<b>99</b>
F-3	Comparative Balance Sheets - 2019 Transportation Special Purpose Local Option Sales Tax Capital Projects Fund.....	<b>100</b>
F-4	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - 2019 Transportation Special Purpose Local Option Sales Tax Capital Projects Fund.....	<b>101</b>

***ENTERPRISE FUNDS***

G-1	Comparative Statements of Net Position - Combined Public Utility System Enterprise Fund.....	<b>102-103</b>
G-2	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Combined Public Utility System Enterprise Fund.....	<b>104</b>
G-3	Comparative Schedules of Revenues, Expenses, and Changes in Net Position - Combined Public Utility System Enterprise Fund - Electric Utility Department.....	<b>105</b>
G-4	Comparative Schedules of Revenues, Expenses, and Changes in Net Position - Combined Public Utility System Enterprise Fund - Water and Sewer Utility Department.....	<b>106</b>
G-5	Comparative Schedules of Revenues, Expenses, and Changes in Net Position - Combined Public Utility System Enterprise Fund - Natural Gas Utility Department.....	<b>107</b>
G-6	Comparative Statements of Cash Flows - Combined Public Utility System Enterprise Fund.....	<b>108-109</b>
G-7	Comparative Statements of Net Position - Solid Waste Enterprise Fund.....	<b>110</b>
G-8	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Solid Waste Enterprise Fund.....	<b>111</b>
G-9	Comparative Statements of Cash Flows - Solid Waste Enterprise Fund.....	<b>112</b>
G-10	Comparative Statements of Net Position - ElbertonNET Technology Services Enterprise Fund.....	<b>113-114</b>
G-11	Comparative Statements of Revenues, Expenses, and Changes in Net Position - ElbertonNET Technology Services Enterprise Fund.....	<b>115</b>
G-12	Comparative Statements of Cash Flows - ElbertonNET Technology Services Enterprise Fund.....	<b>116</b>

**City of Elberton**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the fiscal year ended June 30, 2021**

**TABLE OF CONTENTS**

<b>Exhibit</b>		<b>PAGE</b>
<b><u>SUPPLEMENTARY INFORMATION (continued)</u></b>		
<b>Combining and Individual Fund Statements and Schedules (continued)</b>		
G-13	Comparative Statements of Net Position - Elbert Theatre Enterprise Fund.....	117
G-14	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Elbert Theatre Enterprise Fund.....	118
G-15	Comparative Statements of Cash Flows - Elbert Theatre Enterprise Fund.....	119
G-16	Comparative Statements of Net Position - Elbert Hotel Enterprise Fund.....	120-121
G-17	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Elbert Hotel Enterprise Fund.....	122
G-18	Comparative Statements of Cash Flows - Elbert Hotel Enterprise Fund.....	123
<b>COMPONENT UNIT</b>		
H-1	Comparative Balance Sheets - Downtown Development Authority.....	124
H-2	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Downtown Development Authority.....	125
<b><u>STATISTICAL SECTION</u></b>		
<b>Financial Trends</b>		
I-1	Net Position by Component – Last Ten Fiscal Years.....	126-127
I-2	Changes in Net Position – Last Ten Fiscal Years.....	128-131
I-3	Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	132-133
I-4	Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	134-135
I-5	General Government Expenditures by Function – Last Ten Fiscal Years.....	136-137
<b>Revenue Capacity</b>		
I-6	General Government Revenues by Source – Last Ten Fiscal Years.....	138
I-7	General Government Tax Revenues by Source – Last Ten Fiscal Years.....	139-140
I-8	Assessed and Estimated Actual Value of Taxable Property – Digest Years 2012 - 2021.....	141-142
I-9	Property Tax Rates - Digest Years 2012 - 2021.....	143
I-10	Combined Public Utility Fund Operating Revenue by Source – Last Ten Fiscal Years.....	144
<b>Debt Capacity</b>		
I-11	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	145
I-12	Computation of Legal Debt Margin – June 30, 2021.....	146
I-13	Legal Debt Margin Information – Last Ten Fiscal Years.....	147-148
I-14	Revenue Bond Coverage – Last Ten Fiscal Years.....	149-150
I-15	Direct and Overlapping Governmental Activities Debt - June 30, 2021.....	151
<b>Demographic and Economic Information</b>		
I-16	Demographic Statistics – Last Ten Fiscal Years.....	152
I-17	Principal Employers - For the Current Year and Nine Years Ago.....	153
<b>Operating Information</b>		
I-18	Full-Time Equivalent Employees by Function – Last Ten Fiscal Years.....	154-155
I-19	Operating Indicators by Function – Last Ten Fiscal Years.....	156-157
I-20	Capital Asset Statistics by Function – Last Ten Fiscal Years.....	158-159

**City of Elberton**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the fiscal year ended June 30, 2021**

**TABLE OF CONTENTS**

<b>Exhibit</b>		<b>PAGE</b>
<b><u>STATISTICAL SECTION (continued)</u></b>		
<b>Miscellaneous Information</b>		
I-21	Property Value – Construction – Last Ten Fiscal Years.....	<b>160</b>
I-22	Miscellaneous Statistics.....	<b>161</b>
 <b><u>OTHER REPORTING SECTION</u></b>		
<b>Single Audit Section</b>		
	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 <i>Government Auditing Standards</i>	<b>162-163</b>
	Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance	<b>164-165</b>
J-1	Schedule of Expenditures of Federal Awards	<b>166</b>
J-2	Notes to the Schedule of Expenditures of Federal Awards	<b>167</b>
J-3	Schedule of Findings and Questioned Costs	<b>168-169</b>
 <b>State Reporting Section</b>		
K-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax.....	<b>170</b>
K-1	Schedule of Projects Financed with Transportation Special Purpose Local Option Sales Tax..	<b>171</b>



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Elberton  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

CITY OF ELBERTON, GEORGIA

CITY OFFICIALS

June 30, 2021

MAYOR

Larry L. Guest

CITY COUNCIL

Carey Butler, Mayor Pro Tempore

Terry Burton

Troy Colquitt

Kyle Parham

Rick Prince

CITY MANAGER

Lanier W. Dunn, CPA

CITY ATTORNEY

John Stephen Jenkins, Sr.

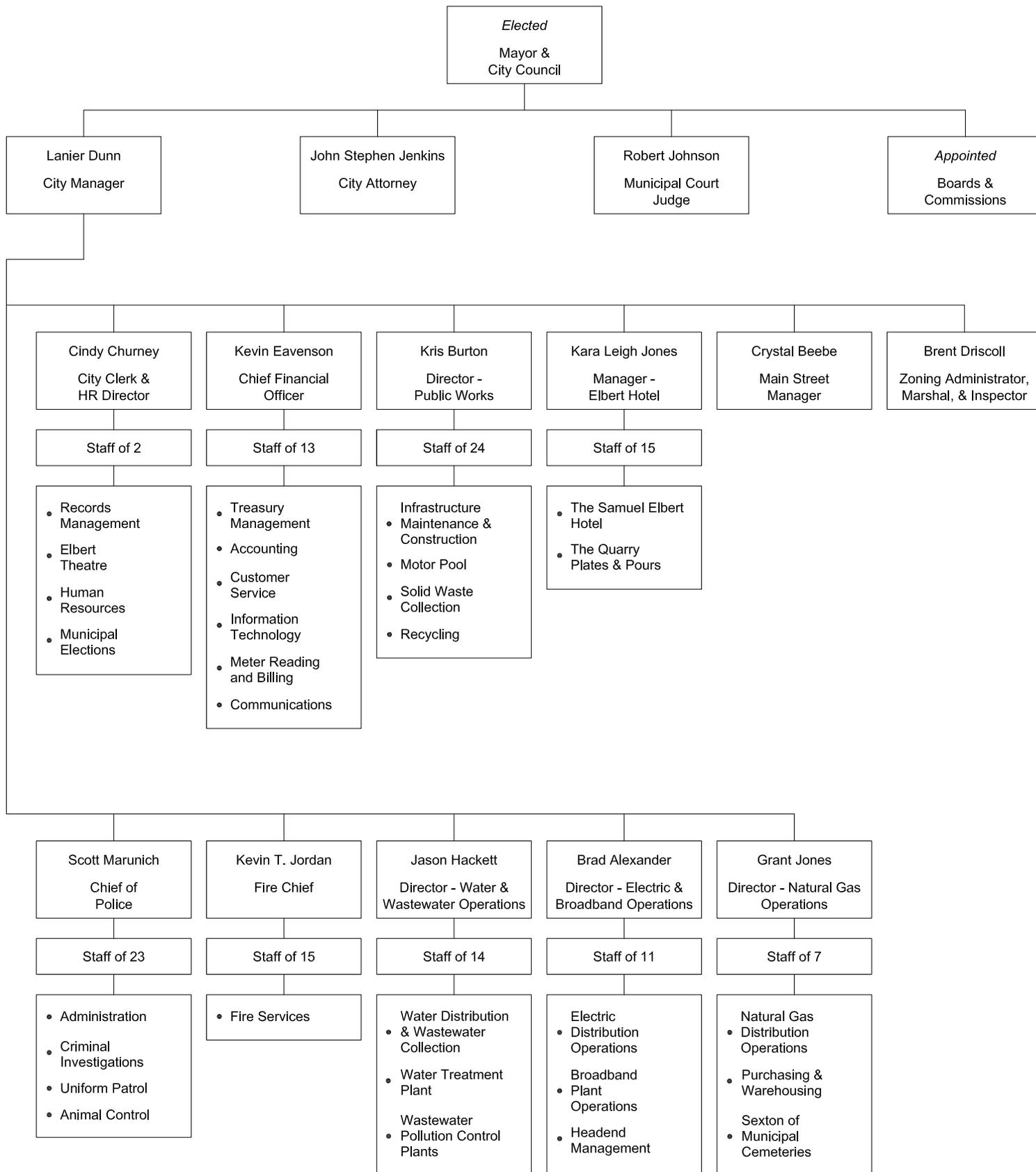
MUNICIPAL COURT JUDGE

Robert A. Johnson

# City of Elberton, Ga.

## Organizational Chart

as of June 30, 2021





203 ELBERT STREET • PO BOX 70 • ELBERTON, GA 30635-0070  
(706) 213-3100 • [cityofelberton.net](http://cityofelberton.net)

*Rock Solid*

November 10, 2021

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

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the City of Elberton, Georgia, for the fiscal year ended June 30, 2021, 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 2020 U.S. Census, Elberton has a population of 4,640 while Elbert County has 19,637. 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, 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. 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 4,600 citizens in the City as well as over 6,200 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 2021.

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 2021 were funded by the 2017 sales tax. Included in these projects were purchases of vehicles and equipment for the police department and the public works department. The sales tax also funded the construction of the new Medical Drive storm water project, street lighting improvements, and architectural fees for a downtown renovation project. Additionally, the sales tax helped to purchase materials to complete the expansion of the ElbertonNET broadband system to the southeast portion of Elbert County.

The City of Elberton also began receiving proceeds from the 2019 transportation special purpose local option sales tax in fiscal year 2020. This special sales tax, approved by Elbert County voters, was budgeted to fund \$2.3 million of capital projects over the next five years in the City of Elberton. The proceeds from the 2019 transportation special purpose local option sales tax (TSPLOST) are scheduled to conclude in June, 2024. During fiscal year 2021, a total of 2.9 miles of streets were paved with the 2019 TSPLOST funds.

The divisions of Elberton Utilities concluded several projects in fiscal year 2021 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 2021, the electric division replaced several hundred poles to renew and strengthen the city's electric infrastructure. 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 replacement of a new water filter under drain system at the water filter plant and the installation of a new water actuator valve at the Tower Lane water tank.

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. During fiscal year 2021, ElbertonNET completed one-half of a major expansion of the broadband system into the southeastern portion of Elbert County. 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020, for the eighteenth 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 ACFR, the contents of which conform to program standards. The ACFR 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

This page intentionally left blank.

Part II  
Financial Section



---

*Rock Solid*

This page intentionally left blank.

## 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, 2021, 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, 2021, 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 72 through 79, 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, the schedule of projects financed with transportation special purpose local option sales tax, 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 transportation special purpose local option sales tax, 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 transportation special purpose local option sales tax, 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, 2020, which are not presented with the accompanying financial statements. In our report dated November 1, 2020, 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 2020 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 2020 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 2020 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 November 10, 2021, 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.

*Rushon, LLC*

Certified Public Accountants

Gainesville, Georgia  
November 10, 2021

This page intentionally left blank.



*Rock Solid*

## 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, 2021. 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 \$51.0 million (reported as “*net position*”). Of this amount, \$12.8 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 \$1,050,336 as a result of this year’s activities.
- The City’s governmental funds report combined ending fund balances of \$1,748,085. Approximately 26% of this amount, \$454,236, 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 \$44.1 million at the end of the fiscal year, an increase of \$1,590,919 as a result of the current year’s operations.
- The City’s liabilities totaled \$14.2 million on June 30, 2021. Most of these liabilities (65% or \$9.2 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 custodial 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 several 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.

**Custodial fund.** The City is a trustee, or fiduciary, for the municipal court custodial fund. The City's fiduciary activity is reported in a separate Statement of Fiduciary Net Position on pages 28-29 of this report. 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 30-71 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.

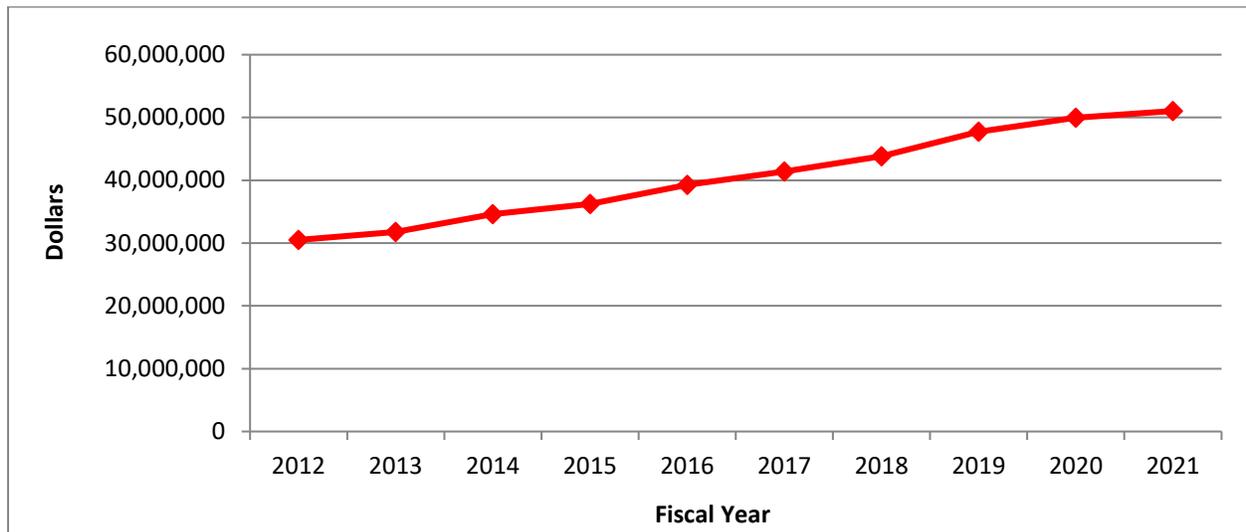
#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$51,034,135 at the close of the most recent fiscal year.

City of Elberton  
 Net Position as of June 30, 2021 and 2020  
 (in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 1,757	\$ 2,890	\$ 19,139	\$ 19,242	\$ 20,896	\$ 22,132
Net Capital Assets	5,943	5,156	37,208	36,824	43,151	41,980
<b>Total Assets</b>	<b>7,700</b>	<b>8,046</b>	<b>56,347</b>	<b>56,066</b>	<b>64,047</b>	<b>64,112</b>
Deferred outflow s of resources	757	485	680	391	1,437	876
Long-term Liabilities	926	260	8,403	9,236	9,329	9,496
Other Liabilities	509	463	4,323	4,563	4,832	5,026
<b>Total Liabilities</b>	<b>1,435</b>	<b>723</b>	<b>12,726</b>	<b>13,799</b>	<b>14,161</b>	<b>14,522</b>
Deferred inflow s of resources	124	142	166	114	290	256
Net investment in capital assets	5,415	5,032	27,972	25,640	33,387	30,672
Restricted Net Position	1,017	1,147	3,811	4,160	4,828	5,307
Unrestricted Net Position	467	1,261	12,352	12,744	12,819	14,005
<b>Total Net Position</b>	<b>\$ 6,899</b>	<b>\$ 7,440</b>	<b>\$ 44,135</b>	<b>\$ 42,544</b>	<b>\$ 51,034</b>	<b>\$ 49,984</b>

Total Net Position – Ten Fiscal Years



The largest portion of the City’s net position (65%) 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 \$4,827,601 is constrained by legal requirements and is not available for day-to-day operations of the City. The remaining balance of *unrestricted net position* (\$12,819,822) 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 \$12,352,449 at the end of the fiscal year. The portion of unrestricted net position resulting from the City’s governmental activities was \$467,373 at the close of the fiscal year.

The City's net position increased by \$1,050,336 during the current fiscal year. Governmental activities resulted in a decrease in net position of \$540,583 while business-type activities resulted in an increase of net position of \$1,590,919. 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.

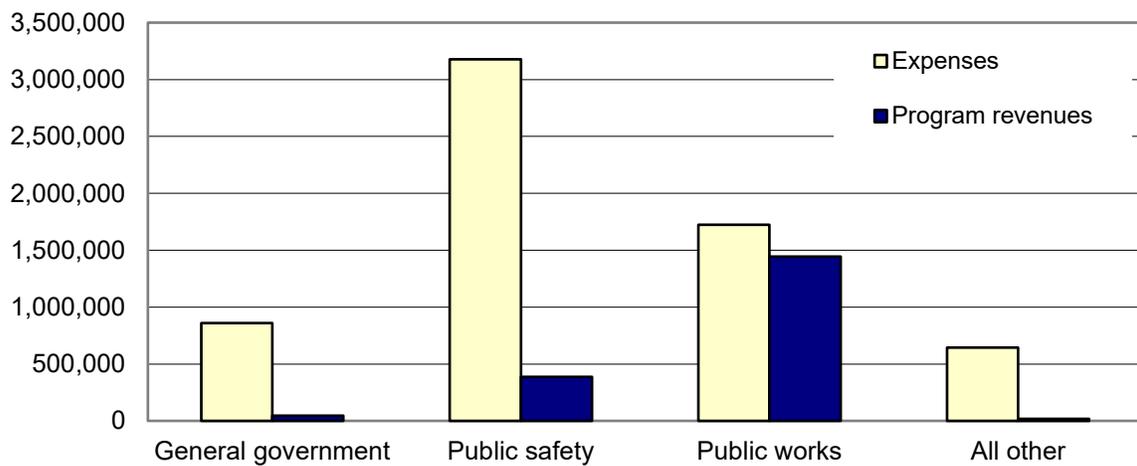
City of Elberton  
Changes in Net Position for the Fiscal Years ended June 30, 2021 and 2020  
(in Thousands)

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 326	\$ 296	\$ 29,836	\$ 29,408	\$ 30,162	\$ 29,704
Operating Grants and Contributions	227	1	0	0	227	1
Capital Grants and Contributions	1,339	1,157	263	184	1,602	1,341
General Revenues:						
Taxes	1,689	1,486	0	0	1,689	1,486
Interest and Investment Earnings	4	3	139	303	143	306
Net change in the value of investments	0	0	(107)	51	(107)	51
Miscellaneous	43	10	89	171	132	181
<b>Total Revenues</b>	<b>3,628</b>	<b>2,953</b>	<b>30,220</b>	<b>30,117</b>	<b>33,848</b>	<b>33,070</b>
<b>Expenses:</b>						
General Government	859	733	0	0	859	733
Judicial	89	80	0	0	89	80
Public Safety	3,177	2,787	0	0	3,177	2,787
Public Works	1,722	1,508	0	0	1,722	1,508
Health and Welfare	41	66	0	0	41	66
Culture and Recreation	185	175	0	0	185	175
Housing and Development	331	277	0	0	331	277
Combined Public Utilities	0	0	19,323	18,594	19,323	18,594
ElbertonNET Technology Services	0	0	4,744	4,400	4,744	4,400
Solid Waste	0	0	1,067	981	1,067	981
Elbert Theatre	0	0	133	156	133	156
Elbert Hotel	0	0	1,127	1,050	1,127	1,050
<b>Total Expenses</b>	<b>6,404</b>	<b>5,626</b>	<b>26,394</b>	<b>25,181</b>	<b>32,798</b>	<b>30,807</b>
Indirect Cost Allocation	(653)	(620)	653	620	0	0
Increase (Dec) in Net Position Before Transfers	(2,123)	(2,053)	3,173	4,316	1,050	2,263
Transfers	1,582	2,335	(1,582)	(2,335)	0	0
Change in Net Position	(541)	282	1,591	1,981	1,050	2,263
Net Position - July 1	7,440	7,158	42,544	40,563	49,984	47,721
<b>Net Position - June 30</b>	<b>\$ 6,899</b>	<b>\$ 7,440</b>	<b>\$ 44,135</b>	<b>\$ 42,544</b>	<b>\$ 51,034</b>	<b>\$ 49,984</b>

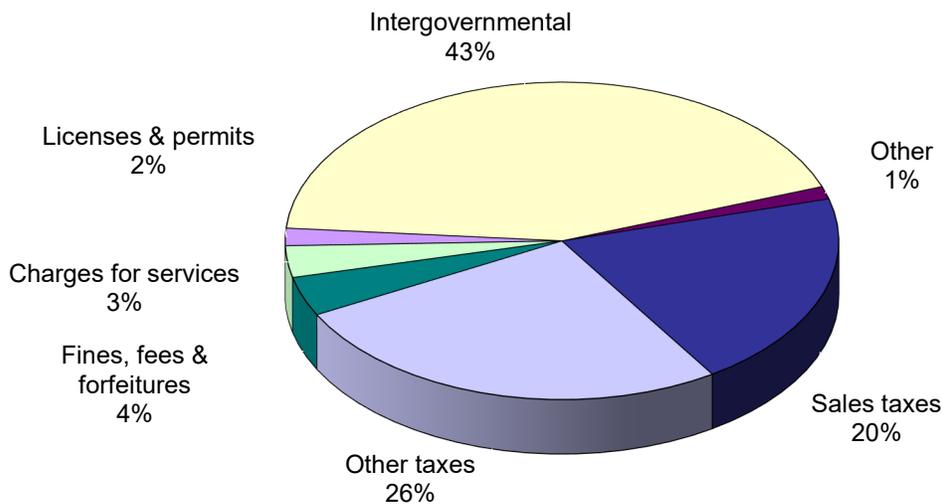
**Governmental Activities.** Governmental activities decreased the net position of the City by \$540,583. Revenues for the City’s governmental activities increased by 23% (\$675,075) over fiscal year 2020. This increase in revenues is mostly due to three factors. First, funds from the State of Georgia from the federal CARES Act were received in the amount of \$226,613. This was a one-time receipt for COVID-19 related expenses. Second, taxes collected in FY21 were \$202,853 higher than FY20. Local option sales taxes made up most of this increase in tax collection, although most tax categories experienced increases. Third, capital grants and contributions in FY21 were \$181,808 higher than FY20. This increase is from special purpose sales taxes for capital projects and transportation projects.

Expenses for governmental activities increased by 13.8% (\$777,172) during fiscal year 2021. The entirety of this increase between FY21 and FY20 was due to a change in the pension plan benefit calculation for full-time employees and elected officials employed as of January 1, 2021. This was a one-time expense recognition for a change in the pension plan.

Expenses and Program Revenues – Governmental Activities



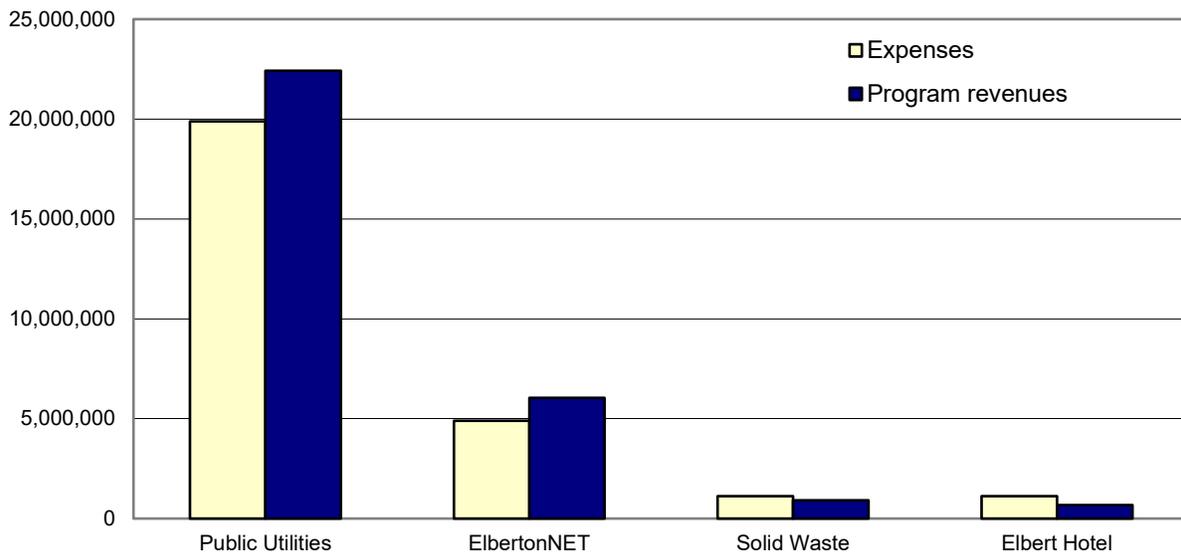
Revenues by Source – Governmental Activities



**Business-type activities.** Business-type activities increased the City’s net position by \$1,590,919. Key elements of this increase are as follows:

- Sales for business-type activities were \$29.9 million, which was an increase of \$314,174 from the prior fiscal year sales.
- Sales in the combined public utility fund for electric, water, sewer, and natural gas services decreased by \$381,798 or 1.7% from last fiscal year.
- Electric sales decreased 4.3% due to a decline in industrial and commercial sales. Some of this decline is due to COVID-19 economic impacts, some is due to a decrease in units sold to an industrial customer, and the remaining decrease is due to cooler summer weather than average.
- Natural gas sales increased by 12.1%. Units sold to a new asphalt plant industrial customer plus units sold to new poultry customers were the cause of this increase. The new poultry customers were a result of construction of new gas mains over the previous two fiscal years.
- Water/sewer sales decreased by 5.0% due to lower sales to one large industrial customer.
- Income in the combined public utility fund before transfers to the general fund was \$2.8 million, or 34% lower than last year’s income of \$4.3 million. Income in the utility fund was impacted by the sales decrease described earlier plus higher expenses in the fund related to a pension plan benefit change that occurred on January 1, 2021.
- The ElbertonNET technology services enterprise fund experienced sales of \$6,036,771, an increase of 9.9% over the prior year sales of \$5,493,919. Most of this increase was related to a significant rise in the number of high-speed Internet customers and existing customers who upgraded to a faster Internet speed plan at a higher price point.
- Sales for the Solid Waste operations totaled \$911,193, an increase of \$40,946 or 4.7% over the prior fiscal year. Sales of recyclable material increased by \$30,856 over the prior year, accounting for the majority of the fund’s revenue increase. The price for recyclables increased as cardboard prices recovered.
- Sales in the Elbert Hotel fund totaled \$673,479, an increase of \$281,037 or 72% over the prior fiscal year. This increase is a result of lodging revenues returning in the summer of 2020 after the COVID-19 shutdowns that occurred in the early spring of 2020. Therefore, the abnormally low revenue in FY20 recovered in FY21.

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 five governmental funds: the general fund, the 2017 special purpose local option sales tax (SPLOST) capital projects fund, the 2019 transportation special purpose local option sales tax (TSPLOST) 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 \$731,430, a decrease of \$106,333 or 12.7% in comparison with the prior year. Approximately 62% of this amount (\$454,236) 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 9.3% 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 \$1,870,000 which is \$650,000 less than the amount transferred in fiscal year 2020.

**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.

City of Elberton Proprietary Funds  
Net Position as of June 30, 2021

	Combined Public Utility System	ElbertonNET Tech Services	Elbert Hotel	All Other Proprietary	Total
Operating Revenues	\$ 22,241,827	\$ 6,036,771	\$ 673,479	\$ 920,961	\$ 29,873,038
Operating Expenses	19,623,826	4,889,227	1,055,541	1,258,971	26,827,565
Operating income (loss)	2,618,001	1,147,544	(382,062)	(338,010)	3,045,473
Non-operating income (loss)	185,527	14,089	(71,848)	0	127,768
Transfers in (out)	(2,790,000)	104,678	900,000	203,000	(1,582,322)
Change in net position	13,528	1,266,311	446,090	(135,010)	1,590,919
Net Position, July 1	38,045,721	4,446,599	14,476	37,210	42,544,006
<b>Net Position, June 30</b>	<b>\$ 38,059,249</b>	<b>\$ 5,712,910</b>	<b>\$ 460,566</b>	<b>\$ (97,800)</b>	<b>\$ 44,134,925</b>

## GENERAL FUND BUDGETARY HIGHLIGHTS

There was one budget amendment approved during the fiscal year to reallocate for expenditures that were not planned in the original budget. Total appropriations did not increase for the fiscal year. General fund revenues ended the year at 20%, or \$469,780, above budget. Much of this amount (\$226,613) was from the Georgia CARES Act funding for COVID-19 expenses at the local level. This funding was unexpected and not budgeted when received. Additionally, expenditures in the general fund were \$277,069, or 5.4%, 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, 2021, totals \$42,758,789 (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 \$3,471,027 in new capital assets. Investment for business-type activities totaled \$2,683,780 while \$787,247 was for governmental activities. Major capital asset events during the current fiscal year included the following:

### Governmental Activities – \$787,247 total

- \$160,926 to begin construction on the Medical Drive storm water replacement project
- \$38,997 for the purchase of equipment for the police department
- \$22,965 for architectural fees to begin the Bailey building renovation project downtown
- \$499,635 for the purchase of a new pumper truck for the fire department
- \$54,989 for the purchase of a new leaf vacuum trailer for the public works department
- \$9,735 for the refurbishment of a Vermeer trencher for the motor pool

### Business-type Activities – \$2,683,780 total

- \$20,890 to upgrade the ITRON mobile meter reading collection system
- \$617,157 to begin construction on a new clearwell and high service pump station for the water plant
- \$97,204 for the completion of the new carbon filtration system at the water filter plant
- \$83,247 for the completion of a water actuator valve at the Tower Lane water tank
- \$177,734 for replacement of the #4 filter under drain system at the water filter plant
- \$14,503 for a replacement motor for a high service water pump at the water filter plant
- \$5,643 for a new underground utility locator device for the electric department
- \$26,509 for a new primary fault location system for the electric department
- \$403,228 to construct new gas pipeline and service mains to several poultry farms and residential customers
- \$66,786 to purchase equipment for the natural gas department
- \$1,006,166 for the construction of system expansions for ElbertonNET
- \$36,693 to purchase equipment for ElbertonNET
- \$28,143 to purchase a new service truck for the solid waste department
- \$99,878 for the installation of new windows for the Samuel Elbert Hotel

Additional information on the City's capital assets can be found in Note 8 on pages 50-51 of this report.

**Debt Administration.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$930,000. 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.

The City has four 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, 2021 was \$4,861,552.

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 bond was issued by the DDA for this purpose, and due to the contractual obligation of the City to make these monthly bond payments, the bond payable is recognized by the City in its Elbert Hotel Enterprise Fund. The balance of this bond payable at June 30, 2021 was \$3,405,624.

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 mirrored the state and national economy as it struggled to deal with the Coronavirus pandemic in 2021. This pandemic led to economic shutdown and closures, mostly temporary but some permanent. Schools and some industries were closed temporarily which led to lower utility sales. Sales taxes for fiscal year 2021 increased approximately 16% over fiscal year 2020. This could have been a result of more online shopping and more local shopping instead of sales that otherwise would have been made in larger urban shopping centers such as Athens. The local unemployment rate increased to 6.1% in 2021 from 5.5% in 2020.

During 2021, 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 2022 decreased by 1.6% under fiscal year 2021. The rates and fees schedule for the general fund and utility services were reviewed in preparation for the 2022 budget. As a result, there were no changes made to the fees schedule in the general fund for fiscal year 2021. Rates for ElbertonNET TV service were increased to offset increases in programming costs. 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, 2021*

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$ 1,228,148	\$ 1,239,988	\$ 2,468,136	\$ 98,476
Investments	0	10,038,316	10,038,316	0
Restricted assets				
Cash	106	484,339	484,445	0
Investments	0	4,163,536	4,163,536	0
Receivables (net)				
Accounts	3,959	2,481,199	2,485,158	0
Taxes	96,538	0	96,538	0
Intergovernmental	180,884	56,220	237,104	0
Notes	109,619	0	109,619	0
Prepaid items	185,896	0	185,896	0
Inventories	21,192	587,761	608,953	0
Internal balances	(69,170)	69,170	0	0
Other current assets	0	18,348	18,348	0
Total current assets	<u>1,757,172</u>	<u>19,138,877</u>	<u>20,896,049</u>	<u>98,476</u>
<b>Noncurrent assets</b>				
Notes receivable	391,434	0	391,434	0
Capital assets				
Non-depreciable	1,729,134	1,848,155	3,577,289	45,100
Depreciable (net)	<u>3,821,545</u>	<u>35,359,955</u>	<u>39,181,500</u>	<u>700,904</u>
Total noncurrent assets	<u>5,942,113</u>	<u>37,208,110</u>	<u>43,150,223</u>	<u>746,004</u>
<b>Total assets</b>	<u>7,699,285</u>	<u>56,346,987</u>	<u>64,046,272</u>	<u>844,480</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	<u>757,987</u>	<u>680,125</u>	<u>1,438,112</u>	<u>0</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	235,546	1,416,679	1,652,225	0
Intergovernmental	0	41,697	41,697	0
Retainages	9,951	39,298	49,249	0
Sales tax	0	72,812	72,812	0
Interest	0	2,799	2,799	0
Accrued salaries and expenses	140,774	162,431	303,205	0
Compensated absences	108,262	134,663	242,925	0
Customer deposits payable	0	19,543	19,543	5,150
Other current liabilities	14,250	60,433	74,683	0
Notes payable	0	226,481	226,481	118,215
Bonds payable	0	379,369	379,369	0
Liabilities payable from restricted assets				
Customer deposits payable	0	817,604	817,604	0
Interest payable	0	19,431	19,431	0
Bonds payable	0	930,000	930,000	0
Total current liabilities	<u>508,783</u>	<u>4,323,240</u>	<u>4,832,023</u>	<u>123,365</u>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	<b>Primary Government</b>			<b>Component Unit Downtown Development Authority</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Noncurrent liabilities</b>				
Compensated absences	\$ 46,398	\$ 57,713	\$ 104,111	\$ 0
Net pension liability	679,902	684,016	1,363,918	0
Contractual liability	199,426	0	199,426	0
Notes payable	0	4,635,071	4,635,071	382,221
Bonds payable	0	3,026,255	3,026,255	0
	<u>925,726</u>	<u>8,403,055</u>	<u>9,328,781</u>	<u>382,221</u>
<b>Total noncurrent liabilities</b>				
	<u>925,726</u>	<u>8,403,055</u>	<u>9,328,781</u>	<u>382,221</u>
<b>Total liabilities</b>	<u>1,434,509</u>	<u>12,726,295</u>	<u>14,160,804</u>	<u>505,586</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	123,553	165,892	289,445	0
	<u>123,553</u>	<u>165,892</u>	<u>289,445</u>	<u>0</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,415,076	27,971,636	33,386,712	245,568
Restricted for:				
MEAG Generation Trust	0	3,345,932	3,345,932	0
Public Safety	106	0	106	0
Housing and Development	480,000	0	480,000	0
Capital projects	536,655	0	536,655	0
Debt service	0	464,908	464,908	0
Unrestricted	467,373	12,352,449	12,819,822	93,326
	<u>467,373</u>	<u>12,352,449</u>	<u>12,819,822</u>	<u>93,326</u>
<b>Total net position</b>	<u>\$ 6,899,210</u>	<u>\$ 44,134,925</u>	<u>\$ 51,034,135</u>	<u>\$ 338,894</u>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities						
General Government	\$ 859,089	\$ (518,747)	\$ 45,983	\$ 0	\$ 0	\$ (294,359)
Judicial	89,219	0	0	0	0	(89,219)
Public Safety	3,176,913	0	159,683	226,748	0	(2,790,482)
Public Works	1,722,472	(133,897)	103,030	263	1,339,374	(145,908)
Health and Welfare	40,500	0	0	0	0	(40,500)
Culture and Recreation	184,488	0	0	0	0	(184,488)
Housing and Development	331,249	0	17,449	0	0	(313,800)
Total governmental activities	6,403,930	(652,644)	326,145	227,011	1,339,374	(3,858,756)
Business-type activities						
Combined Public Utilities						
Electric	13,552,521	217,610	14,521,395	0	0	751,264
Water and Sewer	3,351,081	115,000	3,510,252	0	263,236	307,407
Natural Gas	2,419,699	115,617	4,173,355	0	0	1,638,039
ElbertonNET Technology						
Services	4,743,601	145,626	6,036,771	0	0	1,147,544
Solid Waste	1,067,237	58,791	911,193	0	0	(214,835)
Elbert Theatre	132,943	0	9,768	0	0	(123,175)
Elbert Hotel	1,127,389	0	673,479	0	0	(453,910)
Total business-type activities	26,394,471	652,644	29,836,213	0	263,236	3,052,334
Total primary government	32,798,401	0	30,162,358	227,011	1,602,610	(806,422)
<b>Component Unit</b>						
Downtown Development Authority						
	90,516	0	61,685	0	0	(28,831)
			<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Change in net position</b>						
Net (expense) revenue			\$ (3,858,756)	\$ 3,052,334	\$ (806,422)	\$ (28,831)
General revenues						
Taxes						
Title ad valorem			112,773	0	112,773	0
Sales			730,519	0	730,519	0
Franchise			95,431	0	95,431	0
Occupational			151,160	0	151,160	0
Insurance premium			368,710	0	368,710	0
Alcoholic beverage			133,550	0	133,550	0
Hotel/Motel			87,749	0	87,749	0
Other			9,277	0	9,277	0
Interest and investment earnings			3,618	139,330	142,948	3
Net increase (decrease) in the fair value of investments			0	(107,093)	(107,093)	0
Payments from City of Elberton			0	0	0	24,000
Gain on sale of assets			9,420	51,845	61,265	0
Miscellaneous			33,644	36,825	70,469	0
Transfers			1,582,322	(1,582,322)	0	0
Total general revenues and transfers			3,318,173	(1,461,415)	1,856,758	24,003
Change in net position			(540,583)	1,590,919	1,050,336	(4,828)
Net position - beginning			7,439,793	42,544,006	49,983,799	343,722
Net position - ending			\$ 6,899,210	\$ 44,134,925	\$ 51,034,135	\$ 338,894

See accompanying notes to the financial statements.

**CITY OF ELBERTON, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 682,772	\$ 545,376	\$ 1,228,148
Restricted assets			
Cash	106	0	106
Receivables (net)			
Accounts	3,959	0	3,959
Taxes	89,395	7,143	96,538
Intergovernmental	0	180,884	180,884
Notes	70,000	431,053	501,053
Prepaid items	185,896	0	185,896
Inventories	21,192	0	21,192
Due from other funds	0	13,267	13,267
	<u>0</u>	<u>13,267</u>	<u>13,267</u>
<b>Total assets</b>	<u>\$ 1,053,320</u>	<u>\$ 1,177,723</u>	<u>\$ 2,231,043</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 84,429	\$ 151,117	\$ 235,546
Retainage payable	0	9,951	9,951
Accrued salaries and payroll liabilities	140,774	0	140,774
Due to other funds	82,437	0	82,437
Other liabilities	14,250	0	14,250
	<u>14,250</u>	<u>0</u>	<u>14,250</u>
<b>Total liabilities</b>	<u>321,890</u>	<u>161,068</u>	<u>482,958</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	21,192	0	21,192
Prepaid items	185,896	0	185,896
Notes receivable	70,000	0	70,000
Restricted for:			
Public Safety	106	0	106
Housing and Development	0	480,000	480,000
Capital projects	0	536,655	536,655
Unassigned	454,236	0	454,236
	<u>454,236</u>	<u>0</u>	<u>454,236</u>
<b>Total fund balances</b>	<u>731,430</u>	<u>1,016,655</u>	<u>1,748,085</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,053,320</u>	<u>\$ 1,177,723</u>	<u>\$ 2,231,043</u>

**CITY OF ELBERTON, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL**  
**FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
*June 30, 2021*

**Total fund balance - total governmental funds** \$ 1,748,085

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

These are:

Capital assets, net of accumulated depreciation 5,550,679

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

These are:

Compensated absences	\$ (154,660)	
Net pension liability	(679,902)	
Contractual liability	<u>(199,426)</u>	(1,033,988)

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:		
Pensions	757,987	
Deferred inflows of resources:		
Pensions	<u>(123,553)</u>	<u>634,434</u>

Net position of governmental activities \$ 6,899,210

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2021*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>REVENUES</b>			
Taxes	\$ 1,601,419	\$ 87,749	\$ 1,689,168
Licenses and permits	64,372	0	64,372
Fines, fees and forfeitures	144,845	0	144,845
Charges for services	769,573	0	769,573
Intergovernmental	226,613	1,339,173	1,565,786
Interest	1,544	2,539	4,083
Contributions	135	0	135
Other	33,644	0	33,644
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<b>2,842,145</b>	<b>1,429,461</b>	<b>4,271,606</b>
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General Government	751,328	0	751,328
Judicial	79,111	0	79,111
Public Safety	2,612,060	0	2,612,060
Public Works	1,072,442	0	1,072,442
Health and Welfare	40,500	0	40,500
Culture and Recreation	81,000	0	81,000
Housing and Development	238,338	45,948	284,286
Capital outlay	0	1,181,916	1,181,916
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<b>4,874,779</b>	<b>1,227,864</b>	<b>6,102,643</b>
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(2,032,634)	201,597	(1,831,037)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers in	1,913,875	0	1,913,875
Transfers out	0	(331,553)	(331,553)
Sale of capital assets	12,426	0	12,426
	<hr/>	<hr/>	<hr/>
<b>Total other financing sources (uses)</b>	<b>1,926,301</b>	<b>(331,553)</b>	<b>1,594,748</b>
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(106,333)	(129,956)	(236,289)
	<hr/>	<hr/>	<hr/>
Fund balances, July 1	837,763	1,146,611	1,984,374
	<hr/>	<hr/>	<hr/>
<b>Fund balances, June 30</b>	<b>\$ 731,430</b>	<b>\$ 1,016,655</b>	<b>\$ 1,748,085</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**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, 2021**

**Net change in fund balances - total governmental funds** \$ (236,289)

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	\$ 787,248	
Depreciation	<u>(389,930)</u>	397,318

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	(10,006)	
Related accumulated depreciation	<u>7,000</u>	(3,006)

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	183,598	
Cost of benefits earned net of employee contributions	<u>(906,042)</u>	(722,444)

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		9,402
------------------------------------	--	-------

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>14,436</u>
Change in net position of governmental activities		<u><u>\$ (540,583)</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, 2021**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,414,000	\$ 1,414,000	\$ 1,601,419	\$ 187,419
Licenses and permits	71,500	71,500	64,372	(7,128)
Fines, fees and forfeitures	144,600	144,600	144,845	245
Charges for services	734,391	734,391	769,573	35,182
Intergovernmental revenue	0	0	226,613	226,613
Interest	24	24	1,544	1,520
Contributions	350	350	135	(215)
Other	7,500	7,500	33,644	26,144
<b>Total revenues</b>	<b>2,372,365</b>	<b>2,372,365</b>	<b>2,842,145</b>	<b>469,780</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Mayor and Council	186,864	186,864	166,828	20,036
City Manager's Office	170,245	170,245	166,216	4,029
Finance	180,078	181,686	181,685	1
Human Resources	67,804	75,612	72,714	2,898
City Clerk	112,246	114,547	114,546	1
City Attorney	20,000	20,000	18,480	1,520
City Hall Maintenance	37,357	37,357	30,859	6,498
Judicial				
Municipal Court	82,399	82,399	79,111	3,288
Public Safety				
Police - Administration	382,572	382,572	369,330	13,242
Police - Uniform Division	1,086,342	1,048,516	970,964	77,552
Police - Criminal Investigations	164,673	164,673	151,634	13,039
Police - Community Relations	74,050	75,452	75,451	1
Police - Detention	36,500	36,500	21,594	14,906
Fire	961,340	972,380	972,380	0
Animal Control	67,003	77,003	50,707	26,296
Public Works				
Administrative	193,822	195,164	195,163	1
Infrastructure Maintenance	480,344	488,424	488,424	0
Parks and Rights-of-Way	107,938	107,938	91,321	16,617
Motor Pool	178,529	178,529	164,401	14,128
Street Lighting	20,000	20,000	14,191	5,809
Cemetery	135,155	135,155	118,942	16,213
Health and Welfare				
Agency allocations	56,500	40,500	40,500	0
Culture and Recreation				
Agency allocations	80,500	88,500	81,000	7,500
Housing and Development				
Zoning/City Marshal	79,158	79,158	56,971	22,187
Code Enforcement	57,701	58,406	58,405	1
Mainstreet Elberton	92,728	92,728	81,423	11,305
Community Development	40,000	41,540	41,539	1
<b>Total expenditures</b>	<b>5,151,848</b>	<b>5,151,848</b>	<b>4,874,779</b>	<b>277,069</b>

**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, 2021**

	Budget		Actual	Variance with
	Original	Final		Final Budget
Excess (deficiency) of revenues over (under) expenditures	\$ (2,779,483)	\$ (2,779,483)	\$ (2,032,634)	\$ 746,849
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,760,000	2,760,000	1,913,875	(846,125)
Sales of capital assets	20,000	20,000	12,426	(7,574)
Contingency	(517)	(517)	0	517
Total other financing sources (uses)	<u>2,779,483</u>	<u>2,779,483</u>	<u>1,926,301</u>	<u>(853,182)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(106,333)	(106,333)
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>837,763</u>	<u>837,763</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 731,430</u></u>	<u><u>\$ 731,430</u></u>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2021**

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	\$ 1,211,796	\$ 0	\$ 21,259	\$ 6,933	\$ 1,239,988
Investments	10,038,316	0	0	0	10,038,316
Restricted assets					
Cash	484,339	0	0	0	484,339
Investments	4,163,536	0	0	0	4,163,536
Receivables (net)					
Accounts	1,987,775	411,962	665	80,797	2,481,199
Intergovernmental	56,220	0	0	0	56,220
Inventories	475,545	80,895	31,321	0	587,761
Due from other funds	1,128,367	0	10,256	0	1,138,623
Other current assets	18,348	0	0	0	18,348
<b>Total current assets</b>	<b>19,564,242</b>	<b>492,857</b>	<b>63,501</b>	<b>87,730</b>	<b>20,208,330</b>
<b>Noncurrent assets</b>					
Other assets					
Advances to other funds	1,240,049	0	0	0	1,240,049
Capital assets					
Non-depreciable	1,249,534	443,804	130,917	23,900	1,848,155
Depreciable (net)	24,291,150	6,330,711	4,502,392	235,702	35,359,955
<b>Total noncurrent assets</b>	<b>26,780,733</b>	<b>6,774,515</b>	<b>4,633,309</b>	<b>259,602</b>	<b>38,448,159</b>
<b>Total assets</b>	<b>46,344,975</b>	<b>7,267,372</b>	<b>4,696,810</b>	<b>347,332</b>	<b>58,656,489</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	479,059	82,360	10,988	107,718	680,125
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables					
Accounts	1,164,866	206,076	13,883	31,854	1,416,679
Intergovernmental	0	41,697	0	0	41,697
Retainages	39,298	0	0	0	39,298
Sales tax	63,497	0	9,315	0	72,812
Interest	0	0	2,799	0	2,799
Accrued salaries	92,810	21,922	27,724	19,975	162,431
Compensated absences	89,135	17,615	10,661	17,252	134,663
Customer deposits payable	0	5,590	13,953	0	19,543
Other current liabilities	60,433	0	0	0	60,433
Due to other funds	13,267	0	713,492	342,694	1,069,453
Note payable	226,481	0	0	0	226,481
Bonds payable	0	0	379,369	0	379,369
Liabilities payable from restricted assets:					
Customer deposits payable	817,604	0	0	0	817,604
Interest payable	19,431	0	0	0	19,431
Bonds payable	930,000	0	0	0	930,000
<b>Total current liabilities</b>	<b>3,516,822</b>	<b>292,900</b>	<b>1,171,196</b>	<b>411,775</b>	<b>5,392,693</b>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2021**

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
<b>Noncurrent liabilities</b>					
Compensated absences	\$ 38,201	\$ 7,549	\$ 4,569	\$ 7,394	\$ 57,713
Net pension liability	459,554	79,006	42,124	103,332	684,016
Advances from other funds	0	1,240,049	0	0	1,240,049
Notes payable	4,635,071	0	0	0	4,635,071
Bonds payable	0	0	3,026,255	0	3,026,255
Total noncurrent liabilities	<u>5,132,826</u>	<u>1,326,604</u>	<u>3,072,948</u>	<u>110,726</u>	<u>9,643,104</u>
<b>Total liabilities</b>	<u>8,649,648</u>	<u>1,619,504</u>	<u>4,244,144</u>	<u>522,501</u>	<u>15,035,797</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	<u>115,137</u>	<u>17,318</u>	<u>3,088</u>	<u>30,349</u>	<u>165,892</u>
<b>NET POSITION</b>					
Net investment in capital assets	19,709,834	6,774,515	1,227,685	259,602	27,971,636
Restricted for:					
Debt service	464,908	0	0	0	464,908
MEAG Generation Trust	3,345,932	0	0	0	3,345,932
Unrestricted	<u>14,538,575</u>	<u>(1,061,605)</u>	<u>(767,119)</u>	<u>(357,402)</u>	<u>12,352,449</u>
<b>Total net position</b>	<u>\$ 38,059,249</u>	<u>\$ 5,712,910</u>	<u>\$ 460,566</u>	<u>\$ (97,800)</u>	<u>\$ 44,134,925</u>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2021**

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 22,205,002	\$ 6,036,771	\$ 673,479	\$ 920,961	\$ 29,836,213
Miscellaneous revenues	36,825	0	0	0	36,825
<b>Total operating revenues</b>	<b>22,241,827</b>	<b>6,036,771</b>	<b>673,479</b>	<b>920,961</b>	<b>29,873,038</b>
<b>OPERATING EXPENSES</b>					
Costs of sales and services	14,776,184	3,850,566	304,639	444,406	19,375,795
Personal services	3,208,345	636,154	554,969	730,714	5,130,182
Depreciation	1,625,157	395,217	195,933	83,851	2,300,158
Other	14,140	7,290	0	0	21,430
<b>Total operating expenses</b>	<b>19,623,826</b>	<b>4,889,227</b>	<b>1,055,541</b>	<b>1,258,971</b>	<b>26,827,565</b>
Operating income (loss)	2,618,001	1,147,544	(382,062)	(338,010)	3,045,473
Non-operating revenues (expenses)					
Interest revenue	139,330	0	0	0	139,330
Net increase (decrease) in the fair value of investments	(107,093)	0	0	0	(107,093)
Gain on sale of capital assets	37,756	14,089	0	0	51,845
Interest expense	(147,702)	0	(71,848)	0	(219,550)
<b>Total non-operating revenues (expenses)</b>	<b>(77,709)</b>	<b>14,089</b>	<b>(71,848)</b>	<b>0</b>	<b>(135,468)</b>
Net income (loss) before capital contributions and transfers	2,540,292	1,161,633	(453,910)	(338,010)	2,910,005
Capital contributions					
Intergovernmental revenue	263,236	0	0	0	263,236
Net income (loss) before transfers	2,803,528	1,161,633	(453,910)	(338,010)	3,173,241
Transfers in (out)					
Transfers in	0	307,678	900,000	203,000	1,410,678
Transfers out	(2,790,000)	(203,000)	0	0	(2,993,000)
<b>Total transfers</b>	<b>(2,790,000)</b>	<b>104,678</b>	<b>900,000</b>	<b>203,000</b>	<b>(1,582,322)</b>
Change in net position	13,528	1,266,311	446,090	(135,010)	1,590,919
Net position, July 1	38,045,721	4,446,599	14,476	37,210	42,544,006
<b>Net position, June 30</b>	<b>\$ 38,059,249</b>	<b>\$ 5,712,910</b>	<b>\$ 460,566</b>	<b>\$ (97,800)</b>	<b>\$ 44,134,925</b>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2021

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 22,396,751	\$ 6,034,576	\$ 679,317	\$ 928,614	\$ 30,039,258
Payments to suppliers	(14,578,397)	(4,099,891)	(303,679)	(439,431)	(19,421,398)
Payments to employees	(2,728,735)	(545,136)	(475,800)	(620,617)	(4,370,288)
Other receipts	36,825	0	0	0	36,825
Other payments	(14,140)	(7,290)	0	0	(21,430)
Net cash provided (used) by operating activities	<u>5,112,304</u>	<u>1,382,259</u>	<u>(100,162)</u>	<u>(131,434)</u>	<u>6,262,967</u>
<b>Cash flows from non-capital financing activities:</b>					
Receipts from other funds	778,913	0	456,289	446,630	1,681,832
Payments to other funds	(3,484,835)	(661,167)	(287,601)	(284,469)	(4,718,072)
Net cash provided (used) by non-capital financing activities	<u>(2,705,922)</u>	<u>(661,167)</u>	<u>168,688</u>	<u>162,161</u>	<u>(3,036,240)</u>
<b>Cash flows from capital and related financing activities:</b>					
Receipts from other governments	263,236	0	0	0	263,236
Receipts from other funds	0	307,678	443,711	0	751,389
Proceeds from the sale of capital assets	37,756	14,089	0	0	51,845
Payment of capital related accounts payable	(117,813)	0	0	0	(117,813)
Acquisition of capital assets	(1,473,604)	(1,042,859)	(99,879)	(28,143)	(2,644,485)
Interest paid	(159,527)	0	(72,154)	0	(231,681)
Issuance of notes payable	524,001	0	0	0	524,001
Principal payments - bonds	(900,000)	0	(371,863)	0	(1,271,863)
Principal payments - notes payable	(190,092)	0	0	0	(190,092)
Principal payments - capital leases	(708,964)	0	0	0	(708,964)
Net cash provided (used) by capital and related financing activities	<u>(2,725,007)</u>	<u>(721,092)</u>	<u>(100,185)</u>	<u>(28,143)</u>	<u>(3,574,427)</u>
<b>Cash flows from investing activities:</b>					
Interest received	139,330	0	0	0	139,330
Proceeds from sale of investments	1,575,000	0	0	0	1,575,000
Purchase of investments	(1,016,205)	0	0	0	(1,016,205)
Net cash provided (used) by investing activities	<u>698,125</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>698,125</u>
Net increase (decrease) in cash	379,500	0	(31,659)	2,584	350,425
Cash, July 1	<u>1,316,635</u>	<u>0</u>	<u>52,918</u>	<u>4,349</u>	<u>1,373,902</u>
<b>Cash, June 30</b>	<u><u>\$ 1,696,135</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 21,259</u></u>	<u><u>\$ 6,933</u></u>	<u><u>\$ 1,724,327</u></u>

**CITY OF ELBERTON, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2021

	Combined Public Utility System	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 2,618,001	\$ 1,147,544	\$ (382,062)	\$ (338,010)	\$ 3,045,473
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,625,157	395,217	195,933	83,851	2,300,158
(Increase) decrease in accounts receivable	160,967	(3,445)	(665)	7,653	164,510
(Increase) decrease in inventories	58,944	7,396	(11,450)	0	54,890
(Increase) decrease in other current assets	1,619	0	0	0	1,619
(Increase) decrease in net pension asset/liability	645,129	112,436	52,914	142,311	952,790
(Increase) decrease in deferred outflows related to pension	(209,404)	(33,782)	4,691	(51,078)	(289,573)
Increase (decrease) in accounts payable	137,224	(262,314)	6,756	4,975	(113,359)
Increase (decrease) in intergovernmental payable	0	5,593	0	0	5,593
Increase (decrease) in sales tax payable	(371)	0	5,654	0	5,283
Increase (decrease) in customer deposits payable	28,512	1,250	6,503	0	36,265
Increase (decrease) in other current liabilities	2,641	0	0	0	2,641
Increase (decrease) in accrued salaries	6,593	5,344	14,322	1,730	27,989
Increase (decrease) in compensated absences payable	1,049	3,915	8,741	3,356	17,061
Increase (decrease) in deferred inflows related to pension	36,243	3,105	(1,499)	13,778	51,627
Total adjustments	2,494,303	234,715	281,900	206,576	3,217,494
Net cash provided (used) by operating activities	\$ 5,112,304	\$ 1,382,259	\$ (100,162)	\$ (131,434)	\$ 6,262,967
<b>Cash reconciliation:</b>					
Cash	\$ 1,211,796	\$ 0	\$ 21,259	\$ 6,933	\$ 1,239,988
Restricted assets					
Cash	484,339	0	0	0	484,339
Total cash	\$ 1,696,135	\$ 0	\$ 21,259	\$ 6,933	\$ 1,724,327

**Noncash investing, capital, and financing activities:**

The net increase (decrease) in the fair value of investments totaled \$107,093.

Acquisition of capital assets through retainage payable totaled \$39,298.

**CITY OF ELBERTON, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
*June 30, 2021*

**ASSETS**

Cash and cash equivalents

\$ 7,679

**LIABILITIES**

Due to others

7,679

**NET POSITION**

Restricted for individuals, organizations, and other governments

\$ 0

**CITY OF ELBERTON, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal year ended June 30, 2021**

**ADDITIONS**

Fines and forfeitures collected for other governments	\$ 67,113
---	-----------

**DEDUCTIONS**

Distributions of fines and forfeitures to other governments	<u>67,113</u>
---	---------------

Change in net position	0
------------------------	---

Net position, July 1	<u>0</u>
----------------------	----------

<b>Net position, June 30</b>	<b><u><u>\$ 0</u></u></b>
------------------------------	---------------------------

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**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, 2021**

**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 directors, 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 is able to significantly influence the programs and services performed or provided by the organization.

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 H). The Elberton Downtown Development Authority has a June 30<sup>th</sup> 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, 2021**

**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, 2021*

**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**

***Custodial Funds*** – Custodial Funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial 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 a custodial fund to account for the activity of the Municipal Court.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**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, 2021**

**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, 2021**

**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.

**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 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, 2021**

**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 publicly advertised 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, 2021**

**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, 2021**

**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 in the Enterprise Funds 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, 2021*

**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:

	<b>Useful Life</b>	<b>Capitalization</b>
	<b>in Years</b>	<b>Threshold</b>
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, 2021**

**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 Public 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 additional details.

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, 2021**

**2. Summary of Significant Accounting Policies (continued)**

**R. Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

**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, 2021**

**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, 2021*

**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, 2021**

**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**

The 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, 2021**

**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 36 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$657,070.

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 41.59, 54.02, and 4.38 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 \$10,855,920, and in the Generation Trust Accounts were \$3,345,932. The City of Elberton has no unfunded commitments or restriction on its ability to sell the investments in the Municipal Competitive Trust accounts.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**3. Deposit and Investment Risk (continued)**

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

<b>Investment Type</b>	<b>Fair Value</b>
Municipal Competitive Trust	
Short-term Portfolio	\$ 1,434,658
Intermediate-term Portfolio	2,478,201
Intermediate-extended term Portfolio	10,288,993
Total Investments	\$ 14,201,852
Municipal Competitive Trust	
Investments	\$ 10,038,316
Restricted Investments	4,163,536
Total Investments	\$ 14,201,852

**4. Accounts Receivable**

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

<b>Major Funds</b>		
General	\$ 8,073	
Less: Allowance for Uncollectibles	(4,114)	\$ 3,959
<b>Enterprise Funds</b>		
Combined Public Utility System	2,358,565	
Less: Allowance for Uncollectibles	(370,790)	
ElbertonNET Technology Services	628,833	
Less: Allowance for Uncollectibles	(216,871)	
Elbert Hotel	665	2,400,402
<b>Nonmajor Funds</b>		
Solid Waste	98,827	
Less: Allowance for Uncollectibles	(18,030)	80,797
Total primary government		\$ 2,485,158

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**5. Intergovernmental Receivables**

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

<b>Major Funds</b>	
Enterprise Funds	
Combined Public Utility System	\$ 56,220
<b>Nonmajor Funds</b>	
Governmental Funds	
2019 TSPLOST	48,339
2017 SPLOST	<u>132,545</u>
Total primary government	<u><u>\$ 237,104</u></u>

**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>
Combined Public Utility System	Elbert Hotel	\$ 713,492
	ElbertonNET Technology Services	1,240,049
	General	82,437
	Nonmajor Proprietary	332,438
Elbert Hotel	Nonmajor Proprietary	10,256
Nonmajor Governmental	Combined Public Utility System	<u>13,267</u>
Subtotal		<u><u>\$ 2,391,939</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.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**6. Interfund Receivables, Payables, and Transfers, continued**

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

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
Combined Public Utility System	General	\$ 1,890,000
	Elbert Hotel	900,000
ElbertonNET Technology Services	Nonmajor Proprietary	203,000
Nonmajor Governmental	General	23,875
	ElbertonNET Technology Services	307,678
		<u>\$ 3,324,553</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 \$63,321, \$14,438, and \$497,738 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 \$57,005 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, 2021

**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>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 1,534,125	\$ 0	\$ (3,006)	\$ 1,531,119
Construction in progress	90,569	222,889	(115,443)	198,015
Total non-depreciable assets	<u>1,624,694</u>	<u>222,889</u>	<u>(118,449)</u>	<u>1,729,134</u>
Depreciable assets				
Buildings	2,122,070	0	0	2,122,070
Land improvements	1,226,510	0	0	1,226,510
Vehicles and equipment	3,166,911	679,802	(7,000)	3,839,713
Infrastructure	3,230,377	0	0	3,230,377
Total depreciable assets	<u>9,745,868</u>	<u>679,802</u>	<u>(7,000)</u>	<u>10,418,670</u>
Accumulated depreciation				
Buildings	(1,362,553)	(66,917)	0	(1,429,470)
Land improvements	(1,022,109)	(37,790)	0	(1,059,899)
Vehicles and equipment	(2,316,606)	(195,598)	7,000	(2,505,204)
Infrastructure	(1,512,927)	(89,625)	0	(1,602,552)
Total accumulated depreciation	<u>(6,214,195)</u>	<u>(389,930)</u>	<u>7,000</u>	<u>(6,597,125)</u>
Total depreciable assets, net	<u>3,531,673</u>	<u>289,872</u>	<u>0</u>	<u>3,821,545</u>
Governmental activities capital assets, net	<u>\$ 5,156,367</u>	<u>\$ 512,761</u>	<u>\$ (118,449)</u>	<u>\$ 5,550,679</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 392,985	\$ 0	\$ 0	\$ 392,985
Construction in progress	782,500	1,450,166	(1,155,188)	1,077,478
Intangible assets	377,692	0	0	377,692
Total non-depreciable assets	<u>1,553,177</u>	<u>1,450,166</u>	<u>(1,155,188)</u>	<u>1,848,155</u>
Depreciable assets				
Buildings	5,444,070	76,462	0	5,520,532
Land improvements	110,732	0	0	110,732
Distribution system	56,705,653	2,124,543	(314,762)	58,515,434
Vehicles and equipment	5,021,087	187,800	(163,735)	5,045,152
Total depreciable assets	<u>67,281,542</u>	<u>2,388,805</u>	<u>(478,497)</u>	<u>69,191,850</u>
Accumulated depreciation				
Buildings	(1,218,136)	(147,248)	0	(1,365,384)
Land improvements	(64,880)	(2,932)	0	(67,812)
Distribution system	(27,585,775)	(1,654,969)	314,762	(28,925,982)
Vehicles and equipment	(3,141,443)	(495,009)	163,735	(3,472,717)
Total accumulated depreciation	<u>(32,010,234)</u>	<u>(2,300,158)</u>	<u>478,497</u>	<u>(33,831,895)</u>
Total depreciable assets, net	<u>35,271,308</u>	<u>88,647</u>	<u>0</u>	<u>35,359,955</u>
Business-type activities capital assets, net	<u>\$ 36,824,485</u>	<u>\$ 1,538,813</u>	<u>\$ (1,155,188)</u>	<u>\$ 37,208,110</u>

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**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>
<b>Downtown Development Authority Component Unit</b>				
Non-depreciable assets				
Land	\$ 45,100	\$ 0	\$ 0	\$ 45,100
Depreciable assets				
Buildings	1,256,863	15,510	0	1,272,373
Accumulated depreciation				
Buildings	(506,417)	(65,052)	0	(571,469)
Total depreciable assets, net	<u>750,446</u>	<u>(49,542)</u>	<u>0</u>	<u>700,904</u>
Downtown Development Authority Component Unit capital assets, net	<u>\$ 795,546</u>	<u>\$ (49,542)</u>	<u>\$ 0</u>	<u>\$ 746,004</u>

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 12,728
Public Safety	137,924
Public Works	126,530
Culture and Recreation	103,486
Housing and Development	9,262
Total depreciation expense for governmental activities	<u>\$ 389,930</u>

**Business-type activities**

Combined Public Utilities	
Electric Department	\$ 355,634
Water and Sewer Department	925,544
Natural Gas Department	343,979
Solid Waste	81,790
ElbertonNET Technology Services	395,217
Elbert Theatre	2,061
Elbert Hotel	195,933
Total depreciation expense for business-type activities	<u>\$ 2,300,158</u>

**Downtown Development Authority Component Unit** \$ 65,052

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**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 \$0. The lease obligation was paid in full during the current year.

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.

**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% (\$930,000 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 <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 930,000</u>	<u>\$ 25,342</u>	<u>\$ 955,342</u>

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**10. Long-Term Debt (continued)**

**Bonds from Direct Placements**

**Business-type Activities**

\$4,000,000 Revenue Refunding Bonds Series 2019 (City of Elberton Facility Redevelopment Project) direct placement bonds due in monthly installments of principal and interest of \$37,001 through October 2029; interest at 2.00% (\$3,405,624 outstanding). 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 6% until the default has been cured. Debt service payments of the agreement are secured by revenues of the City.

Annual debt service requirements to maturity for bonds from direct placements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 379,369	\$ 64,647	\$ 444,016
2023	387,026	56,990	444,016
2024	394,838	49,178	444,016
2025	402,808	41,208	444,016
2026	410,938	33,078	444,016
2027-2030	1,430,645	52,164	1,482,809
Totals	<u>\$ 3,405,624</u>	<u>\$ 297,265</u>	<u>\$ 3,702,889</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% (\$1,572,217 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, 2021**

**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% (\$919,984 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 for expansion of the City's water system. The City borrowed \$1,992,526 due in monthly installments of \$10,317 of principal and interest through October 1, 2040; interest at 2.25%. (\$1,946,195 outstanding) The City drew a total of \$2,490,657 on this agreement and recognized \$498,131 in principal forgiveness. 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 treatment plant and related appurtenances. GEFA agrees to forgive \$900,000 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 1.64%. The City has drawn \$423,156 on this agreement and recognized \$20,239 in principal forgiveness. As of the end of the current fiscal year, this note is still in the drawdown phase (\$423,156 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.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**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:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 226,481	\$ 74,546	\$ 301,027
2023	230,212	70,814	301,026
2024	234,011	67,015	301,026
2025	237,879	63,148	301,027
2026	241,816	59,211	301,027
2027-2031	1,270,689	234,445	1,505,134
2032-2036	1,380,437	124,697	1,505,134
2037	616,871	27,330	644,201
Totals	<u>\$ 4,438,396</u>	<u>\$ 721,206</u>	<u>\$ 5,159,602</u>

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**10. Long-Term Debt (continued)**

**Notes from Direct Borrowings, continued**

**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 \$35,000. 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 \$88 interest are due through May 31, 2021; interest at 3.00%. All unpaid principal and interest are due in full on June 30, 2022.

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 \$36,409. Monthly installments of \$449 principal and interest are due through June 1, 2028; interest at 1.00%.

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 \$44,607. 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 \$232,000. Monthly installments of \$2,000 are due through February 28, 2031; interest at 0.00%.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**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 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 \$35,000. Monthly installments of \$29 interest are due through May 31, 2021; interest at 1.00%. All unpaid principal and interest are due in full on June 30, 2022.

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 \$117,420. 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:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 118,215	\$ 1,489	\$ 119,704
2023	48,594	1,380	49,974
2024	48,980	1,271	50,251
2025	38,662	1,172	39,834
2026	35,238	1,048	36,286
2027-2031	153,504	3,764	157,268
2032-2036	32,420	2,072	34,492
2037-2040	24,823	469	25,292
Totals	<u>\$ 500,436</u>	<u>\$ 12,665</u>	<u>\$ 513,101</u>

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**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:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Contractual liability	\$ 208,828	\$ 0	\$ (9,402)	\$ 199,426	\$ 0
Compensated absences	169,096	103,931	(118,367)	154,660	108,262
<b>Total Governmental Activities</b>	<b>\$ 377,924</b>	<b>\$ 103,931</b>	<b>\$ (127,769)</b>	<b>\$ 354,086</b>	<b>\$ 108,262</b>
<b>Business-type Activities</b>					
Revenue bonds	\$ 1,830,000	\$ 0	\$ (900,000)	\$ 930,000	\$ 930,000
Bonds from direct placements	3,777,487	0	(371,863)	3,405,624	379,369
Notes from direct borrowings	4,527,643	524,001	(190,092)	4,861,552	226,481
Capital lease obligations	708,964	0	(708,964)	0	0
Compensated absences	175,315	139,781	(122,720)	192,376	134,663
<b>Total Business-type Activities</b>	<b>\$ 11,019,409</b>	<b>\$ 663,782</b>	<b>\$ (2,293,639)</b>	<b>\$ 9,389,552</b>	<b>\$ 1,670,513</b>
<b>Downtown Development Authority Component Unit</b>					
Notes from direct borrowings	\$ 553,279	\$ 0	\$ (52,843)	\$ 500,436	\$ 118,215

Total interest incurred and expensed in the governmental activities and the business-type activities during the current fiscal year was \$0 and \$219,550, 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 \$136,686,951. The City has \$0 of outstanding general obligation debt. The City has a total of \$13,668,695 (100%) of outstanding legal debt margin remaining.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the fiscal year ended June 30, 2021*

**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>
<b>Nonspendable:</b>			
Inventories	\$ 21,192	\$ 0	\$ 21,192
Prepaid items	185,896	0	185,896
Notes receivable	70,000	0	70,000
	<u>277,088</u>	<u>0</u>	<u>277,088</u>
<b>Restricted for:</b>			
Public Safety			
Police facilities and equipment	106	0	106
Housing and Development			
Downtown development	0	480,000	480,000
Capital projects	0	536,655	536,655
	<u>106</u>	<u>1,016,655</u>	<u>1,016,761</u>

**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.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**13. Landfill Closure and Post-Closure Care Costs (continued)**

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 \$199,426. 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.

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.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**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.

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](http://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.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**15. Pension Plan (continued)**

At of the date of the most recent actuarial valuation participants consisted of the following:

Retirees and beneficiaries currently receiving benefits	106
Terminated vested participants entitled to but not yet receiving benefits	27
Active participants	122
Total number of participants	255

*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 60 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 employee benefit formula is 2.00% with a ten year vesting schedule.

*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 \$364,775 or 6.97% 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, 2021*

**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 liability of \$1,363,918. The net pension asset was measured as of September 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. For the current fiscal year, the City recognized pension expense of \$1,804,111. 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 906,926	\$ 0
Changes of assumptions	208,082	0
Changes in participant fund allocation	49,523	(49,523)
Net difference between projected and actual earnings on pension plan investments	0	(239,922)
City contributions subsequent to the measurement date	273,581	0
Totals	<b>\$ 1,438,112</b>	<b>\$ (289,445)</b>

The \$273,581 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:

<b>Fiscal Year Ending June 30</b>		
2022	\$	100,429
2023		303,766
2024		405,076
2025		65,815
Totals	\$	875,086

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**15. Pension Plan (continued)**

*Actuarial Assumptions.* The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25%
Net investment rate of return	7.375%

Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality and economic actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2019.

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, 2021**

**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, 2020 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%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Total	<u>100%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.375 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, 2021

**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>
	(a)	(b)	(a) - (b)
<b>Balances at 9/30/19</b>	\$ 20,722,520	\$ 21,325,116	\$ (602,596)
<b>Changes for the year:</b>			
Service cost	194,535	0	194,535
Interest	1,494,706	0	1,494,706
Differences between expected and actual experience	783,350	0	783,350
Contributions—employer	0	119,340	(119,340)
Net investment income	0	1,982,167	(1,982,167)
Benefit payments, including refunds of employee contributions	(1,299,710)	(1,299,710)	0
Administrative expense	0	(35,329)	35,329
Other	1,560,101	0	1,560,101
<b>Net changes</b>	<u>2,732,982</u>	<u>766,468</u>	<u>1,966,514</u>
<b>Balances at 9/30/20</b>	<u>\$ 23,455,502</u>	<u>\$ 22,091,584</u>	<u>\$ 1,363,918</u>

Plan fiduciary net position as a percentage of the total pension liability	94.19%
Covered payroll	\$ 5,055,127
Employer's net pension asset as percentage of covered payroll	26.98%

*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 (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.375%	\$ 4,388,895
Current discount rate	7.375%	1,363,918
1% increase	8.375%	(1,133,041)

*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, 2021**

**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 \$237,644 to the plan based on covered salaries of \$4,412,128. Plan members made voluntary contributions of \$244,903 to the plan. Total payroll was \$5,726,804.

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, 2021**

**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 10<sup>th</sup> 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	\$ 87,749
Disbursements to Chamber of Commerce, for Elbert Theatre, and for other tourism and visitor programs	\$ 43,874 50% of tax receipts
Transfers to the General Fund	\$ 43,875 50% of tax receipts

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**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.

**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 \$10,577,984 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.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**21. Commitments and Contingencies (continued)**

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 \$10,855,920. 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 \$3,345,932. This amount is included in restricted investments in the Combined Public Utility Fund.

As of the end of the current year, contractual commitments on uncompleted contracts totaled \$2,753,017.

**Contingencies**

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

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the fiscal year ended June 30, 2021**

**22. Risks and Uncertainties**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

**23. Deficit Equity Balances**

At the end of the current fiscal year, the Solid Waste Enterprise Fund has a deficit net position of \$89,338. This is due to the increase of the net pension liability. The City plans to liquidate this deficit net position through future revenue recognition.

At the end of the current fiscal year, the Elbert Theatre Enterprise Fund has a deficit net position of \$8,462. This is due to the increase of the net pension liability. The City plans to liquidate this deficit net position through future revenue recognition.

**24. Subsequent Events**

Subsequent to June 30, 2021, the City received \$808,303 of funding as part of the American Rescue Plan Act (ARPA), which was signed into law on March 11, 2021 and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. This program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

This page intentionally left blank.

# 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, 2021**  
**(Unaudited)**

	Fiscal Year End		
	2021	2020	2019
<b>Total pension liability</b>			
Service cost	\$ 194,535	\$ 174,109	\$ 153,205
Interest	1,494,706	1,437,459	1,386,472
Differences between expected and actual experience	783,350	357,266	263,547
Changes of assumptions	0	346,803	0
Changes of benefit terms	1,560,101	0	0
Benefit payments, including refunds of employee contributions	(1,299,710)	(1,170,265)	(1,118,331)
Net change in total pension liability	2,732,982	1,145,372	684,893
Total pension liability - beginning	20,722,520	19,577,148	18,892,255
<b>Total pension liability - ending (a)</b>	<b>\$ 23,455,502</b>	<b>\$ 20,722,520</b>	<b>\$ 19,577,148</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 119,340	\$ 33,877	\$ 261,335
Net investment income	1,982,167	605,552	2,029,341
Benefit payments, including refunds of employee contributions	(1,299,710)	(1,170,265)	(1,118,331)
Administrative expense	(35,329)	(31,947)	(33,672)
Net change in total pension liability	766,468	(562,783)	1,138,673
Plan fiduciary net position - beginning	21,325,116	21,887,899	20,749,226
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 22,091,584</b>	<b>\$ 21,325,116</b>	<b>\$ 21,887,899</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 1,363,918</b>	<b>\$ (602,596)</b>	<b>\$ (2,310,751)</b>
Plan's fiduciary net position as a percentage of the total pension liability	94.19%	102.91%	111.80%
Covered payroll	\$ 5,055,127	\$ 5,003,067	\$ 4,647,492
Net pension liability (asset) as a percentage of covered payroll	26.98%	-12.04%	-49.72%

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

**Fiscal Year End**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 164,994	\$ 173,629	\$ 185,301	\$ 200,459
1,359,452	1,347,052	1,299,615	1,345,099
617,994	(387,757)	0	(358,709)
(358,973)	0	151,751	(847,478)
90,421	0	(117,838)	0
<u>(1,045,886)</u>	<u>(899,965)</u>	<u>(913,514)</u>	<u>(939,024)</u>
828,002	232,959	605,315	(599,653)
<u>18,064,253</u>	<u>17,831,294</u>	<u>17,225,979</u>	<u>17,825,632</u>
<u><u>\$ 18,892,255</u></u>	<u><u>\$ 18,064,253</u></u>	<u><u>\$ 17,831,294</u></u>	<u><u>\$ 17,225,979</u></u>
\$ 358,526	\$ 344,865	\$ 358,930	\$ 348,379
2,767,707	1,912,937	221,538	1,863,860
(1,045,886)	(899,965)	(913,514)	(939,024)
(35,849)	(21,184)	(24,006)	(19,423)
<u>2,044,498</u>	<u>1,336,653</u>	<u>(357,052)</u>	<u>1,253,792</u>
<u>18,704,728</u>	<u>17,368,075</u>	<u>17,725,127</u>	<u>16,471,335</u>
<u><u>\$ 20,749,226</u></u>	<u><u>\$ 18,704,728</u></u>	<u><u>\$ 17,368,075</u></u>	<u><u>\$ 17,725,127</u></u>
<u><u>\$ (1,856,971)</u></u>	<u><u>\$ (640,475)</u></u>	<u><u>\$ 463,219</u></u>	<u><u>\$ (499,148)</u></u>
109.83%	103.55%	97.40%	102.90%
\$ 4,221,554	\$ 4,200,078	\$ 4,545,318	\$ 4,461,208
-43.99%	-15.25%	10.19%	-11.19%

**CITY OF ELBERTON, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2021**  
**(Unaudited)**

	Fiscal Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 364,775	\$ 33,571	\$ 337,256
Contributions in relation to the actuarially determined contribution	(364,775)	(33,571)	(337,256)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 5,233,820	\$ 5,100,652	\$ 5,003,067
Contributions as a percentage of covered payroll	6.97%	0.66%	6.74%

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

<b>Fiscal Year End</b>			
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 365,616 (365,616)	\$ 337,948 (337,948)	\$ 365,616 (365,616)	\$ 365,924 (365,924)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 4,848,402	\$ 4,633,317	\$ 4,454,847	\$ 4,461,208
7.54%	7.29%	8.21%	8.20%

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the fiscal year ended June 30, 2021**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2022.

**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 = Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than 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 = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 2.25%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the fiscal year ended June 30, 2021**

**3. Changes in Benefits**

Amounts reported for fiscal years ending in 2021 and later reflect that effective January 1, 2021, alternative normal retirement eligibility was changed from age 62 with 30 years of service to age 60 with 30 years of service, the Employees' benefit formula was changed from a table breakpoint formula to a flat 2.00% and the Officials' benefit multiplier was increased from \$45 to \$55.

**4. Changes of Assumptions**

The following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the fiscal year ended June 30, 2021**

**4. Changes of Assumptions (continued)**

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

**CITY OF ELBERTON, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the fiscal year ended June 30, 2021**

**4. Changes of Assumptions (continued)**

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

The cost-of-living assumption was decreased from 2.75% to 2.25%.

This page intentionally left blank.

# Supplementary Information



This page intentionally left blank.

***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

***Nonmajor Enterprise Funds***

**CITY OF ELBERTON, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2021**

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Total Nonmajor Funds</u>
	<u>Hotel/ Motel Tax</u>	<u>Revolving Loan</u>	<u>2017 SPLOST</u>	<u>2019 TSPLOST</u>	
<b>ASSETS</b>					
Cash	\$ 0	\$ 48,947	\$ 82,695	\$ 413,734	\$ 545,376
Receivables					
Taxes	7,143	0	0	0	7,143
Intergovernmental	0	0	132,545	48,339	180,884
Notes	0	431,053	0	0	431,053
Due from other funds	13,267	0	0	0	13,267
<b>Total assets</b>	<u>\$ 20,410</u>	<u>\$ 480,000</u>	<u>\$ 215,240</u>	<u>\$ 462,073</u>	<u>\$ 1,177,723</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 20,410	\$ 0	\$ 130,707	\$ 0	\$ 151,117
Retainage payable	0	0	9,951	0	9,951
<b>Total liabilities</b>	<u>20,410</u>	<u>0</u>	<u>140,658</u>	<u>0</u>	<u>161,068</u>
<b>Fund balances</b>					
Restricted for:					
Housing and Development	0	480,000	0	0	480,000
Capital Projects	0	0	74,582	462,073	536,655
Total fund balances	<u>0</u>	<u>480,000</u>	<u>74,582</u>	<u>462,073</u>	<u>1,016,655</u>
<b>Total liabilities and fund balances</b>	<u>\$ 20,410</u>	<u>\$ 480,000</u>	<u>\$ 215,240</u>	<u>\$ 462,073</u>	<u>\$ 1,177,723</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, 2021*

	Special Revenue		Capital Projects		Total Nonmajor Funds
	Hotel/ Motel Tax	Revolving Loan	2017 SPLOST	2019 TSPLOST	
<b>REVENUES</b>					
Taxes	\$ 87,749	\$ 0	\$ 0	\$ 0	\$ 87,749
Intergovernmental	0	0	733,032	606,141	1,339,173
Interest	0	2,074	264	201	2,539
<b>Total revenues</b>	<u>87,749</u>	<u>2,074</u>	<u>733,296</u>	<u>606,342</u>	<u>1,429,461</u>
<b>EXPENDITURES</b>					
Current					
Housing and Development	43,874	2,074	0	0	45,948
Capital outlay	0	0	814,877	367,039	1,181,916
<b>Total expenditures</b>	<u>43,874</u>	<u>2,074</u>	<u>814,877</u>	<u>367,039</u>	<u>1,227,864</u>
Excess (deficiency) of revenues over (under) expenditures	43,875	0	(81,581)	239,303	201,597
Other financing sources (uses)					
Transfers out	(43,875)	0	(287,678)	0	(331,553)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(369,259)	239,303	(129,956)
Fund balances, July 1	0	480,000	443,841	222,770	1,146,611
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 480,000</u>	<u>\$ 74,582</u>	<u>\$ 462,073</u>	<u>\$ 1,016,655</u>

**CITY OF ELBERTON, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**June 30, 2021**

	<b>Solid Waste</b>	<b>Elbert Theatre</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 0	\$ 6,933	\$ 6,933
Accounts receivable(net)	80,797	0	80,797
Total current assets	<u>80,797</u>	<u>6,933</u>	<u>87,730</u>
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	23,900	0	23,900
Depreciable (net)	211,146	24,556	235,702
Total noncurrent assets	<u>235,046</u>	<u>24,556</u>	<u>259,602</u>
<b>Total assets</b>	<u>315,843</u>	<u>31,489</u>	<u>347,332</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>95,074</u>	<u>12,644</u>	<u>107,718</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	24,794	7,060	31,854
Accrued salaries	18,390	1,585	19,975
Compensated absences	13,229	4,023	17,252
Due to other funds	327,606	15,088	342,694
Total current liabilities	<u>384,019</u>	<u>27,756</u>	<u>411,775</u>
<b>Noncurrent liabilities</b>			
Net pension liability	91,203	12,129	103,332
Compensated absences	5,670	1,724	7,394
Total noncurrent liabilities	<u>96,873</u>	<u>13,853</u>	<u>110,726</u>
<b>Total liabilities</b>	<u>480,892</u>	<u>41,609</u>	<u>522,501</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>19,363</u>	<u>10,986</u>	<u>30,349</u>
<b>NET POSITION</b>			
Net investment in capital assets	235,046	24,556	259,602
Unrestricted	<u>(324,384)</u>	<u>(33,018)</u>	<u>(357,402)</u>
<b>Total net position</b>	<u>\$ (89,338)</u>	<u>\$ (8,462)</u>	<u>\$ (97,800)</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, 2021**

	<b>Solid Waste</b>	<b>Elbert Theatre</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 911,193	\$ 9,768	\$ 920,961
<b>OPERATING EXPENSES</b>			
Costs of sales and services	401,776	42,630	444,406
Personal services	642,462	88,252	730,714
Depreciation	81,790	2,061	83,851
<b>Total operating expenses</b>	<b>1,126,028</b>	<b>132,943</b>	<b>1,258,971</b>
Operating income (loss)	(214,835)	(123,175)	(338,010)
Transfers in (out)			
Transfers in	120,000	83,000	203,000
Change in net position	(94,835)	(40,175)	(135,010)
Net position, July 1	5,497	31,713	37,210
<b>Net position, June 30</b>	<b>\$ (89,338)</b>	<b>\$ (8,462)</b>	<b>\$ (97,800)</b>

**CITY OF ELBERTON, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2021**

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 918,846	\$ 9,768	\$ 928,614
Payments to suppliers	(403,826)	(35,605)	(439,431)
Payments to employees	(543,233)	(77,384)	(620,617)
	<u>(28,213)</u>	<u>(103,221)</u>	<u>(131,434)</u>
Net cash provided (used) by operating activities			
<b>Cash flows from non-capital financing activities:</b>			
Receipts from other funds	180,000	266,630	446,630
Payments to other funds	(123,644)	(160,825)	(284,469)
	<u>56,356</u>	<u>105,805</u>	<u>162,161</u>
Net cash provided (used) by non-capital financing activities			
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	(28,143)	0	(28,143)
	<u>0</u>	<u>2,584</u>	<u>2,584</u>
Net increase (decrease) in cash			
Cash, July 1	0	4,349	4,349
	<u>\$ 0</u>	<u>\$ 6,933</u>	<u>\$ 6,933</u>
<b>Cash, June 30</b>			

**CITY OF ELBERTON, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2021**

	<u>Solid Waste</u>	<u>Elbert Theatre</u>	<u>Total Nonmajor Proprietary Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (214,835)	\$ (123,175)	\$ (338,010)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	81,790	2,061	83,851
(Increase) decrease in accounts receivable	7,653	0	7,653
(Increase) decrease in net pension asset/liability	130,182	12,129	142,311
(Increase) decrease in deferred outflows related to pension	(38,434)	(12,644)	(51,078)
Increase (decrease) in accounts payable	(2,050)	7,025	4,975
Increase (decrease) in accrued salaries	1,500	230	1,730
Increase (decrease) in compensated absences payable	3,189	167	3,356
Increase (decrease) in deferred inflows related to pension	2,792	10,986	13,778
Total adjustments	<u>186,622</u>	<u>19,954</u>	<u>206,576</u>
Net cash provided (used) by operating activities	<u>\$ (28,213)</u>	<u>\$ (103,221)</u>	<u>\$ (131,434)</u>

This page intentionally left blank.

## **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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash	\$ 682,772	\$ 80,349
Restricted cash	106	25
Receivables (net)		
Accounts	3,959	3,560
Taxes	89,395	75,714
Notes	70,000	75,000
Prepaid items	185,896	174,792
Inventory, at cost	21,192	8,948
Due from other funds	0	693,700
	<u>0</u>	<u>693,700</u>
<b>Total assets</b>	<u>\$ 1,053,320</u>	<u>\$ 1,112,088</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 84,429	\$ 59,915
Accrued salaries and payroll liabilities	140,774	139,160
Due to other funds	82,437	60,000
Other liabilities	14,250	15,250
	<u>14,250</u>	<u>15,250</u>
<b>Total liabilities</b>	<u>321,890</u>	<u>274,325</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid items	185,896	174,792
Inventory	21,192	8,948
Notes receivable	70,000	75,000
Restricted for Public Safety	106	25
Unassigned	454,236	578,998
	<u>454,236</u>	<u>578,998</u>
<b>Total fund balances</b>	<u>731,430</u>	<u>837,763</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,053,320</u>	<u>\$ 1,112,088</u>

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Taxes	\$ 1,601,419	\$ 1,414,168
Licenses and permits	64,372	82,701
Fines, fees and forfeitures	144,845	132,133
Charges for services	769,573	701,636
Intergovernmental	226,613	0
Interest	1,544	1,659
Contributions	135	0
Other	33,644	10,398
	<hr/>	<hr/>
<b>Total revenues</b>	<b>2,842,145</b>	<b>2,342,695</b>
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Current		
General Government	751,328	715,913
Judicial	79,111	79,591
Public Safety	2,612,060	2,597,663
Public Works	1,072,442	1,003,450
Health and Welfare	40,500	66,100
Culture and Recreation	81,000	74,000
Housing and Development	238,338	226,670
	<hr/>	<hr/>
<b>Total expenditures</b>	<b>4,874,779</b>	<b>4,763,387</b>
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,032,634)</u>	<u>(2,420,692)</u>
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Fund	43,875	36,074
Combined Public Utility System Fund	1,870,000	2,520,000
Solid Waste Fund	0	(60,000)
Sale of capital assets	12,426	0
	<hr/>	<hr/>
<b>Total other financing sources (uses)</b>	<b>1,926,301</b>	<b>2,496,074</b>
	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(106,333)	75,382
Fund balances, July 1	<u>837,763</u>	<u>762,381</u>
	<hr/>	<hr/>
<b>Fund balances, June 30</b>	<b>\$ 731,430</b>	<b>\$ 837,763</b>
	<hr/>	<hr/>

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2021**

*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Taxes</b>				
Intangibles tax	\$ 5,500	\$ 9,277	\$ 3,777	\$ 4,480
Franchise tax	98,000	95,431	(2,569)	93,145
Occupational tax	130,500	151,160	20,660	135,811
Insurance premium tax	360,000	368,710	8,710	349,535
Title ad valorem tax	80,000	112,773	32,773	71,902
Liquor tax	20,000	24,506	4,506	22,649
Beer and wine tax	110,000	109,043	(957)	105,330
Local option sales tax	610,000	730,519	120,519	631,316
Total taxes	<u>1,414,000</u>	<u>1,601,419</u>	<u>187,419</u>	<u>1,414,168</u>
<b>Licenses and permits</b>				
Building permits	25,000	17,249	(7,751)	31,970
Alcoholic beverage licenses	43,000	42,000	(1,000)	47,000
Other permits	3,500	5,123	1,623	3,731
Total licenses and permits	<u>71,500</u>	<u>64,372</u>	<u>(7,128)</u>	<u>82,701</u>
<b>Fines, fees and forfeitures</b>				
Parking fines	1,000	140	(860)	814
Court and DUI fines	140,600	141,705	1,105	128,319
Probation fees	3,000	3,000	0	3,000
Total fines, fees, and forfeitures	<u>144,600</u>	<u>144,845</u>	<u>245</u>	<u>132,133</u>
<b>Charges for services</b>				
Reimbursement of joint expenses	652,291	652,644	353	620,426
Cemetery sales and services	64,000	101,890	37,890	71,440
Public safety	14,000	13,389	(611)	6,668
Other	4,100	1,650	(2,450)	3,102
Total charges for services	<u>734,391</u>	<u>769,573</u>	<u>35,182</u>	<u>701,636</u>
<b>Intergovernmental</b>				
Grants	0	226,613	226,613	0
<b>Interest</b>				
	24	1,544	1,520	1,659
<b>Contributions</b>				
	350	135	(215)	0
<b>Other</b>				
Miscellaneous	7,500	33,644	26,144	10,398
<b>Total revenues</b>	<u><u>\$ 2,372,365</u></u>	<u><u>\$ 2,842,145</u></u>	<u><u>\$ 469,780</u></u>	<u><u>\$ 2,342,695</u></u>

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2021**  
*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Mayor and Council				
Personal services	\$ 139,278	\$ 139,537	\$ (259)	\$ 142,045
Contractual services	47,336	27,278	20,058	34,299
Materials and supplies	250	13	237	58
Total Mayor and Council	<u>186,864</u>	<u>166,828</u>	<u>20,036</u>	<u>176,402</u>
City Manager's Office				
Personal services	163,810	163,314	496	143,107
Contractual services	5,435	2,240	3,195	2,394
Materials and supplies	1,000	662	338	1,153
Total City Manager's Office	<u>170,245</u>	<u>166,216</u>	<u>4,029</u>	<u>146,654</u>
Finance				
Personal services	124,426	126,075	(1,649)	114,716
Contractual services	56,160	54,925	1,235	57,858
Materials and supplies	1,100	685	415	278
Total Finance	<u>181,686</u>	<u>181,685</u>	<u>1</u>	<u>172,852</u>
Human Resources				
Personal services	65,832	64,759	1,073	53,027
Contractual services	7,780	5,111	2,669	3,504
Materials and supplies	2,000	2,844	(844)	2,347
Total Human Resources	<u>75,612</u>	<u>72,714</u>	<u>2,898</u>	<u>58,878</u>
City Clerk				
Personal services	106,487	106,677	(190)	102,278
Contractual services	750	825	(75)	893
Materials and supplies	7,310	7,044	266	10,896
Total City Clerk	<u>114,547</u>	<u>114,546</u>	<u>1</u>	<u>114,067</u>
Elections				
Personal services	0	0	0	280
Contractual services	0	0	0	603
Materials and supplies	0	0	0	42
Total Elections	<u>0</u>	<u>0</u>	<u>0</u>	<u>925</u>
City Attorney				
Contractual services	20,000	18,480	1,520	17,317
Total City Attorney	<u>20,000</u>	<u>18,480</u>	<u>1,520</u>	<u>17,317</u>

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2021**  
*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>General Government - continued</b>				
City Hall Maintenance				
Contractual services	\$ 26,657	\$ 19,741	\$ 6,916	\$ 20,419
Materials and supplies	10,700	11,118	(418)	8,399
Total City Hall Maintenance	<u>37,357</u>	<u>30,859</u>	<u>6,498</u>	<u>28,818</u>
 Total General Government	 <u>786,311</u>	 <u>751,328</u>	 <u>34,983</u>	 <u>715,913</u>
<b>Judicial</b>				
Municipal Court				
Personal services	77,231	75,764	1,467	76,667
Contractual services	5,168	3,347	1,821	2,924
Total Judicial	<u>82,399</u>	<u>79,111</u>	<u>3,288</u>	<u>79,591</u>
<b>Public Safety</b>				
Police - Administration				
Personal services	181,878	171,793	10,085	172,347
Contractual services	181,184	182,475	(1,291)	181,848
Materials and supplies	19,510	15,062	4,448	18,702
Total Police - Administration	<u>382,572</u>	<u>369,330</u>	<u>13,242</u>	<u>372,897</u>
 Police - Uniform Division				
Personal services	976,924	908,659	68,265	913,092
Contractual services	30,000	24,853	5,147	28,950
Materials and supplies	41,592	37,452	4,140	39,143
Total Police - Uniform Division	<u>1,048,516</u>	<u>970,964</u>	<u>77,552</u>	<u>981,185</u>
 Police - Criminal Investigations				
Personal services	155,291	146,178	9,113	144,073
Contractual services	2,740	311	2,429	3,021
Materials and supplies	6,642	5,145	1,497	4,694
Total Police - Criminal Investigations	<u>164,673</u>	<u>151,634</u>	<u>13,039</u>	<u>151,788</u>
 Police - Community Relations				
Personal services	68,702	72,289	(3,587)	62,601
Contractual services	1,000	525	475	998
Materials and supplies	5,750	2,637	3,113	2,457
Total Police - Community Relations	<u>75,452</u>	<u>75,451</u>	<u>1</u>	<u>66,056</u>

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2021**  
*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Public Safety - continued</b>				
Police - Detention				
Contractual services	\$ 36,500	\$ 21,594	\$ 14,906	\$ 34,013
Fire				
Personal services	915,918	922,414	(6,496)	874,775
Contractual services	33,544	31,821	1,723	34,207
Materials and supplies	22,918	18,145	4,773	20,278
Total Fire	972,380	972,380	0	929,260
Animal Control				
Personal services	55,894	32,634	23,260	51,712
Contractual services	16,959	15,025	1,934	7,725
Materials and supplies	4,150	3,048	1,102	3,027
Total Animal Control	77,003	50,707	26,296	62,464
Total Public Safety	2,757,096	2,612,060	145,036	2,597,663
<b>Public Works</b>				
Administrative				
Personal services	149,808	148,446	1,362	87,848
Contractual services	19,720	19,478	242	24,329
Materials and supplies	16,636	17,838	(1,202)	15,112
Payments to others	9,000	9,401	(401)	4,659
Total Administration	195,164	195,163	1	131,948
Infrastructure Maintenance				
Personal services	435,725	431,405	4,320	404,462
Contractual services	16,765	22,249	(5,484)	14,963
Materials and supplies	35,934	34,770	1,164	40,157
Total Infrastructure Maintenance	488,424	488,424	0	459,582
Parks and Rights-of-Way				
Personal services	38,198	40,374	(2,176)	39,483
Contractual services	59,740	46,040	13,700	52,020
Materials and supplies	10,000	4,907	5,093	7,226
Total Parks and Rights of Way	107,938	91,321	16,617	98,729

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2021**  
*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Public Works - continued</b>				
Motor Pool				
Personal services	\$ 114,914	\$ 117,586	\$ (2,672)	\$ 116,515
Contractual services	37,615	26,319	11,296	29,595
Materials and supplies	26,000	20,496	5,504	33,294
Total Motor Pool	<u>178,529</u>	<u>164,401</u>	<u>14,128</u>	<u>179,404</u>
Street Lighting				
Contractual services	5,000	0	5,000	0
Materials and supplies	15,000	14,191	809	16,664
Total Street Lighting	<u>20,000</u>	<u>14,191</u>	<u>5,809</u>	<u>16,664</u>
Cemetery				
Personal services	56,082	43,943	12,139	47,826
Contractual services	72,091	71,805	286	63,681
Materials and supplies	6,982	3,194	3,788	5,616
Total Cemetery	<u>135,155</u>	<u>118,942</u>	<u>16,213</u>	<u>117,123</u>
Total Public Works	<u>1,125,210</u>	<u>1,072,442</u>	<u>52,768</u>	<u>1,003,450</u>
<b>Health and Welfare</b>				
Agency allocations				
Elbert County Hospital Authority	32,000	32,000	0	57,600
Community Partnership	1,500	1,500	0	1,500
Elbert County Aging Program	7,000	7,000	0	7,000
Total Health and Welfare	<u>40,500</u>	<u>40,500</u>	<u>0</u>	<u>66,100</u>
<b>Culture and Recreation</b>				
Agency allocations				
Library	68,000	68,000	0	68,000
Keep Elbert County Beautiful	5,000	5,000	0	5,000
Burke Street Facility	8,000	8,000	0	0
Sister City Program	7,500	0	7,500	1,000
Total Culture and Recreation	<u>88,500</u>	<u>81,000</u>	<u>7,500</u>	<u>74,000</u>

**CITY OF ELBERTON, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2021**  
*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Housing and Development</b>				
Zoning/City Marshal				
Personal services	\$ 73,753	\$ 55,295	\$ 18,458	\$ 68,036
Contractual services	2,840	525	2,315	1,637
Materials and supplies	2,065	1,151	914	1,723
Payments to others	500	0	500	80
Total Zoning/Special Projects	<u>79,158</u>	<u>56,971</u>	<u>22,187</u>	<u>71,476</u>
Code Enforcement				
Personal services	50,330	54,087	(3,757)	47,359
Contractual services	6,226	3,243	2,983	8,942
Materials and supplies	1,850	1,075	775	3,338
Total Code Enforcement	<u>58,406</u>	<u>58,405</u>	<u>1</u>	<u>59,639</u>
Mainstreet Elberton				
Personal services	52,693	52,415	278	48,121
Contractual services	5,035	3,619	1,416	6,413
Materials and supplies	11,000	1,389	9,611	1,290
Payments to others	24,000	24,000	0	24,000
Total Mainstreet Elberton	<u>92,728</u>	<u>81,423</u>	<u>11,305</u>	<u>79,824</u>
Community Development				
Contractual services	<u>41,540</u>	<u>41,539</u>	<u>1</u>	<u>15,731</u>
Total Housing and Development	<u>271,832</u>	<u>238,338</u>	<u>33,494</u>	<u>226,670</u>
<b>Total expenditures</b>	<u><u>\$ 5,151,848</u></u>	<u><u>\$ 4,874,779</u></u>	<u><u>\$ 277,069</u></u>	<u><u>\$ 4,763,387</u></u>

This page intentionally left blank.

## **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, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Taxes receivable	\$ 7,143	\$ 5,711
Due from other funds	13,267	514
<b>Total assets</b>	<b>\$ 20,410</b>	<b>\$ 6,225</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 20,410	\$ 6,225
<b>FUND BALANCES</b>		
Restricted for Housing and Development	0	0
<b>Total liabilities and fund balances</b>	<b>\$ 20,410</b>	<b>\$ 6,225</b>

**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, 2021**

*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Hotel/motel taxes	\$ 84,000	\$ 87,749	\$ 3,749	\$ 72,147
<b>EXPENDITURES</b>				
<b>Current</b>				
Housing and Development				
Contract services	40,000	3,445	36,555	6,675
Payments to other agencies	4,000	40,429	(36,429)	32,376
<b>Total expenditures</b>	<u>44,000</u>	<u>43,874</u>	<u>126</u>	<u>39,051</u>
Excess (deficiency) of revenues over (under) expenditures	40,000	43,875	3,875	33,096
Other financing sources (uses)				
Transfers in (out)				
General Fund	<u>(40,000)</u>	<u>(43,875)</u>	<u>(3,875)</u>	<u>(36,073)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	(2,977)
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,977</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF ELBERTON, GEORGIA**  
**REVOLVING LOAN SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 48,947	\$ 10,334
Notes receivable	431,053	470,521
<b>Total assets</b>	<b>\$ 480,000</b>	<b>\$ 480,855</b>
<b>LIABILITIES</b>		
Due to other funds	\$ 0	\$ 855
<b>FUND BALANCES</b>		
Restricted for Housing and Development	480,000	480,000
<b>Total liabilities and fund balances</b>	<b>\$ 480,000</b>	<b>\$ 480,855</b>

**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, 2021**

*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 24,000	\$ 0	\$ (24,000)	\$ 0
Interest	0	2,074	2,074	855
<b>Total revenues</b>	24,000	2,074	(21,926)	855
<b>EXPENDITURES</b>				
<b>Current</b>				
Housing and Development	24,000	2,074	21,926	855
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	480,000	480,000	480,000
<b>Fund balances, June 30</b>	\$ 0	\$ 480,000	\$ 480,000	\$ 480,000

This page intentionally left blank.

## **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).*

**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.*

**2019 Transportation Special Purpose Local Option Sales Tax Fund** - *This fund is used to account for long-term projects financed by the passage of the 2019 transportation special purpose local option sales tax.*

**CITY OF ELBERTON, GEORGIA**  
**2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 82,695	\$ 449,838
Intergovernmental receivable	132,545	118,333
<b>Total assets</b>	<b>\$ 215,240</b>	<b>\$ 568,171</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 130,707	\$ 124,330
Retainage payable	9,951	0
	140,658	124,330
<b>FUND BALANCES</b>		
Restricted for capital projects	74,582	443,841
<b>Total liabilities and fund balances</b>	<b>\$ 215,240</b>	<b>\$ 568,171</b>

**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, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Intergovernmental	\$ 733,032	\$ 628,739
Interest	264	465
	<u>733,296</u>	<u>629,204</u>
<b>Total revenues</b>		
<b>EXPENDITURES</b>		
<b>Capital outlay</b>		
Public Safety	545,336	244,699
Public Works	246,576	121,404
Culture and Recreation	0	24,752
Housing and Development	22,965	0
	<u>814,877</u>	<u>390,855</u>
<b>Total expenditures</b>		
Excess (deficiency) of revenues over (under) expenditures	<u>(81,581)</u>	<u>238,349</u>
Other financing sources (uses)		
Transfers in (out)		
Combined Public Utility System Fund	20,000	(33,862)
ElbertonNET Technology Services Fund	(307,678)	(91,518)
	<u>(287,678)</u>	<u>(125,380)</u>
<b>Total other financing sources (uses)</b>		
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(369,259)</u>	<u>112,969</u>
Fund balances, July 1	<u>443,841</u>	<u>330,872</u>
<b>Fund balances, June 30</b>	<u><u>\$ 74,582</u></u>	<u><u>\$ 443,841</u></u>

**CITY OF ELBERTON, GEORGIA**  
**2019 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 413,734	\$ 179,800
Intergovernmental receivable	48,339	42,970
<b>Total assets</b>	\$ 462,073	\$ 222,770
 <b>FUND BALANCES</b>		
Restricted for capital projects	\$ 462,073	\$ 222,770

**CITY OF ELBERTON, GEORGIA**  
**2019 TRANSPORTATION 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, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Intergovernmental	\$ 606,141	\$ 528,751
Interest	201	77
	<b>606,342</b>	<b>528,828</b>
<b>EXPENDITURES</b>		
<b>Capital outlay</b>		
Public Works	367,039	306,058
	<b>367,039</b>	<b>306,058</b>
Excess (deficiency) of revenues over (under) expenditures	239,303	222,770
Fund balances, July 1	222,770	0
<b>Fund balances, June 30</b>	<b>\$ 462,073</b>	<b>\$ 222,770</b>

This page intentionally left blank.

## **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, 2021 and 2020**

<b>ASSETS</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Current assets</b>		
Cash	\$ 1,211,796	\$ 834,928
Investments	10,038,316	10,369,467
Receivables		
Accounts (net)	1,987,775	2,020,115
Intergovernmental	56,220	184,847
Inventories	475,545	534,489
Due from other funds	1,128,367	1,449,113
Other current assets	18,348	19,967
	<u>14,916,367</u>	<u>15,412,926</u>
<b>Restricted assets</b>		
MEAG Generation Trust		
Investments	3,345,932	3,709,181
Bond Redemption		
Cash	484,339	481,707
Customer Deposits		
Investments	817,604	789,092
	<u>4,647,875</u>	<u>4,979,980</u>
<b>Capital assets</b>		
Land	254,685	254,685
Intangible assets	377,692	377,692
Buildings	499,026	499,026
Distribution system	48,764,538	47,710,637
Vehicles and equipment	2,741,909	2,766,314
Construction in progress	617,157	380,940
Accumulated depreciation	<u>(27,714,323)</u>	<u>(26,336,355)</u>
	<u>25,540,684</u>	<u>25,652,939</u>
<b>Other assets</b>		
Net pension asset	0	185,575
Advances to other funds	1,240,049	1,698,216
	<u>1,240,049</u>	<u>1,883,791</u>
<b>Total assets</b>	<u>46,344,975</u>	<u>47,929,636</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>479,059</u>	<u>269,655</u>

**CITY OF ELBERTON, GEORGIA**  
**COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2021 and 2020**

<b>LIABILITIES</b>	<u>2021</u>	<u>2020</u>
<b>Current liabilities</b>		
Payables		
Accounts	\$ 1,164,866	\$ 1,114,007
Retainages	39,298	31,447
Sales tax	63,497	63,868
Accrued salaries	92,810	86,217
Compensated absences	89,135	88,401
Other current liabilities	60,433	57,792
Due to other funds	13,267	708,103
Note payable	226,481	143,762
Capital lease payable	0	245,515
	<u>1,749,787</u>	<u>2,539,112</u>
Total current liabilities		
<b>Current liabilities payable from restricted assets</b>		
Customer deposits payable	817,604	789,092
Interest payable	19,431	31,256
Bonds payable	930,000	900,000
	<u>1,767,035</u>	<u>1,720,348</u>
Total liabilities payable from restricted assets		
<b>Noncurrent liabilities</b>		
Compensated absences	38,201	37,886
Net pension liability	459,554	0
Capital lease payable	0	463,449
Notes payable	4,635,071	4,383,881
Bonds payable	0	930,000
	<u>5,132,826</u>	<u>5,815,216</u>
Total noncurrent liabilities		
<b>Total liabilities</b>	<u>8,649,648</u>	<u>10,074,676</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	115,137	78,894
	<u>115,137</u>	<u>78,894</u>
<b>NET POSITION</b>		
Net investment in capital assets	19,709,834	18,468,519
Restricted for:		
Debt service	464,908	450,451
MEAG Generation Trust	3,345,932	3,709,181
Unrestricted	14,538,575	15,417,570
	<u>14,538,575</u>	<u>15,417,570</u>
<b>Total net position</b>	<u>\$ 38,059,249</u>	<u>\$ 38,045,721</u>

**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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 22,205,002	\$ 22,586,800
Miscellaneous revenues	36,825	151,428
<b>Total operating revenues</b>	<u>22,241,827</u>	<u>22,738,228</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	14,776,184	14,689,855
Personal services	3,208,345	2,616,860
Depreciation	1,625,157	1,534,547
Miscellaneous expenses	14,140	34,340
<b>Total operating expenses</b>	<u>19,623,826</u>	<u>18,875,602</u>
Operating income (loss)	<u>2,618,001</u>	<u>3,862,626</u>
Non-operating revenues (expenses)		
Interest revenue	139,330	302,673
Net increase (decrease) in the fair value of investments	(107,093)	51,455
Interest expense	(147,702)	(151,399)
Gain on sale of capital assets	37,756	7,110
<b>Total non-operating revenues (expenses)</b>	<u>(77,709)</u>	<u>209,839</u>
Net income (loss) before capital contributions and transfers	2,540,292	4,072,465
Capital contributions		
Intergovernmental revenue	263,236	184,386
Net income (loss) before transfers	<u>2,803,528</u>	<u>4,256,851</u>
Transfers in (out)		
General Fund	(1,870,000)	(2,520,000)
Elbert Hotel Fund	(900,000)	(500,000)
2017 SPLOST Fund	(20,000)	33,862
<b>Total transfers</b>	<u>(2,790,000)</u>	<u>(2,986,138)</u>
Change in net position	13,528	1,270,713
Net position, July 1	<u>38,045,721</u>	<u>36,775,008</u>
<b>Net position, June 30</b>	<u>\$ 38,059,249</u>	<u>\$ 38,045,721</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, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 14,521,395	\$ 15,167,665
Miscellaneous revenues	6,436	9,601
<b>Total operating revenues</b>	<u>14,527,831</u>	<u>15,177,266</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	11,825,466	11,780,033
Personal services	1,576,441	1,401,093
Depreciation	355,634	330,647
Miscellaneous expenses	12,590	26,270
<b>Total operating expenses</b>	<u>13,770,131</u>	<u>13,538,043</u>
Operating income (loss)	<u>757,700</u>	<u>1,639,223</u>
Non-operating revenues (expenses)		
Interest revenue	138,638	291,518
Gain on sale of capital assets	0	4,110
Net increase (decrease) in the fair value of investments	(107,093)	51,455
<b>Total non-operating revenues (expenses)</b>	<u>31,545</u>	<u>347,083</u>
Net income (loss) before transfers	<u>789,245</u>	<u>1,986,306</u>
Transfers in (out)		
Elbert Hotel Fund	(900,000)	(500,000)
General Fund	(950,000)	(1,600,000)
<b>Total transfers</b>	<u>(1,850,000)</u>	<u>(2,100,000)</u>
Change in net position	<u>\$ (1,060,755)</u>	<u>\$ (113,694)</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, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 3,510,252	\$ 3,696,678
Miscellaneous revenues	5,408	10,701
<b>Total operating revenues</b>	<u>3,515,660</u>	<u>3,707,379</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	1,261,167	1,338,148
Personal services	1,131,438	907,630
Depreciation	925,544	893,293
Miscellaneous expenses	230	4,620
<b>Total operating expenses</b>	<u>3,318,379</u>	<u>3,143,691</u>
Operating income (loss)	<u>197,281</u>	<u>563,688</u>
Non-operating revenues (expenses)		
Interest revenue	692	11,155
Interest expense	(147,702)	(151,399)
Gain on sale of capital assets	5,200	3,000
<b>Total non-operating revenues (expenses)</b>	<u>(141,810)</u>	<u>(137,244)</u>
Net income (loss) before capital contributions and transfers	55,471	426,444
Capital contributions		
Intergovernmental	263,236	184,386
Net income (loss) before transfers	<u>318,707</u>	<u>610,830</u>
Transfers in (out)		
General Fund	(20,000)	(20,000)
2017 SPLOST Fund	(20,000)	33,862
<b>Total transfers</b>	<u>(40,000)</u>	<u>13,862</u>
Change in net position	<u>\$ 278,707</u>	<u>\$ 624,692</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, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 4,173,355	\$ 3,722,457
Miscellaneous revenues	24,981	131,126
<b>Total operating revenues</b>	<u>4,198,336</u>	<u>3,853,583</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	1,689,551	1,571,674
Personal services	500,466	308,137
Depreciation	343,979	310,607
Miscellaneous expenses	1,320	3,450
<b>Total operating expenses</b>	<u>2,535,316</u>	<u>2,193,868</u>
Operating income (loss)	1,663,020	1,659,715
Non-operating revenues (expenses)		
Gain on sale of capital assets	32,556	0
Net income (loss) before transfers	1,695,576	1,659,715
Transfers in (out)		
General Fund	(900,000)	(900,000)
Change in net position	<u>\$ 795,576</u>	<u>\$ 759,715</u>

**CITY OF ELBERTON, GEORGIA**  
**COMBINED PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 22,396,751	\$ 22,927,086
Payments to suppliers	(14,578,397)	(14,842,619)
Payments to employees	(2,728,735)	(2,539,753)
Other receipts	36,825	151,428
Other payments	(14,140)	(34,340)
	<u>5,112,304</u>	<u>5,661,802</u>
Net cash provided (used) by operating activities		
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	778,913	730,562
Payments to other funds	(3,484,835)	(3,020,000)
	<u>(2,705,922)</u>	<u>(2,289,438)</u>
Net cash provided (used) from non-capital financing activities		
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other governments	263,236	184,386
Receipts from other funds	0	33,862
Proceeds from sale of capital assets	37,756	7,110
Payment of capital related accounts payable	(117,813)	(884,070)
Acquisition of capital assets	(1,473,604)	(1,551,799)
Interest paid	(159,527)	(162,039)
Issuance of notes payable	524,001	376,876
Principal payments - leases	(708,964)	(240,514)
Principal payments - notes payable	(190,092)	(141,920)
Principal payments - bonds	(900,000)	(875,000)
	<u>(2,725,007)</u>	<u>(3,253,108)</u>
Net cash provided (used) by capital and related financing activities		
<b>Cash flows from investing activities:</b>		
Interest received	139,330	302,673
Proceeds from sale of investments	1,575,000	600,000
Purchase of investments	(1,016,205)	(1,144,917)
	<u>698,125</u>	<u>(242,244)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash	379,500	(122,988)
Cash, July 1	<u>1,316,635</u>	<u>1,439,623</u>
<b>Cash, June 30</b>	<u>\$ 1,696,135</u>	<u>\$ 1,316,635</u>

**CITY OF ELBERTON, GEORGIA**  
**COMBINED PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 2,618,001	\$ 3,862,626
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,625,157	1,534,547
(Increase) decrease in accounts receivable	160,967	322,808
(Increase) decrease in inventories	58,944	(20,333)
(Increase) decrease in other current assets	1,619	(1,033)
(Increase) decrease in deferred outflows related to pension	(209,404)	(91,704)
Increase (decrease) in accounts payable	137,224	(147,170)
Increase (decrease) in sales tax payable	(371)	(12,870)
Increase (decrease) in deposits payable	28,512	12,772
Increase (decrease) in other current liabilities	2,641	17,576
Increase (decrease) in accrued salaries	6,593	17,916
Increase (decrease) in compensated absences payable	1,049	1,807
Increase (decrease) in net pension asset/liability	645,129	587,562
Increase (decrease) in deferred inflows related to pension	36,243	(422,702)
Total adjustments	<u>2,494,303</u>	<u>1,799,176</u>
Net cash provided (used) by operating activities	<u>\$ 5,112,304</u>	<u>\$ 5,661,802</u>
<b>Cash reconciliation:</b>		
Cash	\$ 1,211,796	\$ 834,928
Bond Redemption		
Cash	<u>484,339</u>	<u>481,707</u>
Total cash	<u>\$ 1,696,135</u>	<u>\$ 1,316,635</u>

**Noncash investing, capital, and financing activities:**

The net increase (decrease) in the fair value of investments totaled \$107,093 and \$(51,455) for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through accounts payable totaled \$0 and \$86,366 for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through retainage payable totaled \$39,298 and \$31,447 for the fiscal years ended June 30, 2021 and 2020, respectively.

**CITY OF ELBERTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>Current assets</b>		
Accounts receivable (net)	\$ 80,797	\$ 88,450
Due from other funds	0	60,000
Total current assets	<u>80,797</u>	<u>148,450</u>
<b>Capital assets</b>		
Land	23,900	23,900
Land improvements	67,031	67,031
Buildings	86,886	86,886
Vehicles and equipment	639,560	608,282
Construction in progress	0	3,135
Accumulated depreciation	<u>(582,331)</u>	<u>(500,541)</u>
Total capital assets (net of accumulated depreciation)	<u>235,046</u>	<u>288,693</u>
<b>Other assets</b>		
Net pension asset	0	38,979
<b>Total assets</b>	<u>315,843</u>	<u>476,122</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>95,074</u>	<u>56,640</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	24,794	26,844
Accrued salaries	18,390	16,890
Compensated absences	13,229	10,997
Due to other funds	<u>327,606</u>	<u>451,250</u>
Total current liabilities	<u>384,019</u>	<u>505,981</u>
<b>Noncurrent liabilities</b>		
Compensated absences	5,670	4,713
Net pension liability	<u>91,203</u>	<u>0</u>
Total noncurrent liabilities	<u>96,873</u>	<u>4,713</u>
<b>Total liabilities</b>	<u>480,892</u>	<u>510,694</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	<u>19,363</u>	<u>16,571</u>
<b>NET POSITION</b>		
Net investment in capital assets	235,046	288,693
Unrestricted	<u>(324,384)</u>	<u>(283,196)</u>
<b>Total net position</b>	<u>\$ (89,338)</u>	<u>\$ 5,497</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, 2021 and 2020**

<b>OPERATING REVENUES</b>	<u>2021</u>	<u>2020</u>
Charges for sales and services		
Residential service	\$ 498,944	\$ 491,889
Commercial service	324,509	321,841
Sale of recyclables	70,418	39,562
Garbage container sales	17,322	16,955
	<u>911,193</u>	<u>870,247</u>
<b>Total operating revenues</b>		
	<u>911,193</u>	<u>870,247</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	401,776	385,327
Personal services	642,462	576,861
Depreciation	81,790	69,099
	<u>1,126,028</u>	<u>1,031,287</u>
<b>Total operating expenses</b>		
	<u>1,126,028</u>	<u>1,031,287</u>
Operating income (loss)	<u>(214,835)</u>	<u>(161,040)</u>
Non-operating revenues (expenses)		
Gain on sale of capital assets	0	11,935
Interest expense	0	(1,852)
	<u>0</u>	<u>10,083</u>
<b>Total non-operating revenues (expenses)</b>		
	<u>0</u>	<u>10,083</u>
Net income (loss) before transfers	<u>(214,835)</u>	<u>(150,957)</u>
Transfers in (out)		
General Fund	0	60,000
ElbertonNET Technology Services Fund	120,000	40,000
	<u>120,000</u>	<u>100,000</u>
<b>Total transfers</b>		
	<u>120,000</u>	<u>100,000</u>
Change in net position	(94,835)	(50,957)
Net position, July 1	<u>5,497</u>	<u>56,454</u>
<b>Net position, June 30</b>	<u>\$ (89,338)</u>	<u>\$ 5,497</u>

**CITY OF ELBERTON, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 918,846	\$ 859,475
Payments to suppliers	(403,826)	(410,823)
Payments to employees	<u>(543,233)</u>	<u>(567,215)</u>
Net cash provided (used) by operating activities	<u>(28,213)</u>	<u>(118,563)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	180,000	386,000
Payments to other funds	<u>(123,644)</u>	<u>0</u>
Net cash provided (used) from non-capital financing activities	<u>56,356</u>	<u>386,000</u>
<b>Cash flows from capital and related financing activities:</b>		
Interest paid	0	(1,937)
Proceeds from the sale of capital assets	0	11,935
Acquisition of capital assets	(28,143)	(160,601)
Principal payments - capital leases	<u>0</u>	<u>(116,834)</u>
Net cash provided (used) by capital and related financing activities	<u>(28,143)</u>	<u>(267,437)</u>
Net increase (decrease) in cash	0	0
Cash, July 1	<u>0</u>	<u>0</u>
<b>Cash, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (214,835)</u>	<u>\$ (161,040)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	81,790	69,099
(Increase) decrease in accounts receivable	7,653	(10,772)
(Increase) decrease in deferred outflows related to pension	(38,434)	(19,625)
Increase (decrease) in accounts payable	(2,050)	(25,496)
Increase (decrease) in net pension asset/liability	130,182	121,849
Increase (decrease) in deferred inflows related to pension	2,792	(87,765)
Increase (decrease) in accrued salaries	1,500	563
Increase (decrease) in compensated absences payable	<u>3,189</u>	<u>(5,376)</u>
Total adjustments	<u>186,622</u>	<u>42,477</u>
Net cash provided (used) by operating activities	<u><u>\$ (28,213)</u></u>	<u><u>\$ (118,563)</u></u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2021 and 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>Current assets</b>		
Accounts receivable (net)	\$ 411,962	\$ 408,517
Inventories	80,895	88,291
Total current assets	<u>492,857</u>	<u>496,808</u>
<b>Capital assets</b>		
Land	6,900	6,900
Buildings	519,065	519,065
Vehicles and equipment	630,720	613,530
Construction in progress	436,904	398,425
Distribution system	9,750,895	8,995,015
Accumulated depreciation	<u>(4,569,969)</u>	<u>(4,406,062)</u>
Total capital assets (net of accumulated depreciation)	<u>6,774,515</u>	<u>6,126,873</u>
<b>Other assets</b>		
Net pension asset	<u>0</u>	<u>33,430</u>
<b>Total assets</b>	<u>7,267,372</u>	<u>6,657,111</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>82,360</u>	<u>48,578</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	206,076	468,390
Intergovernmental	41,697	36,104
Accrued salaries	21,922	16,578
Compensated absences	17,615	14,874
Customer deposits	<u>5,590</u>	<u>4,340</u>
Total current liabilities	<u>292,900</u>	<u>540,286</u>
<b>Noncurrent liabilities</b>		
Compensated absences	7,549	6,375
Net pension liability	79,006	0
Advances from other funds	<u>1,240,049</u>	<u>1,698,216</u>
Total noncurrent liabilities	<u>1,326,604</u>	<u>1,704,591</u>
<b>Total liabilities</b>	<u>1,619,504</u>	<u>2,244,877</u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
*June 30, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	\$ 17,318	\$ 14,213
<b>NET POSITION</b>		
Net investment in capital assets	6,774,515	5,904,284
Unrestricted	(1,061,605)	(1,457,685)
<b>Total net position</b>	<b>\$ 5,712,910</b>	<b>\$ 4,446,599</b>

**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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 6,036,771	\$ 5,493,919
<b>Total operating revenues</b>	<u>6,036,771</u>	<u>5,493,919</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	3,850,566	3,719,274
Personal services	636,154	433,678
Depreciation	395,217	362,108
Miscellaneous expenses	7,290	19,880
<b>Total operating expenses</b>	<u>4,889,227</u>	<u>4,534,940</u>
Operating income (loss)	<u>1,147,544</u>	<u>958,979</u>
Non-operating revenues (expenses)		
Gain on sale of capital assets	<u>14,089</u>	<u>0</u>
Net income (loss) before transfers	<u>1,161,633</u>	<u>958,979</u>
Transfers in (out)		
2017 SPLOST Fund	307,678	91,518
Elbert Theatre Fund	(83,000)	(68,000)
Solid Waste Fund	(120,000)	(40,000)
<b>Total transfers</b>	<u>104,678</u>	<u>(16,482)</u>
Change in net position	1,266,311	942,497
Net position, July 1	<u>4,446,599</u>	<u>3,504,102</u>
<b>Net position, June 30</b>	<u><u>\$ 5,712,910</u></u>	<u><u>\$ 4,446,599</u></u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 6,034,576	\$ 5,533,546
Payments to suppliers	(4,099,891)	(3,711,057)
Payments to employees	(545,136)	(424,245)
Other payments	(7,290)	(19,880)
Net cash provided (used) by operating activities	1,382,259	1,378,364
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	(661,167)	(1,113,428)
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	307,678	91,518
Proceeds from the sale of capital assets	14,089	0
Acquisition of capital assets	(1,042,859)	(356,454)
Net cash provided (used) by capital and related financing activities	(721,092)	(264,936)
Net increase (decrease) in cash	0	0
Cash, July 1	0	0
<b>Cash, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 1,147,544	\$ 958,979
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	395,217	362,108
(Increase) decrease in accounts receivable	(3,445)	37,752
(Increase) decrease in inventories	7,396	(28,135)
(Increase) decrease in deferred outflows related to pension	(33,782)	(17,465)
Increase (decrease) in accounts payable	(262,314)	44,488
Increase (decrease) in intergovernmental payable	5,593	(8,136)
Increase (decrease) in customer deposits	1,250	1,875
Increase (decrease) in accrued salaries	5,344	(1,193)
Increase (decrease) in compensated absences payable	3,915	(174)
Increase (decrease) in net pension asset/liability	112,436	101,749
Increase (decrease) in deferred inflows related to pension	3,105	(73,484)
Total adjustments	234,715	419,385
Net cash provided (used) by operating activities	\$ 1,382,259	\$ 1,378,364

**Noncash investing, capital, and financing activities:**

Acquisition of capital assets through accounts payable totaled \$0 and \$222,589 for the fiscal years ended June 30, 2021 and 2020, respectively.

**CITY OF ELBERTON, GEORGIA**  
**ELBERT THEATRE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
*For the fiscal years ended June 30, 2021 and 2020*

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>Current assets</b>		
Cash	\$ 6,933	\$ 4,349
Due from other fund	0	14,744
Total current assets	<u>6,933</u>	<u>19,093</u>
<b>Capital assets</b>		
Vehicles and equipment	30,910	30,910
Accumulated depreciation	(6,354)	(4,293)
Total capital assets (net of accumulated depreciation)	<u>24,556</u>	<u>26,617</u>
<b>Total assets</b>	<u>31,489</u>	<u>45,710</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>12,644</u>	<u>0</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	7,060	35
Accrued salaries	1,585	1,355
Compensated absences	4,023	3,906
Due to other fund	15,088	7,027
Total current liabilities	<u>27,756</u>	<u>12,323</u>
<b>Noncurrent liabilities</b>		
Net pension liability	12,129	0
Compensated absences	1,724	1,674
Total noncurrent liabilities	<u>13,853</u>	<u>1,674</u>
<b>Total liabilities</b>	<u>41,609</u>	<u>13,997</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	<u>10,986</u>	<u>0</u>
<b>NET POSITION</b>		
Investment in capital assets	24,556	26,617
Unrestricted	(33,018)	5,096
<b>Total net position</b>	<u>\$ (8,462)</u>	<u>\$ 31,713</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, 2021 and 2020*

<b>OPERATING REVENUES</b>	<u>2021</u>	<u>2020</u>
Charges for sales and services	\$ 9,768	\$ 64,028
<b>Total operating revenues</b>	<u>9,768</u>	<u>64,028</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	42,630	67,574
Personal services	88,252	86,285
Depreciation	<u>2,061</u>	<u>2,061</u>
<b>Total operating expenses</b>	<u>132,943</u>	<u>155,920</u>
Net income (loss) before transfers	(123,175)	(91,892)
Transfers in (out)		
ElbertonNET Technology Services Fund	<u>83,000</u>	<u>68,000</u>
Change in net position	(40,175)	(23,892)
Net position, July 1	<u>31,713</u>	<u>55,605</u>
<b>Net position, June 30</b>	<u><u>\$ (8,462)</u></u>	<u><u>\$ 31,713</u></u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERT THEATRE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 9,768	\$ 64,028
Payments to suppliers	(35,605)	(70,102)
Payments to employees	<u>(77,384)</u>	<u>(86,131)</u>
Net cash provided (used) by operating activities	<u>(103,221)</u>	<u>(92,205)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	266,630	68,000
Payments to other funds	<u>(160,825)</u>	<u>(27,632)</u>
Net cash provided (used) by non-capital financing activities:	<u>105,805</u>	<u>40,368</u>
Net increase (decrease) in cash	2,584	(51,837)
Cash, July 1	<u>4,349</u>	<u>56,186</u>
<b>Cash, June 30</b>	<u><u>\$ 6,933</u></u>	<u><u>\$ 4,349</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (123,175)</u>	<u>\$ (91,892)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	2,061	2,061
(Increase) decrease in deferred outflows related to pension	(12,644)	0
(Increase) decrease in inventories	0	1,455
Increase (decrease) in accounts payable	7,025	(3,983)
Increase (decrease) in compensated absences	167	163
Increase (decrease) in accrued salaries	230	(9)
Increase (decrease) in pension asset/liability	12,129	0
Increase (decrease) in deferred inflows related to pension	<u>10,986</u>	<u>0</u>
Total adjustments	<u>19,954</u>	<u>(313)</u>
Net cash provided (used) by operating activities	<u><u>\$ (103,221)</u></u>	<u><u>\$ (92,205)</u></u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERT HOTEL ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
*For the fiscal years ended June 30, 2021 and 2020*

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>Current assets</b>		
Cash	\$ 21,259	\$ 52,918
Accounts receivable	665	0
Due from other funds	10,256	7,028
Inventories	31,321	19,871
Total current assets	<u>63,501</u>	<u>79,817</u>
<b>Capital assets</b>		
Land	107,500	107,500
Land improvements	43,700	43,700
Building	4,415,555	4,339,093
Machinery and equipment	1,002,051	1,002,051
Construction in progress	23,417	0
Accumulated depreciation	(958,914)	(762,981)
Total capital assets (net of accumulated depreciation)	<u>4,633,309</u>	<u>4,729,363</u>
<b>Other assets</b>		
Net pension asset	0	10,790
<b>Total assets</b>	<u>4,696,810</u>	<u>4,819,970</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>10,988</u>	<u>15,679</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	13,883	7,129
Interest	2,799	3,105
Sales tax	9,315	3,661
Customer deposits	13,953	7,450
Accrued salaries	27,724	13,402
Compensated absences	10,661	4,542
Bonds payable	379,369	371,863
Due to other funds	713,492	997,863
Total current liabilities	<u>1,171,196</u>	<u>1,409,015</u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERT HOTEL ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
*For the fiscal years ended June 30, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>Noncurrent liabilities</b>		
Compensated absences	\$ 4,569	\$ 1,947
Net pension liability	42,124	0
Bonds payable	3,026,255	3,405,624
Total noncurrent liabilities	3,072,948	3,407,571
<b>Total liabilities</b>	4,244,144	4,816,586
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	3,088	4,587
<b>NET POSITION</b>		
Net investment in capital assets	1,227,685	951,876
Unrestricted	(767,119)	(937,400)
<b>Total net position</b>	\$ 460,566	\$ 14,476

**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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 673,479	\$ 387,642
Rent	0	4,800
<b>Total operating revenues</b>	<u>673,479</u>	<u>392,442</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	304,639	186,821
Personal services	554,969	323,527
Depreciation	195,933	195,084
<b>Total operating expenses</b>	<u>1,055,541</u>	<u>705,432</u>
Operating income (loss)	<u>(382,062)</u>	<u>(312,990)</u>
Non-operating revenues (expenses)		
Interest revenue	0	2
Interest expense	(71,848)	(344,758)
<b>Total non-operating expenses</b>	<u>(71,848)</u>	<u>(344,756)</u>
Net income (loss) before transfers	(453,910)	(657,746)
Transfers in (out)		
Combined Public Utility System Fund	900,000	500,000
Change in net position	446,090	(157,746)
Net position, July 1	14,476	172,222
<b>Net position, June 30</b>	<u>\$ 460,566</u>	<u>\$ 14,476</u>

**CITY OF ELBERTON, GEORGIA**  
**ELBERT HOTEL ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 679,317	\$ 384,411
Payments to suppliers	(303,679)	(206,702)
Payments to employees	<u>(475,800)</u>	<u>(303,660)</u>
Net cash provided (used) by operating activities	<u>(100,162)</u>	<u>(125,951)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	456,289	570,982
Payments to other funds	<u>(287,601)</u>	<u>(2,846)</u>
Net cash provided (used) by non-capital financing activities:	<u>168,688</u>	<u>568,136</u>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	443,711	500,000
Acquisition of capital assets	(99,879)	0
Interest paid	(72,154)	(350,182)
Issuance of bonds payable	0	4,000,000
Principal payments - bonds payable	(371,863)	(222,513)
Principal payments - note payable	<u>0</u>	<u>(4,369,094)</u>
Net cash provided (used) by capital and related financing activities	<u>(100,185)</u>	<u>(441,789)</u>
<b>Cash flows from investing activities:</b>		
Interest received	<u>0</u>	<u>2</u>
Net increase (decrease) in cash	(31,659)	398
Cash, July 1	<u>52,918</u>	<u>52,520</u>
<b>Cash, June 30</b>	<u>\$ 21,259</u>	<u>\$ 52,918</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (382,062)</u>	<u>\$ (312,990)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	195,933	195,084
(Increase) decrease in accounts receivable	(665)	635
(Increase) decrease in prepaid items	0	2,107
(Increase) decrease in inventories	(11,450)	(17,525)
(Increase) decrease in deferred outflows related to pension	4,691	(4,197)
Increase (decrease) in accounts payable	6,756	(76)
Increase (decrease) in sales tax payable	5,654	(4,387)
Increase (decrease) in customer deposits	6,503	(8,666)
Increase (decrease) in accrued salaries	14,322	3,879
Increase (decrease) in compensated absences payable	8,741	2,360
Increase (decrease) in net pension asset/liability	52,914	50,254
Increase (decrease) in inflows related to pension	<u>(1,499)</u>	<u>(32,429)</u>
Total adjustments	<u>281,900</u>	<u>187,039</u>
Net cash provided (used) by operating activities	<u>\$ (100,162)</u>	<u>\$ (125,951)</u>

This page intentionally left blank.

## **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, 2021 and 2020*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 98,478	\$ 108,181
<b>LIABILITIES</b>		
Accounts payable	\$ 0	\$ 1,326
Deposits payable	5,150	5,400
Total liabilities	5,150	6,726
<b>FUND BALANCES</b>		
Assigned for Housing and Development	93,328	101,455
<b>Total liabilities and fund balances</b>	<b>\$ 98,478</b>	<b>\$ 108,181</b>

**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, 2021**  
*(With comparative actual amounts for the fiscal year ended June 30, 2020)*

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 0	\$ 24,000
Charges for service	11,500	4,922	(6,578)	14,200
Rents	55,850	54,970	(880)	53,905
Event revenue	12,500	1,790	(10,710)	10,874
Interest revenue	0	3	3	5
<b>Total revenues</b>	<u>103,850</u>	<u>85,685</u>	<u>(18,165)</u>	<u>102,984</u>
<b>EXPENDITURES</b>				
Current				
Economic Development				
Contract services	21,500	21,044	456	24,230
Materials and supplies	1,200	257	943	784
Capital outlay	23,650	15,508	8,142	85,766
Debt service	57,500	57,003	497	52,459
<b>Total expenditures</b>	<u>103,850</u>	<u>93,812</u>	<u>10,038</u>	<u>163,239</u>
Excess (deficiency) of revenues over (under) expenditures	0	(8,127)	(8,127)	(60,255)
Other financing sources (uses)				
Sale of capital assets	0	0	0	83,540
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(8,127)	(8,127)	23,285
Fund balances, July 1	0	101,455	101,455	78,170
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 93,328</u>	<u>\$ 93,328</u>	<u>\$ 101,455</u>

This page intentionally left blank.

# Part III

## Statistical Section



---

*Rock Solid*

This page intentionally left blank.

**City of Elberton**  
**Statistical Section**  
*(Unaudited)*

This section of the City of Elberton's annual comprehensive 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>
<b>Financial Trends</b>	<b>126-137</b>
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	
<b>Revenue Capacity</b>	<b>138-144</b>
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.	
<b>Debt Capacity</b>	<b>145-151</b>
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.	
<b>Demographic and Economic Information</b>	<b>152-153</b>
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.	
<b>Operating Information</b>	<b>154-159</b>
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.	
<b>Other Information</b>	<b>160-161</b>

**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**

	<b>FISCAL YEAR</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Governmental Activities</b>			
Net investment in capital assets	\$ 5,415,076	\$ 5,032,037	\$ 5,275,528
Restricted	1,016,761	1,146,636	813,874
Unrestricted	467,373	1,261,120	1,068,797
<b>Total Governmental Activities Net Position</b>	<b>6,899,210</b>	<b>7,439,793</b>	<b>7,158,199</b>
<b>Business-type Activities</b>			
Net investment in capital assets	27,971,636	25,639,989	23,260,966
Restricted	3,810,840	4,159,632	4,006,940
Unrestricted	12,352,449	12,744,385	13,295,485
<b>Total Business-Type Activities Net Position</b>	<b>44,134,925</b>	<b>42,544,006</b>	<b>40,563,391</b>
<b>Primary Government</b>			
Net investment in capital assets	33,386,712	30,672,026	28,536,494
Restricted	4,827,601	5,306,268	4,820,814
Unrestricted	12,819,822	14,005,505	14,364,282
<b>Total Primary Government Net Position</b>	<b>\$ 51,034,135</b>	<b>\$ 49,983,799</b>	<b>\$ 47,721,590</b>

<b>FISCAL YEAR</b>						
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 4,627,533	\$ 4,456,665	\$ 4,699,117	\$ 4,794,106	\$ 4,230,037	\$ 4,289,328	\$ 4,474,881
608,283	956,319	480,025	825,553	1,067,009	882,783	940,916
1,205,925	794,391	508,437	108,315	469,531	412,159	374,476
<u>6,441,741</u>	<u>6,207,375</u>	<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>
21,725,407	21,118,188	19,533,634	18,676,675	17,877,860	17,350,028	16,525,113
3,711,182	3,479,632	3,287,785	2,957,667	2,702,871	2,317,674	2,020,369
11,968,712	10,617,545	10,774,926	8,886,182	8,281,490	6,518,491	6,170,317
<u>37,405,301</u>	<u>35,215,365</u>	<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>
26,352,940	25,574,853	24,232,751	23,470,781	22,107,897	21,639,356	20,999,994
4,319,465	4,435,951	3,767,810	3,783,220	3,769,880	3,200,457	2,961,285
13,174,637	11,411,936	11,283,363	8,994,497	8,751,021	6,930,650	6,544,793
<u>\$ 43,847,042</u>	<u>\$ 41,422,740</u>	<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>

**City of Elberton**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	FISCAL YEAR		
	2021	2020	2019
<b>Expenses</b>			
<b>Governmental Activities:</b>			
General Government	\$ 859,089	\$ 733,379	\$ 715,271
Judicial	89,219	79,742	73,100
Public Safety	3,176,913	2,787,440	2,598,987
Public Works	1,722,472	1,507,842	990,896
Health and Welfare	40,500	66,100	65,100
Culture and Recreation	184,488	175,038	189,270
Housing and Development	331,249	277,217	530,647
Interest on Long-term Debt	0	0	0
Total Governmental Activities	<u>6,403,930</u>	<u>5,626,758</u>	<u>5,163,271</u>
<b>Business-type Activities:</b>			
Combined Public Utilities			
Electric	13,552,521	13,326,722	13,464,338
Water and Sewer	3,351,081	3,185,106	2,876,701
Natural Gas	2,419,699	2,081,681	2,565,559
ElbertonNET Technology Services	4,743,601	4,400,172	4,330,304
Solid Waste	1,067,237	980,973	989,933
Elbert Theatre	132,943	155,920	185,830
Elbert Hotel	1,127,389	1,050,190	886,046
Total Business-type Activities	<u>26,394,471</u>	<u>25,180,764</u>	<u>25,298,711</u>
<b>Total Primary Government Expenses</b>	<u>32,798,401</u>	<u>30,807,522</u>	<u>30,461,982</u>
<b>Indirect Costs</b>			
<b>Governmental Activities:</b>			
General Government	(518,747)	(488,790)	(482,100)
Public Works	(133,897)	(131,636)	(127,782)
<b>Total Governmental Activities Indirect Cost</b>	<u>(652,644)</u>	<u>(620,426)</u>	<u>(609,882)</u>
<b>Business-type Activities:</b>			
Combined Public Utilities			
Electric	217,610	211,321	207,207
Water and Sewer	115,000	109,984	108,361
Natural Gas	115,617	112,187	110,025
ElbertonNET Technology Services	145,626	134,768	132,329
Solid Waste	58,791	52,166	51,960
<b>Total Business-type Activities Indirect Cost</b>	<u>652,644</u>	<u>620,426</u>	<u>609,882</u>
<b>Total Primary Government Indirect Cost</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Program Revenues</b>			
<b>Governmental Activities:</b>			
Charges for Services:			
General Government	45,983	51,085	45,125
Public Safety	159,683	140,829	161,452
Public Works	103,030	72,160	58,177
Housing and Development	17,449	31,970	16,739
Operating Grants and Contributions	227,011	466	10,421
Capital Grants and Contributions	1,339,374	1,157,490	993,264
Total Governmental Activities	<u>1,892,530</u>	<u>1,454,000</u>	<u>1,285,178</u>
Program Revenues	1,892,530	1,454,000	1,285,178
<b>Business-type Activities:</b>			
Charges for Services:			
Electric	14,521,395	15,167,665	15,659,814
Water and Sewer	3,510,252	3,696,678	3,403,339
Natural Gas	4,173,355	3,722,457	4,412,776
ElbertonNET Technology Services	6,036,771	5,493,919	5,360,061
Solid Waste	911,193	870,247	879,477
Elbert Theatre	9,768	64,028	119,760
Elbert Hotel	673,479	392,442	476,871
Operating Grants and Contributions	0	0	132,837
Capital Grants and Contributions	263,236	184,386	288,534
Total Business-type Activities	<u>30,099,449</u>	<u>29,591,822</u>	<u>30,733,469</u>
Program Revenues	30,099,449	29,591,822	30,733,469
<b>Total Primary Government Program Revenues</b>	<u>31,991,979</u>	<u>31,045,822</u>	<u>32,018,647</u>

FISCAL YEAR						
2018	2017	2016	2015	2014	2013	2012
\$ 727,426	\$ 733,183	\$ 696,460	\$ 661,068	\$ 673,908	\$ 657,516	\$ 697,793
73,485	72,632	67,311	63,335	106,386	107,728	104,279
2,537,656	2,490,299	2,355,893	2,439,366	2,539,885	2,476,946	2,395,267
1,062,867	963,917	1,067,173	966,313	1,067,150	1,151,627	1,166,098
65,100	61,968	65,687	60,275	58,144	67,100	9,000
267,559	262,259	269,221	221,761	174,478	186,059	167,465
402,360	288,416	253,670	251,937	259,179	249,642	247,896
4,132	7,660	8,891	10,097	11,278	8,667	92
<u>5,140,585</u>	<u>4,880,334</u>	<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>
12,921,059	13,546,027	13,592,179	14,279,534	12,991,858	13,179,039	13,064,053
2,864,143	2,801,783	2,759,461	2,721,254	2,740,178	2,734,886	2,816,229
2,170,830	2,026,826	1,903,129	2,414,678	3,193,275	2,861,258	2,734,236
4,300,746	3,741,769	3,566,175	3,362,855	3,040,601	2,855,925	2,623,765
863,501	884,266	804,982	816,844	837,283	778,294	768,886
78,076	80,539	77,321	44,895	0	0	0
931,150	584,389	137,102	0	0	0	0
<u>24,129,505</u>	<u>23,665,599</u>	<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>29,270,090</u>	<u>28,545,933</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>
(499,545)	(486,383)	(493,185)	(473,292)	(477,578)	(451,965)	(464,060)
<u>(125,828)</u>	<u>(133,313)</u>	<u>(129,750)</u>	<u>(119,422)</u>	<u>(141,520)</u>	<u>(227,844)</u>	<u>(204,846)</u>
<u>(625,373)</u>	<u>(619,696)</u>	<u>(622,935)</u>	<u>(592,714)</u>	<u>(619,098)</u>	<u>(679,809)</u>	<u>(668,906)</u>
223,583	220,189	230,783	221,039	212,571	220,989	244,671
109,291	109,210	107,795	119,743	118,470	124,911	143,042
109,569	109,377	115,851	103,448	103,949	123,707	174,494
131,073	128,687	116,033	81,986	80,701	129,713	50,756
51,857	52,233	52,473	66,498	103,407	80,489	55,943
<u>625,373</u>	<u>619,696</u>	<u>622,935</u>	<u>592,714</u>	<u>619,098</u>	<u>679,809</u>	<u>668,906</u>
<u>0</u>						
45,703	42,005	43,360	41,775	45,358	45,815	53,823
133,963	127,646	102,197	124,749	191,337	204,784	178,550
66,180	86,279	83,133	41,394	65,170	51,235	52,891
23,186	15,090	15,703	15,428	10,495	11,443	17,933
502	350	1,620	420	2,852	34,276	62,948
<u>673,384</u>	<u>656,122</u>	<u>672,356</u>	<u>715,225</u>	<u>602,260</u>	<u>580,179</u>	<u>797,939</u>
<u>942,918</u>	<u>927,492</u>	<u>918,369</u>	<u>938,991</u>	<u>917,472</u>	<u>927,732</u>	<u>1,164,084</u>
15,178,416	15,252,364	15,081,243	15,320,274	16,005,007	15,839,368	15,566,693
3,179,301	3,230,494	3,162,388	3,082,577	2,887,595	2,843,066	2,817,914
3,912,137	3,363,427	3,335,754	4,063,544	4,899,169	4,189,304	3,440,528
5,003,088	4,540,110	4,231,947	3,790,730	3,328,687	3,121,582	2,740,805
885,530	912,359	853,355	853,822	822,177	727,591	769,818
87,974	99,349	94,232	52,951	0	0	0
441,680	88,221	0	0	0	0	0
430,194	701,292	933,762	1,170,756	0	0	0
0	80,948	306,822	254,181	138,067	0	258,408
<u>29,118,320</u>	<u>28,268,564</u>	<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>30,061,238</u>	<u>29,196,056</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>

**City of Elberton**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	FISCAL YEAR		
	2021	2020	2019
<b>Change in Net Position</b>			
Net (expense) Revenue - Governmental Activities	\$ (3,858,756)	\$ (3,552,332)	\$ (3,268,211)
Net (expense) Revenue - Business-type Activities	3,052,334	3,790,632	4,824,876
<b>Total Primary Government Net (Expense) Revenue</b>	<u>(806,422)</u>	<u>238,300</u>	<u>1,556,665</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities			
Taxes:			
Title ad valorem	112,773	71,902	103,699
Sales	730,519	631,316	607,207
Franchise	95,431	93,145	94,681
Occupational	151,160	135,811	140,341
Insurance Premium	368,710	349,535	328,128
Alcoholic Beverages	133,550	127,980	122,119
Hotel/Motel	87,749	72,148	90,030
Other	9,277	4,480	5,920
Interest and Investment Earnings	3,618	2,591	9,325
Gain on Sale of Assets	9,420	0	39,282
Miscellaneous	33,644	10,398	3,937
Transfers	1,582,322	2,334,620	2,440,000
<b>Total Government Activities</b>	<u>3,318,173</u>	<u>3,833,926</u>	<u>3,984,669</u>
Business-type Activities			
Interest and Investment Earnings	139,330	302,675	418,456
Net increase (decrease) in the fair value of investments	(107,093)	51,455	229,025
Gain on Sale of Assets	51,845	19,045	44,175
Miscellaneous	36,825	151,428	81,558
Transfers	(1,582,322)	(2,334,620)	(2,440,000)
<b>Total Business-type Activities</b>	<u>(1,461,415)</u>	<u>(1,810,017)</u>	<u>(1,666,786)</u>
<b>Total Primary Government General Revenues</b>	<u>1,856,758</u>	<u>2,023,909</u>	<u>2,317,883</u>
<b>Change in Net Position</b>			
Governmental Activities	(540,583)	281,594	716,458
Business-type Activities	1,590,919	1,980,615	3,158,090
<b>Total Primary Government Change in Net Position</b>	<u>1,050,336</u>	<u>2,262,209</u>	<u>3,874,548</u>
<b>Net Position - beginning (original)</b>			
Governmental Activities	7,439,793	7,158,199	6,441,741
Business-type Activities	42,544,006	40,563,391	37,405,301
<b>Total Primary Government Beginning Net Position (original)</b>	<u>49,983,799</u>	<u>47,721,590</u>	<u>43,847,042</u>
<b>Prior Period Adjustments</b>			
Governmental Activities	0	0	0
Business-type Activities	0	0	0
<b>Total Primary Government Prior Period Adjustments</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Position - beginning (restated)</b>			
Governmental Activities	7,439,793	7,158,199	6,441,741
Business-type Activities	42,544,006	40,563,391	37,405,301
<b>Total Primary Government Beginning Net Position (restated)</b>	<u>49,983,799</u>	<u>47,721,590</u>	<u>43,847,042</u>
<b>Change in Net Position - ending</b>			
Governmental Activities	6,899,210	7,439,793	7,158,199
Business-type Activities	44,134,925	42,544,006	40,563,391
<b>Total Primary Government Ending Net Position</b>	<u>\$ 51,034,135</u>	<u>\$ 49,983,799</u>	<u>\$ 47,721,590</u>

FISCAL YEAR						
2018	2017	2016	2015	2014	2013	2012
\$ (3,572,294)	\$ (3,333,146)	\$ (3,243,002)	\$ (3,142,447)	\$ (3,353,838)	\$ (3,297,744)	\$ (2,954,900)
<u>4,363,442</u>	<u>3,983,269</u>	<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>791,148</u>	<u>650,123</u>	<u>1,293,217</u>	<u>1,213,614</u>	<u>1,304,571</u>	<u>333,956</u>	<u>(36,809)</u>
69,636	70,116	80,432	102,458	105,085	31,875	0
597,251	549,707	577,700	529,378	550,972	577,225	592,734
92,799	91,906	98,172	90,654	89,389	91,243	90,041
131,521	122,502	119,704	117,607	125,781	110,828	74,804
304,258	285,732	263,786	246,913	240,020	231,813	218,245
122,954	133,842	136,212	151,413	142,639	149,169	153,664
76,622	59,668	55,836	49,138	46,283	51,865	45,344
4,436	4,541	4,465	3,739	4,096	7,061	5,294
5,930	3,374	2,435	2,095	2,117	2,317	2,646
11,009	60,618	49,369	38,113	0	0	0
28,639	7,936	11,216	9,374	23,773	19,415	9,288
<u>2,361,605</u>	<u>2,463,000</u>	<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>3,806,660</u>	<u>3,852,942</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>
286,650	207,233	152,902	119,388	135,465	86,101	38,738
(112,286)	(131,856)	177,697	6,185	73,896	(128,447)	0
0	14,230	0	27,284	0	17,213	2,404
13,735	9,144	12,283	9,745	13,748	16,140	17,365
<u>(2,361,605)</u>	<u>(2,463,000)</u>	<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>(2,173,506)</u>	<u>(2,364,249)</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>1,633,154</u>	<u>1,488,693</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>
234,366	519,796	(40,395)	543,148	181,807	(206,003)	(46,350)
<u>2,189,936</u>	<u>1,619,020</u>	<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>2,424,302</u>	<u>2,138,816</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>
6,207,375	5,687,579	5,727,974	5,766,577	5,584,270	5,790,273	5,836,623
<u>35,215,365</u>	<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>41,422,740</u>	<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>
0	0	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
6,207,375	5,687,579	5,727,974	5,184,826	5,584,270	5,790,273	5,836,623
<u>35,215,365</u>	<u>33,596,345</u>	<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>41,422,740</u>	<u>39,283,924</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>
6,441,741	6,207,375	5,687,579	5,727,974	5,766,077	5,584,270	5,790,273
<u>37,405,301</u>	<u>35,215,365</u>	<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>\$ 43,847,042</u>	<u>\$ 41,422,740</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>

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

	<b>FISCAL YEAR</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>General Fund</b>			
Nonspendable	\$ 277,088	\$ 258,740	\$ 170,316
Restricted	106	25	25
Unassigned	454,236	578,998	592,040
<b>Total General Fund</b>	<u>731,430</u>	<u>837,763</u>	<u>762,381</u>
<b>All Other Governmental Funds</b>			
Unassigned, Reported in:			
Capital Project Funds	0	0	0
Nonspendable	0	0	0
Restricted	1,016,655	1,146,611	813,849
Assigned	0	0	0
<b>Total All Other Governmental Funds</b>	<u>1,016,655</u>	<u>1,146,611</u>	<u>813,849</u>
<b>Total Governmental Fund Balances</b>	<u>\$ 1,748,085</u>	<u>\$ 1,984,374</u>	<u>\$ 1,576,230</u>

<b>FISCAL YEAR</b>						
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 167,780	\$ 165,248	\$ 147,473	\$ 146,986	\$ 146,234	\$ 190,731	\$ 158,855
25	25	25	25	25	25	50
905,229	896,071	859,995	696,935	706,758	645,418	663,004
<u>1,073,034</u>	<u>1,061,344</u>	<u>1,007,493</u>	<u>843,946</u>	<u>853,017</u>	<u>836,174</u>	<u>821,909</u>
0	(53,709)	(49,144)	0	0	0	0
0	0	40,000	0	0	0	0
608,258	956,294	480,000	825,528	1,066,984	882,758	940,866
808	0	2,692	4,288	12,869	4,407	3,061
<u>609,066</u>	<u>902,585</u>	<u>473,548</u>	<u>829,816</u>	<u>1,079,853</u>	<u>887,165</u>	<u>943,927</u>
<u>\$ 1,682,100</u>	<u>\$ 1,963,929</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>

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

	<b>FISCAL YEAR</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>			
Taxes	\$ 1,689,168	\$ 1,486,315	\$ 1,492,125
Licenses and permits	64,372	82,701	62,694
Fines, fees and forfeitures	144,845	132,133	149,924
Charges for services	769,573	701,636	678,757
Intergovernmental	1,565,786	1,157,490	688,216
Interest	4,083	3,056	9,461
Contributions	135	0	10,285
Other	33,644	10,399	3,937
<b>Total Revenues</b>	<b>4,271,606</b>	<b>3,573,730</b>	<b>3,095,399</b>
<b>Expenditures</b>			
General Government	751,328	715,913	725,301
Judicial	79,111	79,591	75,142
Public Safety	2,612,060	2,597,663	2,543,089
Public Works	1,072,442	1,003,450	886,166
Health and Welfare	40,500	66,100	65,100
Culture and Recreation	81,000	74,000	85,500
Housing and Development	284,286	266,576	826,351
Debt Service - Principal	0	0	0
Debt Service - Interest	0	0	0
Capital Outlay	1,181,916	696,913	473,902
<b>Total Expenditures</b>	<b>6,102,643</b>	<b>5,500,206</b>	<b>5,680,551</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,831,037)</b>	<b>(1,926,476)</b>	<b>(2,585,152)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,913,875	2,556,073	2,585,015
Transfers Out	(331,553)	(221,453)	(145,015)
Sale of Capital Assets	12,426	0	39,282
<b>Total Other Financing Sources (Uses)</b>	<b>1,594,748</b>	<b>2,334,620</b>	<b>2,479,282</b>
<b>Net Change in Fund Balances</b>	<b>(236,289)</b>	<b>408,144</b>	<b>(105,870)</b>
<b>Fund Balances, July 1</b>	<b>1,984,374</b>	<b>1,576,230</b>	<b>1,682,100</b>
<b>Fund Balances, June 30</b>	<b>\$ 1,748,085</b>	<b>\$ 1,984,374</b>	<b>\$ 1,576,230</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%

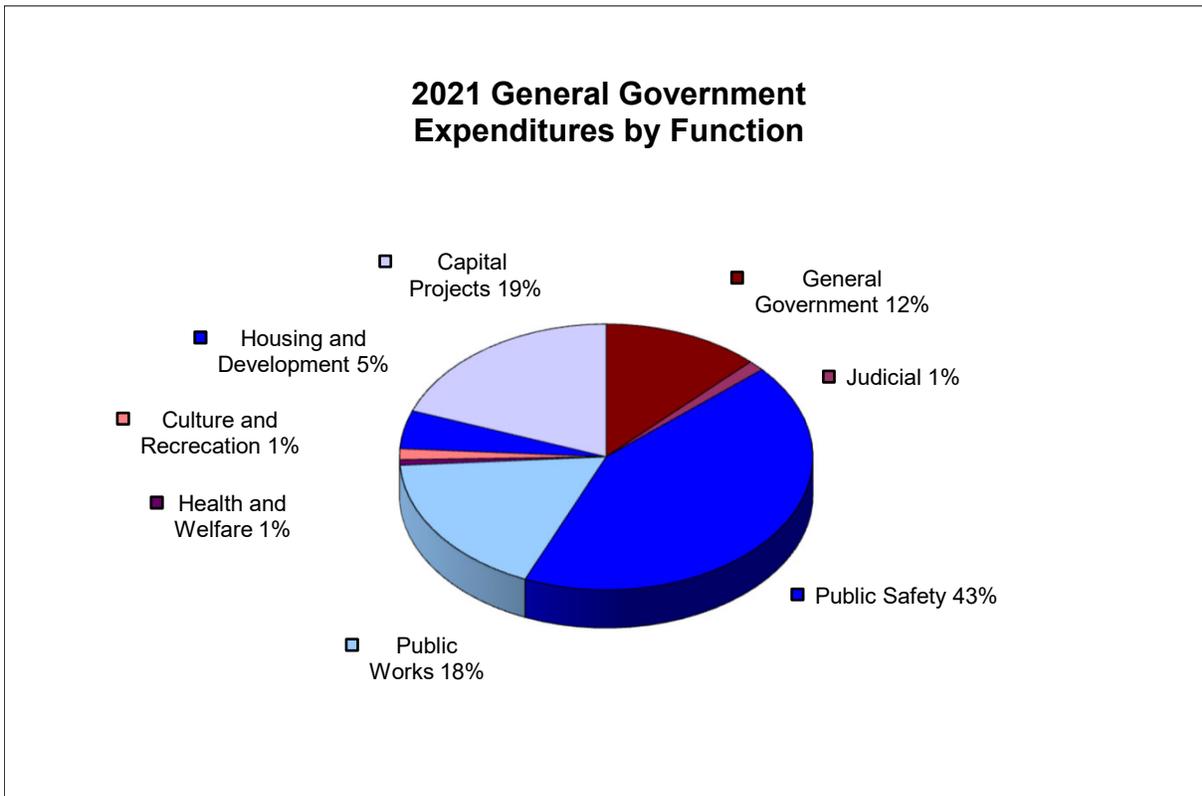
Note (1): Includes general, special revenue, and capital projects funds.

FISCAL YEAR						
2018	2017	2016	2015	2014	2013	2012
\$ 1,399,478	\$ 1,318,016	\$ 1,336,308	\$ 1,291,300	\$ 1,304,264	\$ 1,251,079	\$ 1,180,126
67,261	57,785	58,890	57,350	54,238	57,725	70,936
115,047	112,020	92,915	108,590	169,016	191,822	161,225
711,197	720,912	720,025	650,708	708,204	743,539	739,942
673,338	656,054	672,241	649,238	604,528	613,827	860,372
6,092	3,442	2,550	2,249	2,349	2,660	2,996
1,285	350	1,625	420	352	285	0
28,640	7,941	11,217	13,186	13,968	6,203	9,453
<u>3,002,338</u>	<u>2,876,520</u>	<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>
763,729	754,976	703,782	672,278	651,547	633,371	688,978
78,402	76,613	70,554	66,599	105,292	106,007	104,845
2,571,983	2,442,340	2,339,551	2,437,382	2,364,581	2,354,039	2,285,569
814,101	857,529	845,280	915,303	982,393	1,016,610	1,083,913
65,100	61,968	65,687	60,275	58,144	67,100	9,000
170,165	162,355	163,982	154,024	123,278	146,973	143,053
343,869	303,292	289,497	267,994	244,853	243,343	239,926
334,096	59,588	58,357	57,151	55,970	4,612	7,300
4,132	7,659	8,891	10,097	11,278	8,667	92
511,204	190,930	747,542	783,372	265,348	730,831	604,058
<u>5,656,781</u>	<u>4,917,250</u>	<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>
(2,654,443)	(2,040,730)	(2,397,352)	(2,651,434)	(2,005,765)	(2,444,413)	(2,141,684)
2,557,503	2,554,585	2,437,433	2,436,552	2,408,989	2,303,819	2,168,581
(195,898)	(91,585)	(282,171)	(82,339)	(203,499)	(484,889)	(452,091)
11,009	60,618	49,369	38,113	9,806	13,212	0
<u>2,372,614</u>	<u>2,523,618</u>	<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>
(281,829)	482,888	(192,721)	(259,108)	209,531	(42,497)	(425,194)
1,963,929	1,481,041	1,673,762	1,932,870	1,723,339	1,765,836	2,191,030
<u>\$ 1,682,100</u>	<u>\$ 1,963,929</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>
6.22%	1.39%	1.43%	1.47%	1.48%	0.29%	0.16%

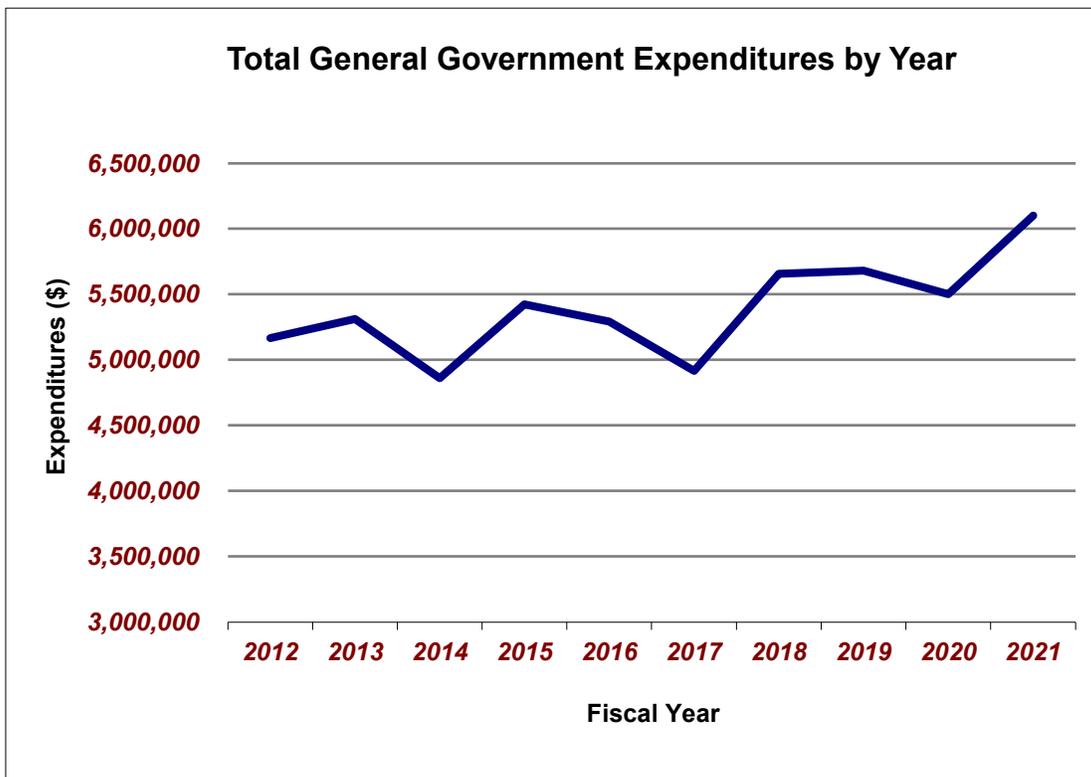
**City of Elberton, Georgia**  
**General Government Expenditures by Function (1)**  
**Last Ten Fiscal Years**

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health and Welfare
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
2020	715,913	79,591	2,597,663	1,003,450	66,100
2021	751,328	79,111	2,612,060	1,072,442	40,500

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



Culture and Recreation	Housing and Development	Capital Projects	Debt Service	Total
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
74,000	266,576	696,913	0	5,500,206
81,000	284,286	1,181,916	0	6,102,643

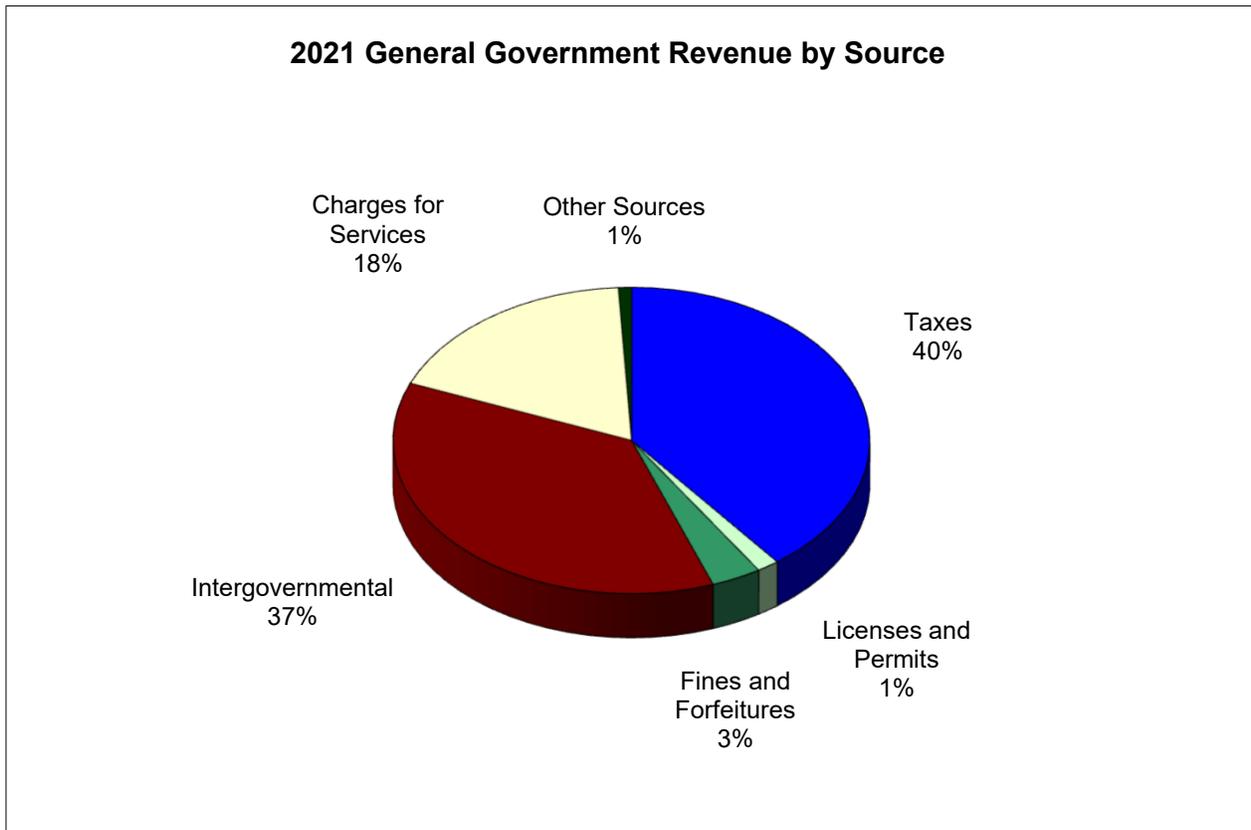


This page intentionally left blank.

**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
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
2020	1,486,315	82,701	132,133	1,157,490	701,636	13,455	3,573,730
2021	1,689,168	64,372	144,845	1,565,786	769,573	37,862	4,271,606

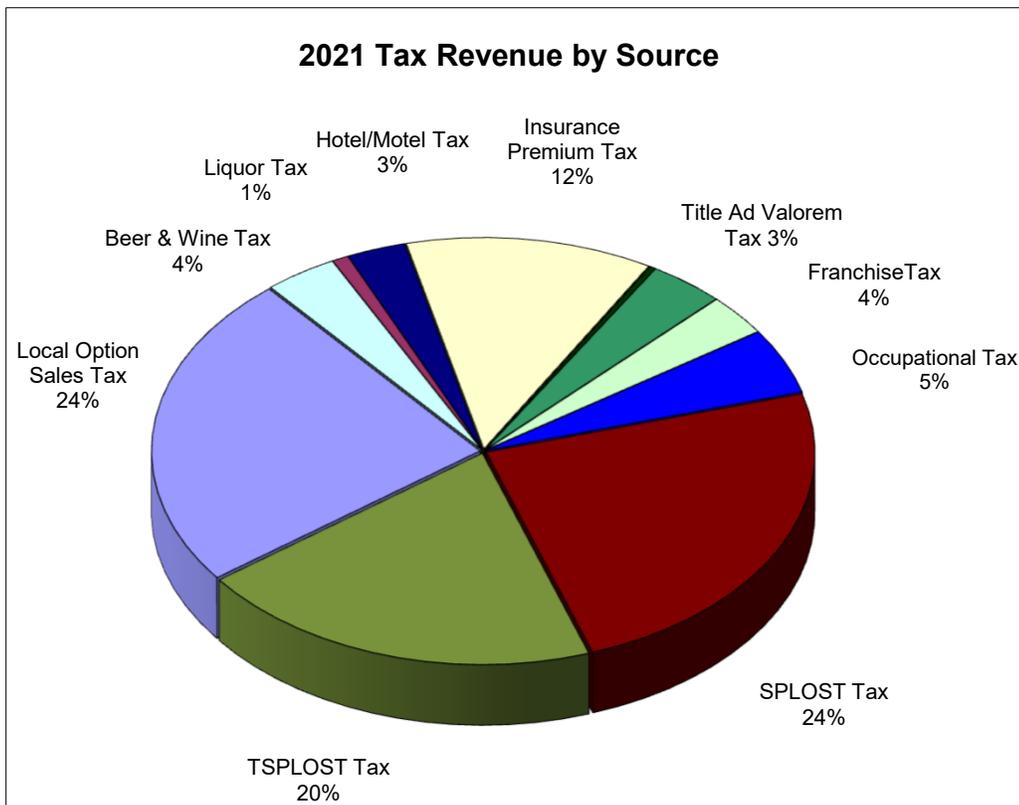
Note (1): Includes general, special revenue, and capital projects funds.



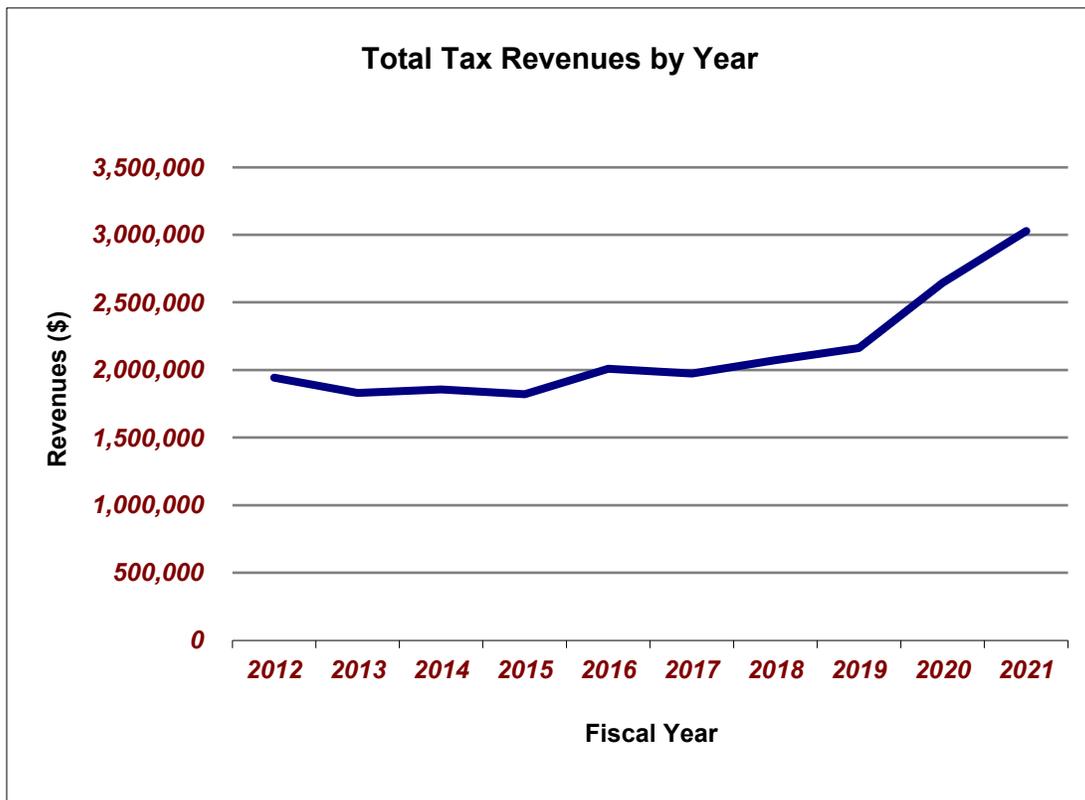
**City of Elberton, Georgia**  
**General Government Tax Revenues by Source**  
**Last Ten Fiscal Years**

Fiscal Year	Beer & Wine Tax	Liquor Tax	Hotel/Motel Tax (1)	Insurance Premium Tax	Intangible Tax	Title Ad Valorem Tax (3)
2012	129,709	23,955	45,344	218,245	5,294	0
2013	129,775	19,394	51,865	231,813	7,061	31,875
2014	125,992	16,647	46,282	240,020	4,096	105,085
2015	132,047	19,366	49,138	246,913	3,739	102,458
2016	113,771	22,441	55,837	263,786	4,465	80,432
2017	112,152	21,690	59,669	285,732	4,542	70,116
2018	103,949	19,006	76,622	304,258	4,436	69,636
2019	102,832	19,287	90,031	328,128	5,919	103,699
2020	105,330	22,649	72,147	349,535	4,480	71,902
2021	109,043	24,506	87,749	368,710	9,277	112,773

- 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.  
 Note (4): Reported as intergovernmental revenue in the TSPLOST Capital Projects Funds.



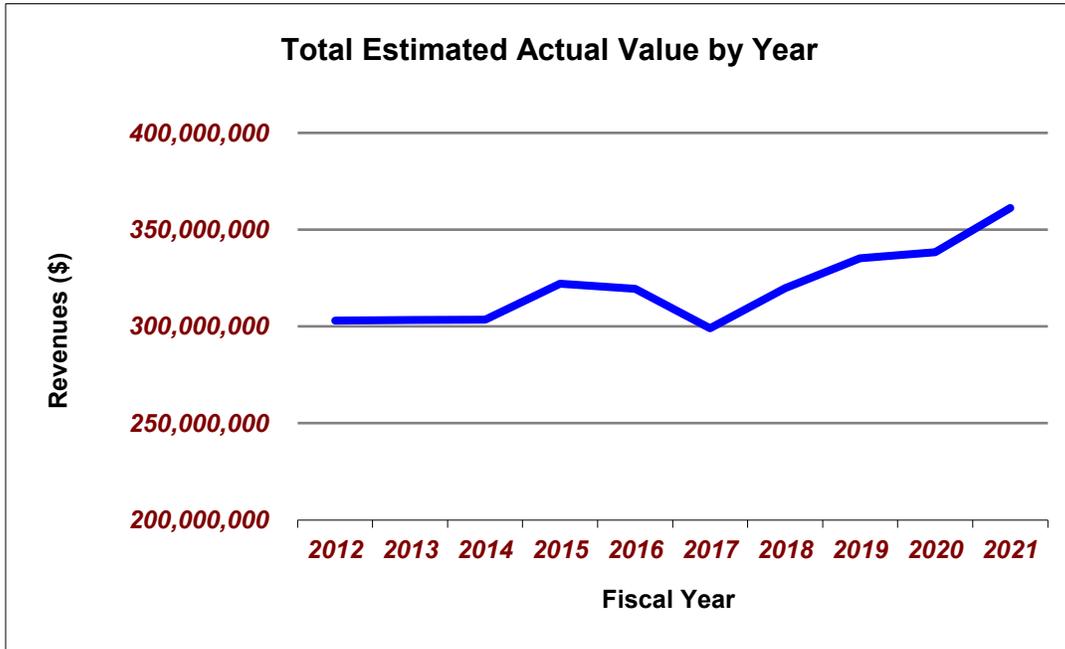
Franchise Tax	Occupational Tax	SPLOST Tax (2)	TSPLOST Tax (4)	Local Option Sales Tax	Total
90,041	74,804	763,629	0	592,734	1,943,755
91,243	110,828	579,455	0	577,225	1,830,534
89,389	125,781	550,972	0	550,972	1,855,236
90,654	117,607	529,253	0	529,378	1,820,553
98,172	119,704	672,241	0	577,700	2,008,549
91,906	122,502	656,054	0	549,707	1,974,070
92,799	131,521	673,338	0	597,251	2,072,816
94,681	140,341	670,164	0	607,207	2,162,289
93,145	135,811	628,739	528,751	631,316	2,643,805
95,431	151,160	733,032	606,141	730,519	3,028,341



**City of Elberton, Georgia**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Digest Years 2012 - 2021**

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Public Utilities
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
2020	128,755,315	1,789,430	233,085	4,511,136
2021	138,241,317	1,492,310	240,495	4,519,269

Source: Elbert County Tax Digest



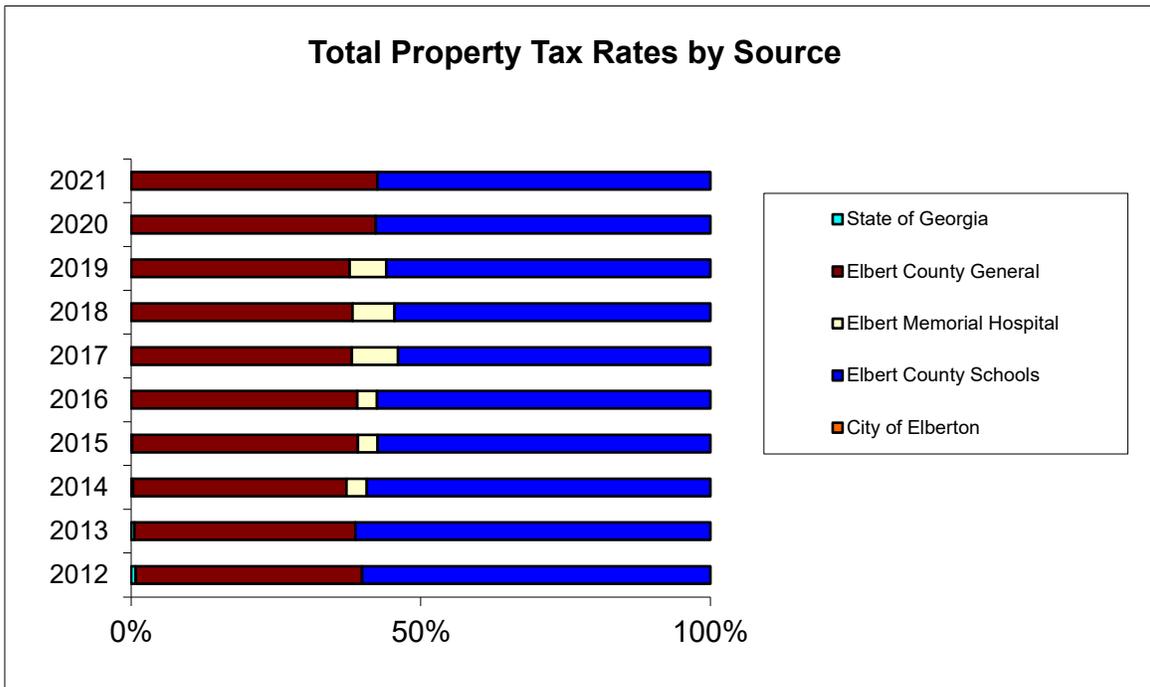
<u>Total Property</u>	<u>Less: Exemptions</u>	<u>Total Taxable Property</u>	<u>Total Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>
121,178,741	(4,334,640)	116,844,101	302,946,853	0.00
121,344,641	(5,205,734)	116,138,907	303,361,603	0.00
121,409,764	(6,261,621)	115,148,143	303,524,410	0.00
128,782,350	(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
135,288,966	(9,253,671)	126,035,295	338,222,415	0.00
144,493,391	(7,806,440)	136,686,951	361,233,478	0.00

**City of Elberton, Georgia**  
**Property Tax Rates**  
**(per \$1,000 of Assessed Value)**  
**Digest Years 2012 - 2021**

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			
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	10.74	1.80	12.54	15.93	0.00	28.48
2020	0.00	11.65	0.00	11.65	15.93	0.00	27.58
2021	0.00	10.54	0.00	10.54	14.25	0.00	24.79

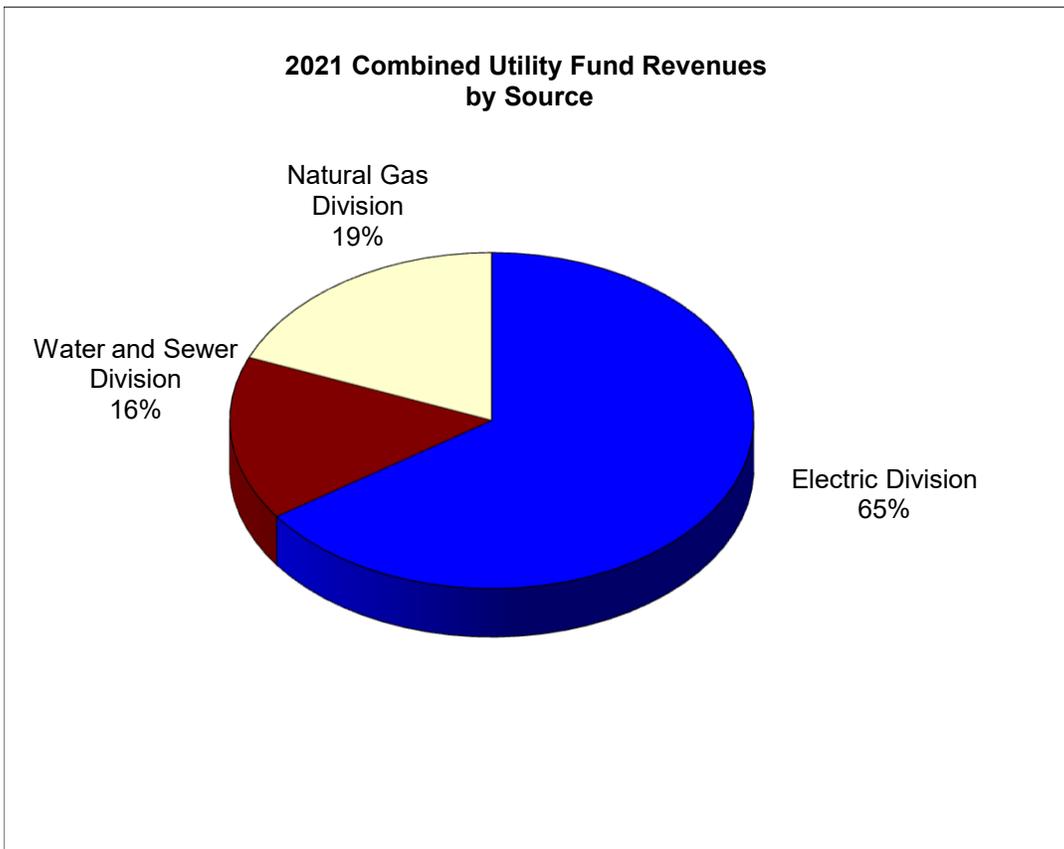
Source: Elbert County Tax Digest

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**

<b>Fiscal Year</b>	<b>Electric Division</b>	<b>Water and Sewer Division</b>	<b>Natural Gas Utility Division</b>	<b>Total</b>
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
2020	15,177,266	3,707,379	3,853,583	22,738,228
2021	14,527,831	3,515,660	4,198,336	22,241,827



**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 <sup>(1)</sup>	Per Capita <sup>(1)</sup>		
	Capital Leases	Water & Sewer Bonds	Direct Placement Bonds	Notes Payable	Capital Leases					
2012	0	8,220,000			0	2,565,299 <sup>(2)</sup>	10,785,299	1.82%	2,392	
2013	565,162 <sup>(3)</sup>	7,500,000			0	1,917,369	9,982,531	1.68%	2,219	
2014	509,192	6,760,000			507,499 <sup>(4)</sup>	1,562,987	9,339,678	1.51%	2,070	
2015	452,041	5,995,000			1,568,991	3,041,061 <sup>(5)</sup>	11,057,093	1.81%	2,466	
2016	393,684	5,210,000			6,034,630 <sup>(6)</sup>	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	1.83%	2,867	
2019	0	2,705,000			8,661,781 <sup>(7)</sup>	1,066,312	12,433,093	1.82%	2,859	
2020	0	1,830,000			3,777,487 <sup>(8)</sup>	4,527,643	10,844,094	N/A	2,505	
2021	0	930,000			3,405,624	4,861,552	-	9,197,176	N/A	1,982

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 I-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.

Note (7): Note payable through Georgia Environmental Finance Authority for a new 12" water pipeline on Athens Hwy.

Note (8): Revenue refunding bond for the Samuel Elbert Hotel .

**City of Elberton, Georgia**  
**Computation of Legal Debt Margin**  
**June 30, 2021**

Net assessed value	\$	136,686,951
Debt limit - 10% of total assessed value		13,668,695
Total General Obligation bonds outstanding		<u>0</u>
Legal debt margin	\$	<u>13,668,695</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>930,000</u>	<u>200</u>
Total General Obligation and Guaranteed Revenue Debt	<u>\$</u>	<u>\$</u>
	930,000	200

**City of Elberton**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	FISCAL YEAR		
	2021	2020	2019
Debt Limit	\$ 13,668,695	\$ 12,603,530	\$ 12,423,489
Total Net Debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>13,668,695</u>	<u>12,603,530</u>	<u>12,423,489</u>
Ratio of Legal Debt Margin to Debt Limit	100%	100%	100%

<b>FISCAL YEAR</b>						
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 12,084,589	\$ 11,269,341	\$ 11,689,385	\$ 12,079,965	\$ 11,514,814	\$ 11,613,891	\$ 11,684,410
0	0	0	0	0	0	0
12,084,589	11,269,341	11,689,385	12,079,965	11,514,814	11,613,891	11,684,410
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
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
2020	875,000	61,789	936,789	3,707,379	2,250,398	1,456,981	1.56
2021	900,000	37,605	937,605	3,515,660	2,392,835	1,122,825	1.20

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
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
22,738,228	17,341,055	5,397,173	5.76
22,241,827	17,998,669	4,243,158	4.53

**City of Elberton, Georgia**  
**Direct and Overlapping Governmental Debt**  
**As of June 30, 2021**

<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	0%	\$0
Elbert County	0	0%	0
Subtotal, overlapping debt			<u>0</u>
City of Elberton direct debt			<u>0</u>
Total direct and overlapping debt			<u><u>\$0</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

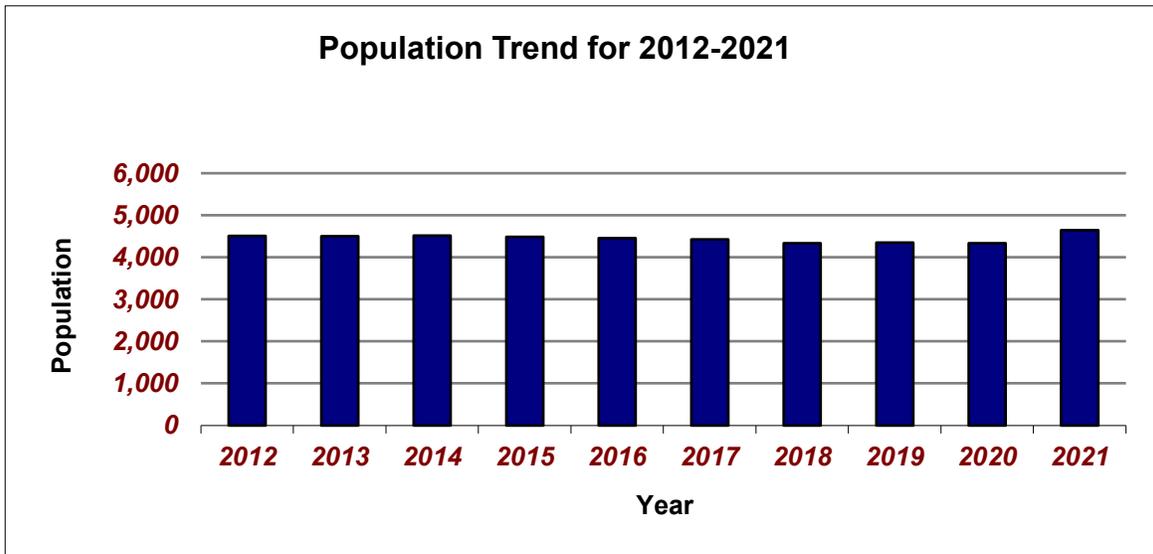
### Demographic Statistics

#### 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)
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%	37,943	35,448	677,761	3,113
2019	4,348	4.3%	38,678	35,550	682,340	3,133
2020	4,329	5.5%	N/A	N/A	N/A	2,998
2021	4,640	6.1%	N/A	N/A	N/A	2,583

- (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



This page intentionally left blank.

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

Employer	2021			2012		
	Number of Employees (1)	Rank	Percentage of Total for Principal Employers	Number of Employees (2)	Rank	Percentage of Total for Principal Employers
MollerTech South LLC	238	1	16.07%	89	5	6.54%
Pilgrims Pride Corp	216	2	14.58%	581	1	42.72%
Star Granite Company	182	3	12.29%	119	2	8.75%
Bubba Foods	164	4	11.07%	70	9	5.15%
Elbert Memorial Hospital	160	5	10.80%	107	3	7.87%
Eagle Granite Company	139	6	9.39%	74	8	5.44%
Everlasting Granite	120	7	8.10%	80	7	5.88%
Keystone Memorials	95	8	6.41%	92	4	6.76%
Pinnacle Bank	93	9	6.28%	85	6	6.25%
Whitlow Electric	74	10	5.00%		10	
Wal-mart				63		4.63%
<b>Total for Principal Employers</b>	<b>1,481</b>		<b>100%</b>	<b>1,360</b>		<b>100%</b>

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				
	2021	2020	2019	2018	2017
<b>Primary government</b>					
General Government	4	4	4	4	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	13	13	12	11	10
Culture and Recreation	1	1	1	1	1
Housing and Development	1	2	2	2	2
Combined Public Utilities	42	42	41	42	41
ElbertonNET Technology Services	6	6	6	6	6
Solid Waste	12	12	12	12	12
<b>Total primary government</b>	<u>119</u>	<u>120</u>	<u>118</u>	<u>118</u>	<u>117</u>
<b>Component unit</b>					
Downtown Development Authority	<u>5</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>7</u>
<b>Total employees</b>	<u><u>124</u></u>	<u><u>125</u></u>	<u><u>122</u></u>	<u><u>123</u></u>	<u><u>124</u></u>

Source: City of Elberton Annual Budget

<b>Full-time Equivalent Employees as of June 30</b>				
<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
5	5	5	5	5
1	1	1	1	1
1	1	1	1	1
22	22	22	22	22
16	16	16	16	16
10	11	11	12	14
1	1	1	1	1
2	2	2	2	2
41	40	40	46	47
6	6	5	6	6
12	12	12	12	11
<u>117</u>	<u>117</u>	<u>116</u>	<u>124</u>	<u>126</u>
<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>118</u>	<u>118</u>	<u>117</u>	<u>125</u>	<u>127</u>

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

Function	FISCAL YEAR		
	2021	2020	2019
Police			
Number of Citations	1,429	2,572	3,066
Number of Calls for Service	10,199	11,775	12,200
Fire			
Number of Calls Answered	566	513	491
Number of Inspections Conducted	199	265	354
Electrical Service:			
Number of customers	4,474	4,442	4,460
Kilowatt hours sold	124,149,978	132,883,906	136,677,976
Water & Sewer Service:			
Number of water customers	3,603	3,553	3,520
Gallons of water sold	531,150,791	610,114,361	479,946,757
Natural Gas Service:			
Number of customers	3,916	3,883	3,913
Cubic feet sold	364,487,253	346,458,245	391,744,743

Source: Various City Departments

FISCAL YEAR						
2018	2017	2016	2015	2014	2013	2012
2,072	1,551	1,046	1,398	1,599	2,660	2,081
9,931	8,838	8,302	7,774	6,323	6,750	7,535
279	244	255	244	263	238	204
351	390	390	514	418	465	212
4,426	4,385	4,400	4,384	4,372	4,432	4,477
132,103,616	131,665,366	129,984,996	135,569,236	142,837,883	150,210,061	150,187,217
3,498	3,472	3,468	3,458	3,444	3,464	3,508
452,177,803	468,472,317	453,497,843	439,992,472	418,102,962	440,791,336	460,021,368
3,909	3,907	3,938	3,931	3,928	3,973	4,045
354,843,047	318,836,967	354,308,102	395,448,001	439,296,494	394,789,619	331,140,000

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

Function	FISCAL YEAR		
	2021	2020 <sup>(3)</sup>	2019
<b>Public safety</b>			
Number of police stations	1	1	1
Number of fire stations	1	1	1
<b>Highways and streets</b>			
Miles of streets	53	53	53
<b>Culture and Recreation</b>			
Parks	4	4	4
Park acreage	29.42	29.42	29.42
Baseball/Softball fields	4	4	4
Tennis courts	4	4	4
Community Playgrounds	4	4	4
<b>Electrical System</b>			
# of Substations	3	3	3
# of Circuits	12	12	12
Miles of Distribution Line	164	164	164
<b>Water and Sewerage System</b> (MGD - Millions of Gallons per Day)			
<b>Water System:</b>			
Miles of water mains	128	128	126
Number of water treatment plants	1	1	1
Maximum daily capacity of treatment plants in gallons	3MGD	3MGD	3MGD
<b>Sewer System:</b>			
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
<b>Natural Gas System</b>			
Number of regulator stations	7	7	7
Miles of natural gas lines	219	212	201
<b>Broadband System</b>			
Miles of fiber optic cable	181	98	145
Miles of coaxial cable	251	245	188
Number of active nodes	43	33	33

Source: Various City Departments.

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

Note 2: Miles of city streets were verified and updated in 2013 utilizing new GIS software. Actual extensions did not occur in 2013.

Note 3: Miles of fiber optic and coaxial cables were verified and updated in 2020 utilizing new GIS software. Actual extensions of 5 miles of coaxial cable occurred in 2020.

FISCAL YEAR						
2018	2017	2016	2015	2014	2013 <sup>(2)</sup>	2012
1	1	1	1	1	1	1
1	1	1	1	1	1	1
53	53	53	53	53	53	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
4	6	6	6	6	6	6
4	4	4	4	4	4	4
3	3	3	3	3	3	3
12	12	12	12	12	12	12
164	164	164	164	164	163	163
124	124	124	124	124	124	121
1	1	1	1	1	1	1
3MGD	3MGD	3MGD	3MGD	3MGD	3MGD	3MGD
69	69	69	69	69	69	68
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
196	195	195	195	195	195	192
145	145	145	145	145	110	104
188	188	188	188	186	184	165
33	33	33	33	31	27	25

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

Fiscal Year	Number of Permits	Estimated Construction Costs
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
2020	161	7,903,954
2021	126	2,122,160

Source: City of Elberton Building Inspection Office

# City of Elberton, Georgia

## Miscellaneous Statistics

June 30, 2021

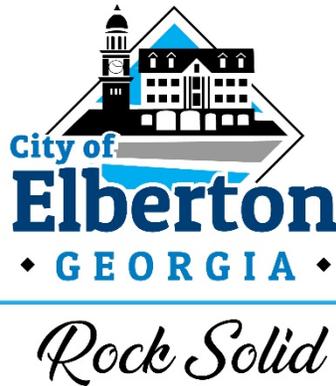
Date of incorporation	December 10, 1803
Form of government	Mayor--Council--Manager
Population (Census 2020)	4,640
Area	3.5 square miles
Fire protection:	
Number of certified firefighters	17
Police protection:	
Number of sworn police officers	22
Education:	
Elementary schools (PreK - 5)	2
Number of teachers	58
Number of students	801
Middle schools (6 - 8)	1
Number of teachers	68
Number of students	962
High schools (9 - 12)	1
Number of teachers	60
Number of students	820
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	124
Part-time	30

Source: Various city departments and local institutions

This page intentionally left blank.

## Part IV

# Other Reporting Section



This page intentionally left blank.

**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, 2021, 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 November 10, 2021.

**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) as a basis for designing 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 financial statements. 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, LLC*

Certified Public Accountants

Gainesville, Georgia

November 10, 2021

**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, 2021. 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, 2021.

**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, LLC*

Certified Public Accountants

Gainesville, Georgia  
November 10, 2021

**CITY OF ELBERTON, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2021**

<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>
<b><u>U.S. Environmental Protection Agency</u></b>				
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			\$ 524,000	\$ 0
Grants			<u>263,237</u>	<u>0</u>
Total U.S. Environmental Protection Agency			<u>787,237</u>	<u>0</u>
<b><u>Department of the Treasury</u></b>				
Passed through Georgia Governor's Office of				
Planning and Budget:				
Coronavirus Relief Fund	21.019	CRF-14444	<u>226,613</u>	<u>0</u>
<b>Total Federal Awards</b>			<u><u>\$ 1,013,850</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, 2021**

**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, 2021**

**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, 2021**

**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***

This page intentionally left blank.

**CITY OF ELBERTON, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2021**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>2017 SPLOST</b>					
Sidewalk Improvements	\$ 50,000	\$ 50,000	\$ 0	\$ 0	\$ 0
Cemetery Improvements	50,000	50,000	0	0	0
Street Improvements	250,000	250,000	77,104	12,726	89,830
Stormwater Improvements	150,000	150,000	76,112	140,926	217,038
Recreation Facilities and Equipment	120,000	120,000	18,802	0	18,802
Elbert Theatre Equipment	100,000	100,000	59,056	0	59,056
Downtown Elberton Revitalization	200,000	200,000	276,119	22,965	299,084
Fire Buildings and Equipment	100,000	100,000	168,042	499,635	667,677
Street Lighting Improvements	150,000	150,000	0	8,200	8,200
Public Works Facility Improvements	100,000	100,000	0	0	0
Police Vehicles and Equipment	350,000	350,000	462,661	45,701	508,362
Water Vehicles and Equipment	75,200	75,200	0	0	0
Public Works Vehicles and Equipment	250,000	250,000	91,616	64,724	156,340
Broadband Distribution					
System Improvements	750,000	750,000	91,518	307,678	399,196
Water and Sewer					
Distribution System					
Improvements	750,000	750,000	172,257	0	172,257
<b>Total</b>	<b>\$ 3,445,200</b>	<b>\$ 3,445,200</b>	<b>\$ 1,493,287</b>	<b>\$ 1,102,555</b>	<b>\$ 2,595,842</b>
Current year expenditures				\$ 1,102,555	
Water and Sewer Distribution System Improvements					
financed with transfers from other funds				20,000	
Total 2017 SPLOST Capital Projects Fund Expenditures and Transfers Out				<u>\$ 1,122,555</u>	

\* 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**  
**TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2021**

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>2019 TSPLOST</b>					
Roads and Bridges Construction and Improvement, Sidewalks Construction & Improvements, Bicycle Paths Construction and Improvements	\$ 2,263,200	\$ 2,263,200	\$ 306,058	\$ 367,039	\$ 673,097
<b>Total</b>	<u>\$ 2,263,200</u>	<u>\$ 2,263,200</u>	<u>\$ 306,058</u>	<u>\$ 367,039</u>	<u>\$ 673,097</u>

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