CITY OF GLENNVILLE, GEORGIA

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

CITY OF GLENNVILLE, GEORGIA
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Henderson & Godbee, LLP
Certified Public Accountants and Business Consultants
Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2021, on our consideration of the City of Glennville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Glennville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Glennville, Georgia's internal control over financial reporting and compliance.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

February 2, 2021

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Assets:				
Cash and Equivalents	$ 2,859,487	$ 1,652,866	$ 4,512,353	$ 137,455
Investments	-	-	-	-
Receivables	226,940	185,449	412,389	-
Prepaids	182	-	182	-
Internal Balances	(3,855)	3,855	-	-
Restricted Cash and Equivalents	-	1,112,706	1,112,706	-
Inventories	3,970	-	3,970	-
Capital Assets				
Non-depreciable	175,076	515,926	691,002	1,034,997
Depreciable (net)	5,107,568	8,189,975	13,297,543	-
Total Assets	8,369,368	11,660,777	20,030,145	1,172,452
Deferred Outflows of Resources				
Deferred pensions	178,415	-	178,415	-
Total Deferred Outflows of Resources	178,415	-	178,415	-
Liabilities				
Accounts payable and accruals	11,157	76,190	87,347	-
Deposits	-	142,316	142,316	-
Long-term liabilities				
Due within one year				
Notes payable	71,473	70,835	142,308	117,528
Capital lease obligations	63,391	1,048	64,439	-
Bonds payable	85,053	315,347	400,400	-
Compensated absences	8,660	3,023	11,683	-
Due in more than one year				
Notes payable	28,359	476,057	504,416	-
Capital lease obligations	20,599	-	20,599	-
Bonds payable	430,649	5,121,085	5,551,734	-
Compensated absences	34,641	12,092	46,733	-
Net pension liability	307,877	-	307,877	-
Total liabilities	1,061,859	6,217,993	7,279,852	117,528
Deferred Inflows of Resources				
Deferred pensions	173,450	-	173,450	-
Total deferred inflows of resources	173,450	-	173,450	-
Net Position				
Net investment in capital assets	4,583,120	2,721,529	7,304,649	1,034,997
Restricted for:				
Debt Service	-	970,390	970,390	-
Special Sales Tax	702,773	-	702,773	-
Drug Seizure	2,085	-	2,085	-
Hotel Motel	4,007	-	4,007	-
Recreation	124,774	-	124,774	-
Unrestricted	1,895,715	1,750,865	3,646,580	19,927
Total net position	$ 7,312,474	$ 5,442,784	$ 12,755,258	$ 1,054,924

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government								
Governmental Activities								
General Government	$ 832,110	$ 93,412	$ -	$ 3,371	$ (735,327)	$ -	$ (735,327)	
Municipal Court	66,292	-	-	-	(66,292)	-	(66,292)	
Public Safety	859,742	186,650	-	22,564	(650,528)	-	(650,528)	
Public Works	1,141,903	385,109	-	484,970	(271,824)	-	(271,824)	
Community Development	64,087	-	-	-	(64,087)	-	(64,087)	
Culture and recreation	375,350	50,083	128,745	-	(196,522)	-	(196,522)	
Interest on Long-term debt	10,658	-	-	-	(10,658)	-	(10,658)	
Total governmental activities	3,350,142	715,254	128,745	510,905	(1,995,238)	-	(1,995,238)	
Business-type activities:								
Water and Sewer	1,680,451	1,685,460	-	105,529	-	110,538	110,538	
Total business-type activities	1,680,451	1,685,460	-	105,529	-	110,538	110,538	
Total primary government	$ 5,030,593	$ 2,400,714	$ 128,745	$ 616,434	$ (1,995,238)	$ 110,538	$ (1,884,700)	
Component Units								
Downtown Development Authority	7,923	-	10,000	-				2,077
Development Authority	836	-	10,000	-				9,164
Total component units	$ 8,759	$ -	$ 20,000	$ -				$ 11,241
General revenues:								
Taxes:								
Property taxes, levied for general purposes					$ 783,825	$ -	$ 783,825	$ -
Sales Taxes					391,369	-	391,369	-
Franchise Fee					241,258	-	241,258	-
Other Taxes					473,336	-	473,336	-
Unrestricted investment earnings					25,111	30,640	55,751	814
Miscellaneous					382,869	2,578	385,447	1,716
Gain on sale of asset					-	1,609	1,609	-
Transfers					(45,353)	45,353	-	-
Total general revenues, special items, and transfers					2,252,415	80,180	2,332,595	2,530
Change in net position					257,177	190,718	447,895	13,771
Net position - beginning					7,055,297	5,252,066	12,307,363	1,041,153
Net position - ending					$ 7,312,474	$ 5,442,784	$ 12,755,258	$ 1,054,924

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL FUND	SPECIAL SALES TAX	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 2,124,857	$ 441,482	$ 293,148	$ 2,859,487
Receivables (net):				
Taxes	71,277	75,586	6,967	153,830
Accounts	27,405	-	-	27,405
Interest	12,798	-	-	12,798
Due from other funds	166,366	-	153	166,519
Receivable from other governments	2,034	-	16,065	18,099
Other receivables	11,737	2,560	512	14,809
Inventories	3,970	-	-	3,970
Prepaid expenditures	182	-	-	182
Total Assets	2,420,626	519,628	316,845	3,257,099
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	1,877	-	-	1,877
Due to other funds	3,784	-	166,591	170,375
Other accrued expenditures	6,446	-	2,834	9,280
Total Liabilities	12,107	-	169,425	181,532
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	24,461	-	-	24,461
Unavailable revenue	17,940	-	-	17,940
Total Deferred Inflows of Resources	42,401	-	-	42,401
Fund balances:				
Nonspendable	4,152	-	-	4,152
Restricted	-	519,628	314,011	833,639
Unassigned	2,361,966	-	(166,591)	2,195,375
Total Fund Balances	2,366,118	519,628	147,420	3,033,166
Total Liabilities, Deferred Inflows and Fund balances	$ 2,420,626	$ 519,628	$ 316,845	$ 3,257,099

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

Total fund balance, governmental funds	$	3,033,166
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		5,282,644
The deferred outflows are not current assets or financial resources, and the deferred inflows are not due and payable in the current period and therefore are not reported in the fund financial statements.		
Deferred outflows		178,415
Deferred inflows		(173,450)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Government-wide Statement of Net Position.		
Notes payable		(99,832)
Capital lease obligations		(83,990)
Bonds payable		(480,000)
Unamortized bond premium		(35,702)
Compensated absences		(43,301)
Net pension liability		(307,877)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements.		42,401
Net Position of Governmental Activities in the Statement of Net Position	$	7,312,474

The accompanying notes are an integral part of these statements.

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

	GENERAL FUND	SPECIAL SALES TAX	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 1,900,522	$ 290,426	$ 72,160	$ 2,263,108
Fines and forfeitures	127,992	-	1,559	129,551
Licenses and permits	91,302	-	-	91,302
Intergovernmental	1,340	-	157,876	159,216
Charges for services	440,553	-	50,083	490,636
Investment earnings	24,614	6,262	2,106	32,982
Miscellaneous	388,023	-	1,016	389,039
Total Revenues	2,974,346	296,688	284,800	3,555,834
EXPENDITURES				
Current:				
General government	929,683	-	1,710	931,393
Public safety	601,179	-	164,881	766,060
Public works	468,359	-	81,445	549,804
Sanitation	373,036	-	-	373,036
Community development	41,551	-	12,662	54,213
Culture and recreation	61,350	-	181,785	243,135
Municipal court	66,292	-	-	66,292
Debt Service:				
Principal	-	280,715	6,720	287,435
Interest and other charges	-	23,505	5,093	28,598
Capital outlay	-	150,337	8,478	158,815
Total Expenditures	2,541,450	454,557	462,774	3,458,781
Excess (Deficiency) of Revenues Over Expenditures	432,896	(157,869)	(177,974)	97,053
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	98,820	98,820
Transfers out	(144,173)	-	-	(144,173)
Proceeds from other financing sources	-	93,832	-	93,832
Total Other Financing Sources (Uses)	(144,173)	93,832	98,820	48,479
Net Change in Fund Balances	288,723	(64,037)	(79,154)	145,532
Fund Balances - Beginning of Year	2,077,395	583,665	226,574	2,887,634
Fund Balances - Ending of Year	$ 2,366,118	$ 519,628	$ 147,420	$ 3,033,166

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE GOVERNEMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds:	$	145,532
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of $378,460 were exceeded by depreciation of $487,820 in the current period.		(109,360)
Revenues reported on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Deferred revenues		(1,982)
Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities:		
Notes payable principle payments		130,378
Capital lease principal payments		61,191
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Changes in long-term compensated absences		(2,117)
Amortization of bond premium		10,341
Pension expense		23,194
Change in Net Position of Governmental Activities	$	257,177

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
JUNE 30, 2020

ASSETS

Current Assets		
Cash and cash equivalents	$	1,652,866
Accounts receivable, net		169,048
Due from other funds		3,868
Other receivables		16,401
Total Current Assets		1,842,183
Non-Current Assets		
Restricted Assets - cash and cash equivalents		1,112,706
Total Restricted Assets		1,112,706
Capital Assets		
Land		507,747
Water and sewer system		19,027,282
Equipment and furniture		607,419
Construction in progress		8,179
Total capital assets		20,150,627
Less Accumulated depreciation		(11,444,726)
Net Capital Assets		8,705,901
Total Non-Current Assets		9,818,607
Total Assets	$	11,660,790

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
JUNE 30, 2020

LIABILITIES		
Current Liabilities		
Accounts payable	$	835
Accrued payroll		902
Accrued interest payable		74,454
Due to other funds		12
Current portion of compensated absences		3,023
Current portion of long-term debt - capital leases		1,048
Current portion of long-term debt - notes payable		70,835
Current portion of long-term debt - bonds payable		315,347
Total Current Liabilities		466,456
Current liabilites (payable from restricted assets)		
Water Deposits		142,316
Total Current Liabilities (payable from restricted assets)		142,316
Non-Current Liabilites		
Compensated absences payable (net of current portion)		12,092
Notes payable (net of current portion)		476,057
Bonds payable (net of current portion)		5,121,085
Total Non-Current Liabilities		5,609,234
Total Liabilities		6,218,006
NET POSITION		
Net investment in capital assets		2,721,529
Restricted for debt service		970,390
Unrestricted		1,750,865
Total Net Position	$	5,442,784

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2020

	WATER SEWER FUND
Revenues	
Charges for services	$ 1,685,460
Total Operating Revenues	1,685,460
Operating Expenses	
Personal services	253,269
Contractual services	140,778
Utilities	230,924
Repairs and maintenance	131,794
Other supplies and expenses	87,137
Insurance claims and expenses	48,952
Miscellaneous expenses	7,129
Depreciation expense	620,735
Total Operating Expenses	1,520,718
Operating Income	164,742
Non-Operating Revenues (Expenses)	
Interest and investment revenue	30,640
Miscellaneous revenue	2,578
Interest expense	(159,733)
Sale of assets	1,609
Total Non-Operating (Expenses)	(124,906)
Income Before Contributions And Transfers	39,836
Capital grants and contributions	105,529
Transfers in	45,353
Total Contributions And Transfers	150,882
Change in net position	190,718
Total net position - beginning	5,252,066
Total net position - ending	$ 5,442,784

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities		
Cash received from customers	$	1,683,127
Cash paid to suppliers		(714,226)
Cash paid to employees		(252,289)
Net Cash Provided By Operating Activities		716,612
Cash Flows From Noncapital Financing Activities		
Cash received from transfer in		45,353
Net Cash Provided By Noncapital Financing Activities		45,353
Cash Flows From Capital And Related Financing Activities		
Principal paid on capital leases payable		(11,539)
Principal paid on notes payable		(89,332)
Principal paid on bonds payable		(310,160)
Proceeds from the sale of capital assets		1,609
Acquisition and construction of capital assets		(6,931)
Interest payments		(162,099)
Net Cash (Used In) Capital And Related Activities		(578,452)
Cash Flows From Investing Activities		
Interest on cash deposits		36,681
Miscellaneous non-operating revenue		2,578
Net Cash Provided By Investing Activities		39,259
Net Increase In Cash		222,772
Cash Beginning of Year		2,542,800
Cash at End of Year	$	2,765,572

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2020

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	$	164,742
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities:		
Depreciation and amortization		620,735
Change in Assets and Liabilities:		
Accounts receivable		(1,811)
Receivable from other governments		144,590
Due from other funds		(3,866)
Accounts payable		(214,436)
Accrued expenses		980
Customer deposits		5,816
Due to other funds		(138)
Net Cash Provided By Operating Activities	$	716,612
Cash Per Financial Statements, Including Investments	$	2,765,572
Less: Non-Cash Equivalents		-
Total Cash	$	2,765,572
Non-cash transactions:		
Capital grants and contributions	$	105,529

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2020

	DOWNTOWN DEVELOPMENT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL COMPONENT UNITS
ASSETS			
Cash and cash equivalents	$ 52,174	$ 85,281	$ 137,455
Non-depreciable capital assets	265,663	769,334	1,034,997
Total Assets	317,837	854,615	1,172,452
LIABILITIES			
Notes payable	117,528	-	117,528
Total Liabilities	117,528	-	117,528
NET POSITION			
Net investment in capital assets	265,663	769,334	1,034,997
Unrestricted	(65,354)	85,281	19,927
Total Net Position	$ 200,309	$ 854,615	$ 1,054,924

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

CITY OF GLENNVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
JUNE 30, 2020

	DOWNTOWN DEVELOPMENT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL COMPONENT UNITS
OPERATING EXPENSES			
Other	$ 7,923	$ 836	$ 8,759
Total Operating Expenses	7,923	836	8,759
Operating (Loss)	(7,923)	(836)	(8,759)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	10,000	10,000	20,000
Interest income	265	549	814
Other	1,716	-	1,716
Total Non-Operating Revenues (Expenses)	11,981	10,549	22,530
Change in net position	4,058	9,713	13,771
Total net position - beginning	196,251	844,902	1,041,153
Total net position - ending	$ 200,309	$ 854,615	$ 1,054,924

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Reporting Entity

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

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

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

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

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

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

Related Organizations

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

C. Fund Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

Special Sales Tax Fund - The fund accounts for the special purpose local option sales tax received from Tattnall County to be spent for various capital improvements.

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

Proprietary Funds

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

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

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

D. Measurement Focus

Government-Wide Financial Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements

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

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

E. Basis of Accounting

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

F. Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes are recognized in the year for which the taxes are levied. Revenues from sales taxes are recognized in the period in which the sales are made. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the year when use is first permitted; matching requirements in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Deferred Outflows/Inflows of Resources

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

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

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

Unavailable Revenue	General Fund
Property taxes	$ 24,461
Unavailable revenue	17,940
	$ 42,401

H. Expenses/ Expenditures

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

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

I. FASB Statements and Interpretations

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

J. Budgets and Budgetary Accounting

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

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

All unexpended annual appropriations lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Cash and Cash Equivalents

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

L. Investments

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

All investments are stated at market value.

M. Capital Assets

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

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

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

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

N. Inventories

Materials purchased are shown as expenditures when acquired and are not inventories at June 30, 2020 due to lack of materiality.

O. Allowance For Doubtful Accounts

The City provides an allowance for the Water and Sewer Fund accounts receivable, the Fines accounts receivable, and the Property tax accounts receivable that may be uncollectible. At June 30, 2020, the allowances are $3,000, $6,500 and $0, respectively. No other allowances for uncollectible accounts receivable are necessary. All other accounts receivable are considered collectible as reported at June 30, 2020.

P. Compensated Absences

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

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

Q. Retirement Plans

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

R. Accrued and Long - Term Liabilities

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

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

S. Fund Equity

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

- Committed
- Assigned
- Unassigned

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

T. Prepaid Expenditures

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

U. Estimates

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

V. Bond Premiums, Discounts, and Issuance Costs

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

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

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

As of June 30, 2020, the carrying amount of the City's bank deposits was $5,625,059 and the respective bank balances totaled $5,353,446. Of the total bank balance, $271,943 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $5,081,503 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the city.

As of June 30, 2020, the City's carrying amount of deposits, related bank balances, and other cash, were as follows:

	Carrying Amount	Bank Balance
Demand deposits	$ 5,624,909	$ 5,353,446
Petty Cash	150	-
Totals	$ 5,625,059	$ 5,353,446

As of June 30, 2020, the carrying amount of the City's component units' bank deposits was $137,455 and the respective bank balances totaled $137,455. The total bank balance was insured through the Federal Depository Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2020, $5,081,503 of the City's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

NOTE 3 – PROPERTY TAXES

Property taxes attach an enforceable lien on property as of January 1 of each year. Property taxes are billed on or about October 15th of each year and are payable within sixty days. The City bills and collects its own property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e. collectible in 60 days). For the year ended June 30, 2020, property taxes were levied on September 16, 2019 and were due December 15, 2019.

NOTE 4 – HOTEL/MOTEL LODGING TAX

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A 48-13-51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received $13,437 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2020. The City disbursed $12,662 for the promotion of tourism.

NOTE 5 – INTERFUND TRANSFERS

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

Transfers between funds during the year ended June 30, 2020 were as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 144,173
Recreation Commission	98,820	-
Water and Sewer Fund	45,353	-
	$ 144,173	$ 144,173

NOTE 6 – INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2020, balances of interfund amounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at June 30, 2020 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 166,366	$ 3,784
Grant Fund	-	166,591
Recreation Commission	153	-
Water Sewer Fund	3,868	12
	$ 170,387	$ 170,387

NOTE 7 - CAPITAL ASSETS

A summary of changes in fixed assets for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 175,076	$ -	$ -	$ 175,076
Construction in Progress	713,375	370,678	1,084,053	-
Total Nondepreciable Capital Assets	888,451	370,678	1,084,053	175,076
Depreciable Capital Assets:				
Buildings	2,029,855	810,066	-	2,839,921
Improvements other than building	774,664	76,756	-	851,420
Machinery and Equipment	2,305,692	27,655	-	2,333,347
Infrastructure	4,531,079	177,358	-	4,708,437
Total Capital Assets	10,529,741	1,462,513	1,084,053	10,908,201
Less Accumulated Depreciation For:				
Buildings	(965,706)	(89,725)	-	(1,055,431)
Improvements other than building	(543,130)	(24,147)	-	(567,277)
Machinery and Equipment	(1,983,936)	(139,193)	-	(2,123,129)
Infrastructure	(1,644,965)	(234,755)	-	(1,879,720)
Governmental Activities Capital Assets, Net	$ 5,392,004	$ 974,693	$ 1,084,053	$ 5,282,644

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	$ 58,103
Public Safety	95,830
Public Works	284,054
Culture and Recreation	42,126
Community Development	7,707
Total Depreciation Expense-Governmental Activities	$ 487,820

NOTE 7 - CAPITAL ASSETS, CONTINUED

A summary of changes in fixed assets for the City's enterprise fund for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Business-Type Activities:				
Nondepreciable Capital Assets:				
Land and Improvements	$ 507,747	-	-	$ 507,747
Construction in Progress	955,963	34,323	982,107	8,179
Total Nondepreciable Capital Assets	1,463,710	34,323	982,107	515,926
Depreciable Capital Assets:				
Water and sewer system	17,979,135	1,048,147	-	19,027,282
Machinery and Equipment	595,321	12,098	-	607,419
Total Capital Assets	20,038,166	1,094,568	982,107	20,150,627
Less Accumulated Depreciation For:				
Water and sewer system	(10,341,942)	(587,091)	-	(10,929,033)
Machinery and Equipment	(482,048)	(33,645)	-	(515,693)
Business-Type Activities Capital Assets, Net	$ 9,214,176	$ 473,832	$ 982,107	$ 8,705,901

Discretely Presented Component Units

A summary of changes in fixed assets for the Downtown Development Authority for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Land	$ 147,506	$ 118,157	$ -	$ 265,663

A summary of changes in fixed assets for the Development Authority for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Land	$ 769,334	$ -	$ -	$ 769,334

NOTE 8 – SALES TAX REVENUE BONDS

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

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

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

As of June 30, 2020, debt service requirements for the Series 2018 General Obligation Sales Tax bond is as follows:

Year Ending June 30:	Principal	Interest	Total
2021	$ 75,000	$ 22,450	$ 97,450
2022	75,000	18,700	93,700
2023	75,000	15,700	90,700
2024	80,000	11,950	91,950
2025	85,000	7,950	92,950
2026	90,000	4,500	94,500
Total	$ 480,000	$ 81,250	$ 561,250

NOTE 9 – WATER AND SEWER REVENUE BONDS

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

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

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

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

NOTE 9 – WATER AND SEWER REVENUE BONDS, CONTINUED

As of June 30, 2020, debt service requirements for the Series 2012 revenue bond is as follows:

Year Ending June 30:	Principal	Interest	Total
2021	$ 320,000	$ 146,029	$ 466,029
2022	325,000	139,655	464,655
2023	335,000	132,309	467,309
2024	340,000	124,376	464,376
2025	350,000	115,921	465,921
2026-2030	1,805,000	438,010	2,243,010
2031-2035	2,000,000	164,679	2,164,679
	$ 5,475,000	$ 1,260,979	$ 6,735,979

NOTE 10 – NOTES PAYABLE

Governmental Activities

The following is a summary of long-term notes payable of the City for the year ended June 30, 2020:

Note payable to State Bank & Trust Company for $180,648, payable in quarterly installments of $23,337, including interest at 4.050%, with a final payment of all unpaid principal and interest due on October 24, 2019, secured by certificates of deposit.	$ 47,355
Note Payable to USDA for $68,000, payable in annual installments of $14,796, including interest at 2.875% with a final payment of all unpaid principal and interest due on October 18, 2022, secured by 2 police cars.	41,949
Note Payable to State Bank & Trust Company for $41,000, payable in quarterly installments of $5,361, including interest at 4.050% with a final payment of all unpaid principal and interest due on October 24, 2019, secured by a police vehicle.	10,528
Total	$ 99,832

NOTE 10 – NOTES PAYABLE - CONTINUED

Business-Type Activities

The following is a summary of long-term notes payable of the City for the year ended June 30, 2020:

Note payable to GEFA for $667,679, payable in monthly installments of $3,857, including interest at 0.52%, with a final payment of all unpaid principal and interest due on November 1, 2031, secured by equipment.	$	512,879
Note Payable to Glennville BAnk for $38,874, payable in quarterly installments of $9,952, including interest at 3.850% with a final payment of all unpaid principal and interest due on December 11, 2020, secured by a dump truck.		19,619
Note Payable to Glennville Bank for $19,014, payable in quarterly installments of $2,481, including interest at 3.850% with a final payment of all unpaid principal and interest due on December 11, 2021, secured by a truck.		14,394
Total	$	546,892

As of June 30, 2020, annual debt service requirements for the notes payable are as follows:

	Governmental Activities		Business-Type Activities	
Year Ending June 30:	Principal	Interest	Principal	Interest
2021	$ 71,473	$ 2,047	$ 70,835	$ 5,275
2022	13,981	815	50,841	2,884
2023	14,378	414	44,174	2,106
2024	-	-	44,404	1,876
2025	-	-	44,636	1,644
2026-2030	-	-	226,694	4,706
2031-2032	-	-	65,308	261
Total	$ 99,832	$ 3,276	$ 546,892	$ 18,752

NOTE 11 – CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. Accumulated amortization resulting from the equipment leased is included with depreciation expense. The equipment leased under capital leases as of June 30, 2020 consisted of the following:

	Government-Type Activities	Business-Type Activities
Ford F-150	$ 18,924	$ -
Ford Expedition	30,465	-
2014 Ford F-150	-	27,140
2000 Pierce Contender Fire Truck	127,694	-
Elgin Street Sweeper	206,228	-
2016 Ford Explorer	33,070	-
2015 Ford F-150	-	19,055
2 Police Cars	80,000	-
2017 Ford F-150	-	21,499
	496,381	67,694
Less Accumulated Depreciation	(384,026)	(59,493)
Total	$ 112,355	$ 8,201

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments at June 30, 2020:

Year Ending June 30:	Governmental-Type Activities	Business-Type Activities
2021	$ 65,036	$ 1,049
2022	20,726	-
2023	-	-
Total Minimum Lease Payments	85,762	1,049
Less: Amount Representing Interest	(1,772)	(1)
Present Value of Future Minimum Lease Payments	$ 83,990	$ 1,048

NOTE 12 – CHANGES IN LONG-TERM DEBT

The capital lease obligations and notes payable will be paid from the special sales tax capital projects fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In prior years, most were paid from the General Fund and the Water and Sewer Fund. Principal and interest payments related to the revenue bonds and notes payable for the business-type activities will be paid from income derived from the operation of the water and sewer system.

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2020:

	Balance June 30, 2019	Issues or Additions	Payments or Expenditures	Balance June 30, 2020	Amount Due Within One Year
Governmental Activities					
Compensated absences payable	$ 41,184	$ 2,117	$ -	$ 43,301	$ 8,660
Revenue bonds payable	480,000	-	-	480,000	75,000
Notes payable	230,210	93,832	224,210	99,832	71,473
Capital leases payable	145,181	-	61,191	83,990	63,391
Unamortized bond premium	46,043	-	10,341	35,702	10,053
Total Governmental Activities	942,618	95,949	295,742	742,825	228,577
Business-Type Activities					
Compensated absences payable	$ 12,643	$ 2,472	$ -	$ 15,115	$ 3,023
Revenue bonds payable	5,790,000	-	315,000	5,475,000	320,000
Capital leases payable	12,587	-	11,539	1,048	1,048
Notes payable	636,224	-	89,332	546,892	70,835
Unamortized bond discount	(43,408)	-	(4,840)	(38,568)	(4,653)
Total Business-Type Activities	6,408,046	2,472	411,031	5,999,487	390,253
Total All Funds	$ 7,350,664	$ 98,421	$ 706,773	$ 6,742,312	$ 618,830

NOTE 13 – FUND EQUITY

Fund balances at June 30, 2020 are classified as follows:

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

General Fund:	
Prepaid items	$ 182
Total	$ 182

NOTE 13 – FUND EQUITY, CONTINUED

Restricted – The following fund balances are restricted for:

Special Revenue Funds:	
Drug Seizure Fund - used to account for funds received from drug property seizures.	$ 2,085
Hotel/Motel Fund - used to account for hotel/motel tax revenues.	4,007
Recreation Commission Fund - used to account for activity involving the recreation commission.	124,774
Total Restricted Fund Balance - Special Revenue Funds	130,866
Capital Projects Funds:	
Special Sales Tax Fund - used to account for capital projects financed with special purpose local option sales tax that was approved by referendum.	519,628
T-Splost Fund - used to account for capital projects financed with transportation special purpose local option sales tax.	183,145
Total Restricted Fund Balance - Capital Project Funds	702,773
Total Restricted Fund Balance	$ 833,639

Unassigned – The following fund balances are unassigned:

General Fund	$ 2,365,936
Capital Projects Funds:	
Grant Fund - negative restricted fund balance reported as unassigned	(166,591)
Total	$ 2,199,345

NOTE 14 – EMPLOYEE RETIREMENT PLAN

Plan Description

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

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	9
Active employees	30
Total covered employees	61

Funding Policy

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

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

At June 30, 2020, the City reported a liability of $307,877 as its net pension liability. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan, actuarially determined at January 1, 2020.

NOTE 14 – EMPLOYEE RETIREMENT PLAN - CONTINUED

The following is a schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2020:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2018*	$ 2,418,916	$ 2,208,008	$ 210,908
Changes for the year:			
Service cost	46,200	-	46,200
Interest	179,950	-	179,950
Differences between expected and actual experience	(19,981)	-	(19,981)
Contributions - employer	-	87,055	(87,055)
Contributions - employee	-	-	-
Net investment income	-	63,931	(63,931)
Benefit payments, including refunds of employee contributions	(131,554)	(131,554)	-
Administrative expense	-	(8,595)	8,595
Other	33,191	-	33,191
Net changes	107,806	10,837	96,969
Balances at September 30, 2019**	$ 2,526,722	$ 2,218,845	$ 307,877

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

***Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2020 are used to measure TPL as of September 30, 2019. The balances as of September 30, 2019 constitute measurements of the NPL for the fiscal year ending June 30, 2020.*

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

NOTE 14 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2020, the City recognized pension expense of $55,824. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (79,407)
Changes of assumptions	39,408	-
Net difference between projected and actual earnings on pension plan investments	79,744	(94,043)
City contributions subsequent to the measurement date	59,263	-
Total	$ 178,415	$ (173,450)

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

$59,263 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred (Inflows) of Resources
2021	$ 35,491	$ (84,946)
2022	35,491	(73,522)
2023	28,234	(14,982)
2024	19,936	-
2025	-	-
Thereafter	-	-
Total	$ 119,152	$ (173,450)

NOTE 14 – EMPLOYEE RETIREMENT PLAN, CONTINUED

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 12 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Inflation	2.25%
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
Normal	65 with 5 years of service
Early	55 with 10 years of service
Mortality:	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

NOTE 14 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.375% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of March 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Cash	0%	
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.375%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net pension liability	$ 589,056	$ 307,877	$ 69,768

NOTE 15 – RISK MANAGEMENT

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

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

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

NOTE 16 – CONTINGENT LIABILITIES

There were no known contingent liabilities at June 30, 2020. As of June 30, 2020, there were no pending litigation that would have a material effect on the financial statements.

NOTE 17 – JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the seventeen City East Middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (HOGARC) and is required to pay annual dues thereto. During the year ended June 30, 2020 the City paid $5,173 in such dues. Membership in the HOGARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the HOGARC in Georgia. The HOGARC Board membership includes the chief elected official of each City and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an HOGARC. Separate financial statements may be obtained from:

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

NOTE 18 – IMPACT OF COVID-19 PANDEMIC

The COVID–19 pandemic developed rapidly in 2020 and measures to contain the virus have had significant impacts on economic activity across the country. The City of Glennville has taken and continues to take measures to monitor and mitigate the effects of the virus. These measures include but are not limited to the acquisition of personal protective equipment, the implementation of social distancing, and temporarily limiting access to City facilities. The City will continue to follow CDC guidance to safeguard the wellbeing of its citizens and employees. While the current pandemic has impacted certain revenues, the City has received assistance in the form of Cares Act funding and has not seen a significant impact to its overall fiscal condition. It is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, and future results of operations.

CITY OF GLENNVILLE, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	$ 1,822,362	$ 1,903,959	$ 1,900,522	$ (3,437)
Fees and fines	108,100	127,995	127,992	(3)
Licenses and permits	90,030	91,303	91,302	(1)
Charges for services	439,196	440,554	440,553	(1)
Investment earnings	12,100	31,995	24,614	(7,381)
Intergovernmental	-	1,340	1,340	-
Miscellaneous	316,100	388,023	388,023	-
Proceeds from other financing sources	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total Revenues	2,787,888	2,985,169	2,974,346	(10,823)
Expenditures				
Current:				
General government	861,324	962,342	929,683	(32,659)
Public safety	1,025,600	906,743	601,179	(305,564)
Public works	464,350	470,550	468,359	(2,191)
Sanitation	371,200	373,037	373,036	(1)
Community development	16,520	42,433	41,551	(882)
Culture and recreation	61,920	64,284	61,350	(2,934)
Municipal court	66,960	66,960	66,292	(668)
Transfers out	98,820	98,820	144,173	45,353
Total Expenditures	2,966,694	2,985,169	2,685,623	(299,546)
Excess (Deficiency) Of Revenues Over Expenditures	(178,806)	-	288,723	288,723
Fund Balances - Beginning of Year	2,077,395	2,077,395	2,077,395	-
Fund Balances - Ending of Year	$ 1,898,589	$ 2,077,395	$ 2,366,118	$ 288,723

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

	Year Ended June 30:									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	$ 46,200	$ 47,358	$ 50,512	$ 46,873	$ 48,769	$ 54,069				
Interest	179,950	178,315	175,897	172,822	157,681	153,597				
Differences between expected and actual experience	(19,981)	(70,711)	(72,663)	(48,559)	121,382	(21,934)				
Changes of assumptions	33,191	-	36,285	-	-	(6,893)				
Changes of benefit terms	-	-	-	-	-	-	(Historical information prior to implementation of GASB 68 is not required)			
Benefit payments, including refunds of employee contributions	(131,554)	(132,445)	(126,538)	(136,377)	(128,547)	(123,744)				
Net change in total pension liability	107,806	22,517	63,493	34,759	199,285	55,095				
Total pension liability - beginning	2,418,916	2,396,399	2,332,906	2,298,147	2,098,862	2,043,767				
Total pension liability - ending (a)	$ 2,526,722	$ 2,418,916	$ 2,396,399	$ 2,332,906	$ 2,298,147	$ 2,098,862				
Plan fiduciary net position										
Contributions - employer	87,055	94,923	$ 95,601	$ 90,460	$ 77,088	$ 76,971				
Contributions - employee	-	-	-	-	-	-				
Net investment income	63,931	202,129	271,281	185,919	21,309	180,523				
Benefit payments, including refunds of employee contributions	(131,554)	(132,445)	(126,538)	(136,377)	(128,547)	(123,744)	(Historical information prior to implementation of GASB 68 is not required)			
Administrative expense	(8,595)	(9,240)	(9,909)	(5,380)	(6,004)	(4,945)				
Other	-	-	-	-	-	-				
Net change in fiduciary net position	10,837	155,367	230,435	134,622	(36,154)	128,805				
Plan fiduciary net position - beginning	2,208,008	2,052,641	1,822,206	1,687,584	1,723,738	1,594,933				
Plan fiduciary net position - ending (b)	$ 2,218,845	$ 2,208,008	$ 2,052,641	$ 1,822,206	$ 1,687,584	$ 1,723,738				
Net pension liability - ending (a)-(b)	$ 307,877	$ 210,908	$ 343,758	$ 510,700	$ 610,563	$ 375,124				
Plan's fiduciary net position as a percentage of the total pension liability	87.82%	91.28%	85.66%	78.11%	73.43%	82.13%	(Historical information prior to implementation of GASB 68 is not required)			
Covered employee payroll	$ 903,010	$ 992,034	$ 1,005,601	$ 970,302	$ 962,598	$ 871,723				
Net pension liability as a percentage of covered employee payroll	34.09%	21.26%	34.18%	52.63%	63.43%	43.03%				

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

	Year Ended June 30:									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	- *	$ 89,734	$ 96,652	$ 95,251	$ 79,977	$ 85,012				
Contributions in relation to the actuarially determined contribution	- *	90,310	88,598	95,251	79,977	85,012				
Contribution deficiency (excess)	- *	(576)	8,054	-	-	-	(Historical information prior to implementation of GASB 68 is not required)			
Covered employee payroll	- *	992,034	1,005,601	970,302	962,598	871,723				
Contributions as a percentage of covered employee payroll	- *	9.10%	8.81%	9.82%	8.31%	9.75%				

* 2020 information will be determined after fiscal year end and will be included in the 2021 valuation report.

CITY OF GLENNVILLE, GEORGIA
NOTES TO PENSION SCHEDULES

NOTE 1 – SIGNIFICANT METHODS AND ASSUMPTIONS

Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2020, 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, 2020.

Actuarial Methods and Assumptions

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

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 12 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Inflation	2.25%
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
Normal	65 with 5 years of service
Early	55 with 10 years of service
Mortality:	
Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

NOTE 2 – CHANGES IN ASSUMPTIONS AND BENEFITS

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

Changes in Assumptions

Amounts reported for the fiscal year ending in 2020 and later reflect 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.
- 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%.
- 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.

NOTE 2 – CHANGES IN ASSUMPTIONS AND BENEFITS (CONTINUED)

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

Benefit Changes

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

CITY OF GLENNVILLE, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	$ 260,000	$ 259,939	$ 290,426	$ 30,487
Interest	4,000	7,226	6,262	(964)
Proceeds from other financing sources	-	-	93,832	93,832
Total Revenues	264,000	267,165	390,520	123,355
Expenditures				
Debt Service:				
Principal	172,577	186,887	280,715	93,828
Interest and other charges	11,078	9,883	23,505	13,622
Capital Outlay	262,813	150,342	150,337	(5)
Total Expenditures	446,468	347,112	454,557	107,445
(Deficiency) Of Revenues Over Expenditures	(182,468)	(79,947)	(64,037)	15,910
Fund Balances - Beginning of Year	583,665	583,665	583,665	-
Fund Balances - Ending of Year	$ 401,197	$ 503,718	$ 519,628	$ 15,910

CITY OF GLENNVILLE, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	SPECIAL REVENUE			CAPITAL PROJECTS		
	DRUG SEIZURE	GRANT FUND	HOTEL/MOTEL TAX	RECREATION COMMISSION	T SPLOST	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ 2,085	$ -	$ 2,404	$ 111,390	$ 177,269	$ 293,148
Taxes receivable (net)	-	-	1,603	-	5,364	6,967
Due from other funds	-	-	-	153	-	153
Receivable from other governments	-	-	-	16,065	-	16,065
Other receivables	-	-	-	-	512	512
Prepaid expenditures	-	-	-	-	-	-
Total Assets	2,085	-	4,007	127,608	183,145	316,845
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	-	166,591	-	-	-	166,591
Other accrued expenses	-	-	-	2,834	-	2,834
Total Liabilities	-	166,591	-	2,834	-	169,425
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	2,085	-	4,007	124,774	183,145	314,011
Unassigned	-	(166,591)	-	-	-	(166,591)
Total Fund Balances	2,085	(166,591)	4,007	124,774	183,145	147,420
Total Liabilities and Fund Balances	$ 2,085	$ -	$ 4,007	$ 127,608	$ 183,145	$ 316,845

CITY OF GLENNVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE				CAPITAL PROJECTS	
	DRUG SEIZURE	GRANT FUND	HOTEL/MOTEL TAX	RECREATION COMMISSION	T SPLOST	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ -	$ -	$ 13,437	$ -	$ 58,723	$ 72,160
Fines and forfeitures	1,559	-	-	-	-	1,559
Intergovernmental	-	81,445	-	76,431	-	157,876
Charges for services	-	-	-	50,083	-	50,083
Investment earnings	7	-	7	483	1,609	2,106
Miscellaneous	-	-	-	1,016	-	1,016
Total Revenues	1,566	81,445	13,444	128,013	60,332	284,800
EXPENDITURES						
Current:						
General government	-	1,710	-	-	-	1,710
Public safety	-	164,881	-	-	-	164,881
Public works	-	81,445	-	-	-	81,445
Community development	-	-	12,662	-	-	12,662
Culture and recreation	-	-	-	181,785	-	181,785
Capital outlay	-	-	-	-	8,478	8,478
Debt Service:						
Principal	-	-	-	6,720	-	6,720
Interest and other charges	-	-	-	5,093	-	5,093
Total Expenditures	-	248,036	12,662	193,598	8,478	462,774
Excess (Deficiency) of Revenues Over Expenditures	1,566	(166,591)	782	(65,585)	51,854	(177,974)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	98,820	-	98,820
Total Other Financing Sources (Uses)	-	-	-	98,820	-	98,820
Net Change in Fund Balances	1,566	(166,591)	782	33,235	51,854	(79,154)
Fund Balances - Beginning of Year	519	-	3,225	91,539	131,291	226,574
Fund Balances - Ending of Year	$ 2,085	$ (166,591)	$ 4,007	$ 124,774	$ 183,145	$ 147,420

CITY OF GLENNVILLE, GEORGIA

DRUG SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	$ 2,000	$ 1,559	$ 1,559	$ -
Interest	5	7	7	-
Total Revenues	2,005	1,566	1,566	-
Expenditures:				
Public Safety	2,005	1,566	-	(1,566)
Total Expenditures	2,005	1,566	-	(1,566)
Revenues Over Expenditures	-	-	1,566	1,566
Fund Balance - Beginning	519	519	519	-
Fund Balance - Ending	$ 519	$ 519	$ 2,085	$ 1,566

CITY OF GLENNVILLE, GEORGIA

GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 74,555	$ 248,037	$ 81,445	$ (166,592)
Total Revenues	74,555	248,037	81,445	(166,592)
Expenditures:				
Public safety	-	1,710	1,710	-
Public safety	-	164,882	164,881	1
Public works	74,555	81,445	81,445	-
Total Expenditures	74,555	248,037	248,036	1
Revenues And Other Financing Sources Over (Under) Expenditures	-	-	(166,591)	(166,593)
Fund Balance - Beginning	-	-	-	-
Fund Balance (Deficit) - Ending	$ -	$ -	$ (166,591)	$ (166,593)

CITY OF GLENNVILLE, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	$ 16,000	$ 13,437	$ 13,437	$ -
Interest	15	8	7	(1)
Total Revenues	16,015	13,445	13,444	(1)
Expenditures:				
Community development	18,875	13,445	12,662	(783)
Total Expenditures	18,875	13,445	12,662	(783)
Revenues And Other Financing Sources Over Expenditures	(2,860)	-	782	782
Fund Balance - Beginning	3,225	3,225	3,225	-
Fund Balance - Ending	$ 365	$ 3,225	$ 4,007	$ 782

CITY OF GLENNVILLE, GEORGIA

RECREATION COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 67,550	$ 67,550	$ 76,431	$ 8,881
Charges for services	70,400	70,400	50,083	(20,317)
Interest	-	-	483	483
Miscellaneous	3,627	3,627	1,016	(2,611)
Transfers in	98,820	98,820	98,820	-
Total Revenues	240,397	240,397	226,833	(13,564)
Expenditures:				
Culture/Recreation	226,611	226,611	181,785	(44,826)
Debt Service:				
Principal	13,786	13,786	6,720	(7,066)
Interest	-	-	5,093	5,093
Total Expenditures	240,397	240,397	193,598	(46,799)
Revenues And Other Financing Sources Over Expenditures	-	-	33,235	33,235
Fund Balance - Beginning	91,539	91,539	91,539	-
Fund Balance - Ending	$ 91,539	$ 91,539	$ 124,774	$ 33,235

CITY OF GLENNVILLE, GEORGIA

T SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	$ 50,000	$ 58,723	$ 58,723	$ -
Interest	350	2,507	1,609	(898)
Total Revenues	50,350	61,230	60,332	(898)
Expenditures:				
Capital Outlay	50,350	61,230	8,478	(52,752)
Total Expenditures	50,350	61,230	8,478	(52,752)
Excess Of Revenues Over Expenditures	-	-	51,854	51,854
Fund Balance - Beginning	131,291	131,291	131,291	-
Fund Balance - Ending	$ 131,291	$ 131,291	$ 183,145	$ 51,854

CITY OF GLENNVILLE, GEORGIA
SPECIAL SALES TAX
2014 SPLOST REFERENDUM
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2020

PROJECT	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
City Hall Building Renovations	$ 90,000	$ 500,000	$ 61,148	$ 16,459	$ 77,607	15.52%
Admin Vehicles/Equipment	90,000	90,000	32,562	4,184	36,746	40.83%
Barnard Park	-	939	939	-	939	100.00%
Welcome Center	50,000	50,000	6,366	3,332	9,698	19.40%
Economic Development	-	200,000	106,220	-	106,220	53.11%
Police station renovations	26,000	35,000	28,930	5,621	34,551	98.72%
Police vehicles and equipment	265,000	265,000	134,067	18,435	152,502	57.55%
Fire Department equipment	71,000	71,000	34,600	3,053	37,653	53.03%
Fire Department renovations	-	25,000	20,483	-	20,483	81.93%
Street repairs	300,000	300,000	73,244	-	73,244	24.41%
Street equipment	308,376	308,376	41,142	76,756	117,898	38.23%
Capital improvements/equipment - Recreation	214,378	214,378	15,163	-	15,163	7.07%
Capital improvements/equipment - Water and sewer system	369,000	369,000	-	-	-	0.00%
Auditorium renovations	-	40,000	16,221	22,497	38,718	96.80%
Library renovations	-	65,000	61,301	-	61,301	94.31%
Debt service on City Hall loan	-	350,000	234,272	94,717	328,989	94.00%
Debt service on equipment/ vehicles purchased under capital leases and loans	-	700,000	379,926	115,671	495,597	70.80%
Totals	$ 1,783,754	$ 3,583,693	$ 1,246,584	$ 360,725	$ 1,607,309	

Henderson & Godbee, LLP
Certified Public Accountants and Business Consultants
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Glennville, Georgia's basic financial statements and have issued our report thereon dated February 2, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

February 2, 2021