CITY OF MANCHESTER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2018

Prepared by:

Department of Finance and Administration

CITY OF MANCHESTER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

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City of Manchester
P. O. BOX 366
MANCHESTER, GEORGIA 31816
(706) 846-3141 OR (706) 846-3142

December 10, 2018

TO: The Citizens of the City of Manchester, Georgia
The Honorable Mayor and Members of the City Council
of the City of Manchester, Georgia

The Comprehensive Annual Financial Report (CAFR) of the City of Manchester, Georgia (City) is submitted for the fiscal year ended June 30, 2018. Management of the City accepts all responsibility for the accuracy of the data and completeness and fairness of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Our goal has been to relate the City's financial position in a format that is informative for the general public.

Georgia law requires cities to perform an audit every two years by independent certified public accountants. The City chooses to have an annual audit and this year Council selected the firm of AJK, LLC to perform the audit. The independent auditor's report is included in the financial section of this report.

The MD&A, which immediately follows the independent auditor's report, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Manchester is located in the west central part of Georgia approximately 65 miles southwest of Atlanta and 35 miles north of Georgia's second largest city, Columbus.

This report includes all funds of the City of Manchester. The City of Manchester, incorporated in 1909, operates under the council-manager form of government. The City is organized under the following departments: City Hall Administration, Police, Fire, Highways and Street, Health and Welfare, Culture and Recreation, Code Enforcement, Water and Sewerage, Gas System, and Solid Waste. These departments operate under the supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services for approximately 4,000 citizens. Included among these services are traditional city functions, such as police and fire protection, street construction and maintenance, parks and recreation services, building inspection, zoning enforcement and economic development, as well as gas, water and sewer utilities, and solid waste disposal.

The Housing Authority of the City of Manchester has not met the established criteria for inclusion in the reporting entity and is excluded from this report. The Manchester Development Authority and the Downtown Development Authority of the City of Manchester (the "DDA") have been included in these financial statements as discretely presented component units. The DDA was formed in 1997, but did not become financially active until the fall of 2009.

The City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of Manchester. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is exercised by the City Council at the department level. Additional information on the budgetary process can be found in Note 1(D) in the Notes to the Basic Financial Statements.

FACTORS AFFECTING ECONOMIC CONDITION

The information provided in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Manchester operates.

Local Economy

The overall local economy for Manchester remains stable.

GDOT Traffic Counts reflect an increase in traffic flow into Manchester. Several special events continue to be held regularly and are well attended. Extended hours of operation are being observed at several businesses.

Renovations and new construction activity for both commercial and residential sites continue to increase. Two convenience store/fuel stations were modernized and realtors are reporting a surge in home and commercial sales.

Liberty Utilities opened an office in the downtown area employing approximately ten people. Also, a new dry cleaners is under construction. A neighborhood convenience store opened as well as a new medical facility and a HVAC repair service.

Long-Term Financial Planning

The USDA awarded the City of Manchester a $1.8 million loan coupled with a $1.5 million grant for upgrades to the drinking water treatment facility. The project is to begin in January 2019.

A project to replace all water meters with upgraded equipment will begin in January 2019. This will increase revenue from water and sewerage sales due to the fact that the outdated meters in place currently are under-reading usage.

Major Initiatives

The Lane Street Bridge is scheduled to be replaced beginning in 2019 by Georgia Department of Transportation.

The President Theatre restoration project continues to raise funds and complete work. It is estimated that the project is 90% complete.

All street lights were replaced with new LED based lights resulting in better light at a lower cost to the City.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manchester for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the twenty sixth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The timely preparation of this report was possible because of the efficiency and dedicated service of the entire staff at City Hall. Each member of the department has our sincere appreciation for their contributions in the preparation of this report. We wish to thank the Mayor and Council Members for their continued support as we strive for excellence in financial reporting for the City of Manchester. We also wish to acknowledge the professional and dedicated services of the staff of AJK, LLC, Certified Public Accountants.

Respectfully submitted,

Doug Westberry, City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Manchester

Georgia

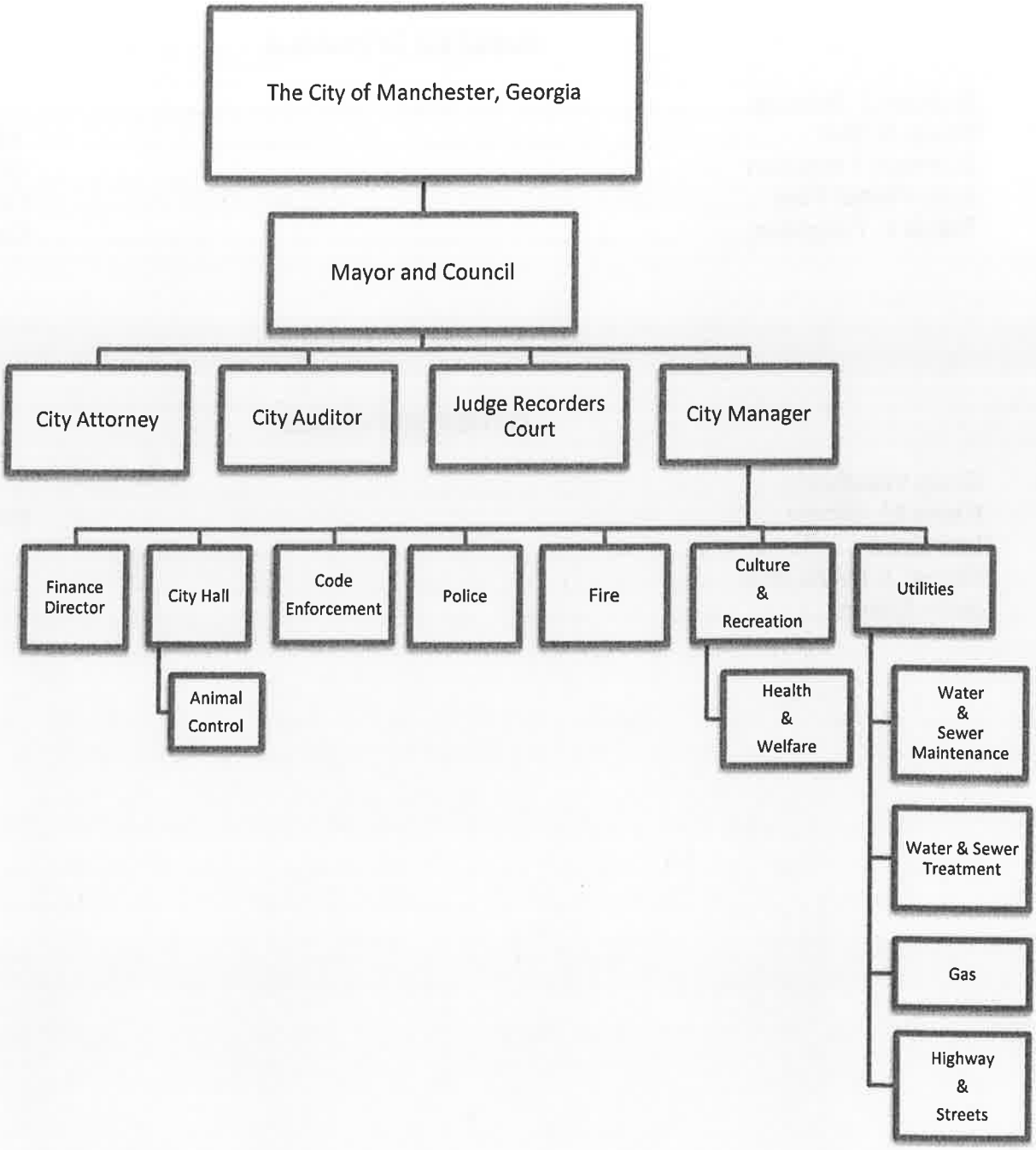
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF MANCHESTER, GEORGIA
ORGANIZATION CHART
June 30, 2018



CITY OF MANCHESTER, GEORGIA
LIST OF PRINCIPAL OFFICIALS
June 30, 2018

ELECTED OFFICIALS

Michael J. Brening	Mayor
Bruce S. Burt	Mayor Pro-Tem
Solomon Ferguson	Council Member
Judy Foster Pike	Council Member
Travis L. Ferguson	Council Member

OTHER OFFICIALS

Doug Westberry	City Manager
Kathy M. Storey	Finance Director
Lea Spell	City Clerk
Glover & Davis, P.A.	City Attorney
John Gilson	City Judge

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 ☐ 405 Second Street ☐ Manchester, GA 31816
(706) 846-8401 ☐ Fax (706) 846-3370

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Manchester, 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 Manchester, Georgia, as of and for the year ended June 30, 2018, 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.

Auditors' 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 Manchester, Georgia, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, and the schedule of contributions information on pages 4 through 9 and page 41 and 42 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparison, and individual fund financial statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Manchester, Georgia's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's basic financial statements as a whole. The individual fund financial statements, as of and for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2018, on our consideration of the City of Manchester, 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 Manchester, 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 City of Manchester, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
December 7, 2018

NOTICE

Certain pages of this report have been left blank intentionally.
These pages are identified as shown on this page.



Management's Discussion and Analysis

As management of the City of Manchester (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- At June 30, 2018, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by $10,722,194 (net position). Net position in governmental activities decreased $244,354 or 4.83 percent, and net position of our business-type activities decreased $102,527 or 1.71 percent.
- The City's total net position decreased $346,881 from the previous year. The majority of this decrease is attributable to the governmental activities.
- As of the close of 2018, the City's governmental funds reported combined ending fund balances of $1,698,866, a decrease of $101,022 from the prior year.
- At the close of 2018, the fund balance for the General Fund was $951,306 or 27.41 percent of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These financial statements will present an overview of the City's financial activities and are presented in three components- 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide statements are intended to present information about the City as a whole using accounting methods similar to the private sector.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements of the City are separated into three kinds of activities:

- Governmental activities: Most of the City's programs and services are reported here, including police, fire, senior center, recreation, highway and streets, and general administration. These governmental activities are funded primarily by property taxes and state and federal grants.

- Business-type activities: These activities include the business-like operations of the City which are intended to recover all or a significant portion of their costs through user fees and charges. These services include water, sewer, gas, and garbage.

- Component units: The Manchester Development Authority and the Downtown Development Authority (the "DDA") of the City of Manchester are included as discretely presented component units of the City. Although they are legally separate from the City, the City is financially accountable. Additional information can be found on the Manchester Development Authority in their separately issued financial statements and on the DDA in the supplemental information in these financial statements. The Manchester Public Utilities Authority, although also legally separate, functions for all practical purposes as part of the City's Water and Sewerage Fund; therefore, it has been included as part of the business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided, along with the financial resources available.

By comparing the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST Fund, which are the City's major governmental funds. Individual data from the remaining nonmajor governmental funds are combined into a single, aggregate column marked "Other Governmental Funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and other supplementary data provided within the financial section of the report.

Proprietary Funds - The City presents only enterprise funds for its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City utilizes enterprise funds to account for the Water & Sewer operations, Gas operations, and Solid Waste disposal activities. The Water & Sewer, Gas, and Solid Waste funds are all considered to be major enterprise funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water & Sewer, Gas, and Solid Waste funds since all are considered to be major funds of the City.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes the components of the City's net position of the primary government at June 30, 2018 and 2017.

NET POSITION

	Governmental Activities		Business-type		Totals	
	2018	2017	2018	2017	2018	2017
Assets:						
Current & Other Assets	$ 2,024,048	$2,106,924	$ 1,720,570	$ 1,918,948	$ 3,744,618	$ 4,025,872
Capital Assets, Net	4,333,395	4,529,107	12,469,602	12,933,259	16,802,997	17,462,366
Total Assets	6,357,443	6,636,031	14,190,172	14,852,207	20,547,615	21,488,238
Deferred Outflows of Resources	222,945	221,046	48,642	50,344	271,587	271,390
Liabilities:						
Current & Other Liabilities	501,036	464,163	769,338	753,818	1,270,374	1,217,981
Long-term Liabilities	1,026,646	1,326,022	7,513,757	8,140,658	8,540,403	9,466,680
Total Liabilities	1,527,682	1,790,185	8,283,095	8,894,476	9,810,777	10,684,661
Deferred Inflows of Resources	234,967	4,799	51,264	1,093	286,231	5,892
Net Position:						
Net Investment in Capital Assets	4,102,869	4,228,586	6,641,525	6,705,159	10,744,394	10,933,745
Restricted	747,560	898,409	110,319	148,237	857,879	1,046,646
Unrestricted	(32,690)	(64,902)	(847,389)	(846,414)	(880,079)	(911,316)
Total Net Position	$ 4,817,739	$5,062,093	$ 5,904,455	$ 6,006,982	$10,722,194	$11,069,075

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. In the case of the City of Manchester, assets exceeded liabilities by $10,722,194 at June 30, 2018. The City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, equipment and vehicles), less any outstanding related debt used to acquire the asset exceeds the City's total net position by $22,200. The City uses these capital assets to provide services to citizens and consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities.

The following shows the changes in net position for 2018 and 2017.

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	$ 664,446	$ 667,683	$ 3,049,879	$ 2,968,476	$ 3,714,325	$ 3,636,159
Operating grants and contributions	435,670	397,824	0	0	435,670	397,824
Capital grants and contributions	6,364	32,598	0	0	6,364	32,598
General Revenues:						
Property taxes	1,035,166	1,064,150	0	0	1,035,166	1,064,150
Franchise tax	213,392	222,887	0	0	213,392	222,887
Insurance premium tax	283,057	266,009	0	0	283,057	266,009
Motor vehicle and mobile home tax	133,897	113,628	0	0	133,897	113,628
Alcoholic beverage tax	68,011	74,792	0	0	68,011	74,792
Sales tax	404,678	351,201	0	0	404,678	351,201
Other taxes	25,507	21,563	0	0	25,507	21,563
Investment earnings	2,298	2,519	3,432	3,411	5,730	5,930
Total Revenues	3,272,486	3,214,854	3,053,311	2,971,887	6,325,797	6,186,741
Expenses:						
General government	863,157	612,706	0	0	863,157	612,706
Public safety	1,724,421	1,805,575	0	0	1,724,421	1,805,575
Health and welfare	196,713	172,636	0	0	196,713	172,636
Culture and recreation	479,625	499,642	0	0	479,625	499,642
Highways and streets	574,196	493,739	0	0	574,196	493,739
Community development	9,291	8,568	0	0	9,291	8,568
Interest on long-term debt	14,227	17,362	0	0	14,227	17,362
Water and sewer	0	0	1,727,508	1,950,054	1,727,508	1,950,054
Gas	0	0	823,809	800,305	823,809	800,305
Solid waste	0	0	259,731	260,824	259,731	260,824
Total Expenses	3,861,630	3,610,228	2,811,048	3,011,183	6,672,678	6,621,411
Increase (decrease) in net position before transfers	(589,144)	(395,374)	242,263	(39,296)	(346,881)	(434,670)
Transfers	344,790	309,711	(344,790)	(309,711)	-	-
Increase (decrease) in net position	(244,354)	(85,663)	(102,527)	(349,007)	(346,881)	(434,670)
Net Position, beginning of year	5,062,093	5,147,756	6,006,982	6,355,989	11,069,075	11,503,745
Net Position, end of year	$ 4,817,739	$ 5,062,093	$ 5,904,455	$ 6,006,982	$ 10,722,194	$ 11,069,075

Governmental Activities

Governmental activities decreased the City's net position by $244,354. Key elements of this decrease are shown in the preceding table *Changes in Net Position*. Noteworthy variances are:

- Sales tax collected increased $53,477.
- General government expenditures increased $250,451. This was mainly due to an increase in SPLOST expenditures at the public library (approximately $50,000) and an increase in pension related accruals (approximately $150,000).

Business-Type Activities

Business-type activities decreased the City's net position by $102,527. Total revenues increased marginally by $81,424, or 2.7%. Expenses decreased by $200,135 mainly due to a decrease in repairs at the City's water treatment facility.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful tool in the measurement of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, the City's governmental funds reported a combined ending fund balance of $1,698,866, a decrease of $101,022 in comparison with the prior year. The fund balance is classified as nonspendable ($62,490), restricted ($747,560), committed ($265,083) and unassigned ($623,733) to indicate the purpose for which the resources can be used. The restricted fund balance (amounts constrained to specific purposes by their providers) represents approximately 44.0% of the fund balance. The unassigned fund balance, which represents approximately 36.71% of the total fund balance, is available for any purpose.

The General Fund is the City's chief operating fund. The fund balance of the City's General Fund increased marginally by $49,827 during year ended 2018. The excess of expenditures over revenue was offset by transfers in from the proprietary funds to supplement operations.

The SPLOST Fund, a Capital Projects Fund, is a major governmental fund of the City. The fund balance of this fund decreased by $152,048 during the year ended 2018. This decrease reflects SPLOST funds received in prior years that were spent during the year ended 2018 for public buildings (approximately $50,000) and for highways and streets (approximately $95,000).

None of the City's nonmajor governmental funds had a significant change in fund balance.

Proprietary Funds

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

The change for net position in the Proprietary Funds for the year ended June 30, 2018 was a decrease of $102,527. The factors concerning this decrease have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Manchester City Council adopts the annual operating budgets for the City on or about May 1 each year for the fiscal year commencing July 1. The most significant budgeted fund of the City is the General Fund.

During the year, amendments to the budget are adopted as needed. Noteworthy amendments adopted during the year were:

- Various tax revenues were decreased a net of approximately $89,000 to reflect more accurately the amounts being collected.
- Fine and forfeiture revenue was decreased approximately $51,000 to reflect more accurately the amount being collected.
- Salaries and retirement were adjusted in most departments to reflect actual amounts paid. The net adjustment was approximately a $140,000 decrease.

The City's revenue received and expenditures incurred were less than budgeted. The significant variances from final budget to actual results were:

- Grants and subsidies revenue was approximately $82,000 less than budgeted.
- Administrative charges that the General Fund charges the business-type activities was approximately $164,000 less than budgeted. This is reflected in *Other Revenue*.
- General government expenditures were approximately $38,000 more than budgeted. This is mainly due to general insurance being greater than budgeted (approximately $19,000) and unexpected repairs required to government buildings. The most significant of these repairs was $17,600 for roof repairs at City Hall.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018 was $10,744,394, net of accumulated depreciation and related debt. This investment in capital assets includes land, buildings, improvements, machinery, equipment, vehicles, and infrastructure.

Long-Term Debt

As of June 30, 2018 the City had total bonded outstanding debt of $7,150,000.

More detailed information about the City's capital assets and long-term debt is presented in the notes to the basic financial statements in Note 4 and Note 6, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the following:

Doug Westberry, City Manager
Department of Financial Administration
P.O. Box 366
Manchester, Georgia 31816
706-846-3141

BASIC FINANCIAL STATEMENTS

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business Type Activities	Total	Manchester Development Authority	Downtown Development Authority
ASSETS					
Cash and cash equivalents	$ 1,732,275	$ 784,593	$ 2,516,868	$ 710,946	$ 24,179
Receivables (net, where applicable, of allowance for uncollectibles):					
Property tax and tax liens	6,223		6,223		
Accounts		413,394	413,394	2,171	
Fines and forfeitures	24,026		24,026		
Nutrition program	7,721		7,721		
Sales tax	66,997		66,997		
Equipment tax	11,145		11,145		
Loans	113,171		113,171	456,253	3,046
Inventory, at cost	29,106	1,302	30,408		
Prepaid items	33,384		33,384		
Restricted assets:					
Temporarily restricted:					
Cash		469,726	469,726		
Prepaid bond insurance, net of accumulated amortization		51,555	51,555		
Capital assets not being depreciated	289,733	537,065	826,798	134,433	20,400
Capital assets being depreciated, net of accumulated depreciation	4,043,662	11,932,537	15,976,199	1,132,676	
Total assets	6,357,443	14,190,172	20,547,615	2,436,479	47,625
DEFERRED OUTFLOWS OF RESOURCES					
Pension:					
Differences between expected and actual experience	42,555	9,285	51,840		
Changes of assumptions	43,463	9,483	52,946		
Contributions after measurement date	136,927	29,874	166,801		
Total deferred outflows of resources	222,945	48,642	271,587	-	-

Continued...

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business Type Activities	Total	Manchester Development Authority	Downtown Development Authority
LIABILITIES					
Accounts payable and other current liabilities	200,115	14,962	215,077	1,146	50
Accrued payroll	58,215		58,215		
Accrued interest on bonds	4,400	58,243	62,643		
Customer deposits		95,649	95,649		
Customer overpayments		15,107	15,107		
Unearned revenue	66,852	24,600	91,452		500
Noncurrent liabilities:					
Due within one year	171,454	560,777	732,231	16,333	
Due in more than one year	207,181	7,334,970	7,542,151	374,496	
Net pension liability	819,465	178,787	998,252		
Total liabilities	1,527,682	8,283,095	9,810,777	391,975	550
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Differences between expected and actual experience	54,217	11,829	66,046		
Net difference between projected and actual earnings on plan investments	180,750	39,435	220,185		
Total deferred inflows of resources	234,967	51,264	286,231	-	-
NET POSITION					
Net investment in capital assets	4,102,869	6,641,525	10,744,394	1,267,109	20,400
Restricted for:					
Construction		110,319	110,319		
Economic development activities	229,672		229,672		
Capital projects	517,888		517,888		
Debt service			-	408,596	
Unrestricted	(32,690)	(847,389)	(880,079)	368,799	26,675
Total net position	$ 4,817,739	$ 5,904,455	$ 10,722,194	$ 2,044,504	$ 47,075

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services, Fees, Fines, and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: 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: Manchester Development Authority	Component Units: Downtown Development Authority
Primary government:									
Governmental activities:									
General government	$ 863,157	$ 438,787	$ 127,429		$ (296,941)		$ (296,941)		
Public safety	1,724,421	157,563	13,086		(1,553,772)		(1,553,772)		
Health and welfare	196,713	15,850	76,447		(104,416)		(104,416)		
Culture and recreation	479,625	52,246	155,129		(272,250)		(272,250)		
Highways and streets	574,196		63,579	$ 6,364	(504,253)		(504,253)		
Community development	9,291				(9,291)		(9,291)		
Interest on long-term debt	14,227				(14,227)		(14,227)		
Total governmental activities	3,861,630	664,446	435,670	6,364	(2,755,150)		(2,755,150)		
Business-type activities:									
Water and sewerage	1,727,508	1,735,410				$ 7,902	7,902		
Gas	823,809	898,469				74,660	74,660		
Solid Waste	259,731	416,000				156,269	156,269		
Total business-type activities	2,811,048	3,049,879	-	-		238,831	238,831		
Total primary government	$ 6,672,678	$ 3,714,325	$ 435,670	$ 6,364	(2,755,150)	238,831	(2,516,319)		
Component units:									
Manchester Development Authority	$ 312,744	$ 150,000						$ (162,744)	
Downtown Development Authority	14,112	2,215	$ 18,000						$ 6,103
Total component units	$ 326,856	$ 152,215	$ 18,000	$ -				(162,744)	6,103
General revenues:									
Taxes:									
Property taxes					1,035,166		1,035,166		
Sales tax					404,678		404,678		
Franchise tax					213,392		213,392		
Insurance premium tax					283,057		283,057		
Motor vehicle and mobile home tax					133,897		133,897		
Alcoholic beverage tax					68,011		68,011		
Other					25,507		25,507		
Investment earnings					2,298	3,432	5,730	20,196	154
Transfers					344,790	(344,790)	-		
Total general revenues and transfers					2,510,796	(341,358)	2,169,438	20,196	154
Change in net position					(244,354)	(102,527)	(346,881)	(142,548)	6,257
Net position, beginning of year					5,062,093	6,006,982	11,069,075	2,187,052	40,818
Net position, end of year					$ 4,817,739	$ 5,904,455	$ 10,722,194	$ 2,044,504	$ 47,075

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

CITY OF MANCHESTER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	Major Governmental Fund Types		Nonmajor Governmental Fund Types	
	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,059,899	$ 555,875	$ 116,501	$ 1,732,275
Receivables (net, where applicable, of allowances for uncollectibles):				
Property taxes and tax liens	6,223			6,223
Fines and forfeitures	24,026			24,026
Nutrition program	7,721			7,721
Sales tax	66,997			66,997
Equipment tax	11,145			11,145
Loans			113,171	113,171
Inventory, at cost	29,106			29,106
Prepaid items	33,384			33,384
Total assets	$ 1,238,501	$ 555,875	$ 229,672	$ 2,024,048
LIABILITIES				
Accounts payable	$ 162,128	$ 37,987		$ 200,115
Accrued payroll	58,215			58,215
Unearned revenue	66,852			66,852
Total liabilities	287,195	37,987	$ -	325,182
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Inventory	29,106			29,106
Prepaids	33,384			33,384
Restricted for:				
Economic development activities			229,672	229,672
Capital projects		517,888		517,888
Committed:				
Infrastructure	240,905			240,905
Special incentives	24,178			24,178
Unassigned	623,733			623,733
Total fund balances	951,306	517,888	229,672	1,698,866
Total liabilities and fund balances	$ 1,238,501	$ 555,875	$ 229,672	$ 2,024,048

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

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2018

Fund balances - Total governmental funds		$ 1,698,866
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:		
Add - Capital assets		8,980,642
Deduct - Accumulated depreciation		(4,647,247)
The deferred outflows below 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 governmental funds. Balances at June 30, 2018 are:		
Deferred outflows		222,945
Deferred inflows		(234,967)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. Balances at June 30, 2018 are:		
Accrued interest payable on bonds		(4,400)
Bonds payable	$ (220,000)	
Notes payable	(10,526)	
Compensated absences	(148,109)	
Net pension liability	(819,465)	(1,198,100)
Net position of governmental activities		$ 4,817,739

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Major Governmental Fund Types		Nonmajor Governmental Fund Types	
	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	$ 955,221		$ 79,945	$ 1,035,166
Sales	404,065		613	404,678
Franchise	213,392			213,392
Insurance premium	283,057			283,057
Motor vehicle and mobile home	133,897			133,897
Alcoholic beverage	68,011			68,011
Other	16,220		9,287	25,507
Licenses and permits	66,524			66,524
Grants and subsidies	300,063			300,063
Charges for services	51,643			51,643
Fines and forfeitures	157,563			157,563
Interest revenue	1,095	$ 6,364	1,203	8,662
Other revenue	524,323			524,323
Total revenues	3,175,074	6,364	91,048	3,272,486
Expenditures:				
Current:				
General government	777,340			777,340
Public safety	1,599,378			1,599,378
Health and welfare	187,584			187,584
Culture and recreation	415,139			415,139
Highway and streets	485,019		613	485,632
Community development			9,291	9,291
Debt service:				
Principal retirement	4,995		65,000	69,995
Interest and fees	582		14,945	15,527
Capital outlay:				
General government		49,601		49,601
Public safety		8,944		8,944
Highway and streets		94,067		94,067
Culture and recreation		5,800		5,800
Total expenditures	3,470,037	158,412	89,849	3,718,298
Excess of revenues over (under) expenditures	(294,963)	(152,048)	1,199	(445,812)
Other financing sources (uses):				
Transfers in	3,734,804		79,945	3,814,749
Transfers out	(3,390,014)		(79,945)	(3,469,959)
Total other financing sources (uses)	344,790	-	-	344,790
Net change in fund balances	49,827	(152,048)	1,199	(101,022)
Fund balances, beginning of year	901,479	669,936	228,473	1,799,888
Fund balances, end of year	$ 951,306	$ 517,888	$ 229,672	$ 1,698,866

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

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Net change in fund balances - Total governmental funds	$ (101,022)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($239,499) exceeded capital outlay ($43,787) in the current period.	(195,712)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is represented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:	
Compensated absences	(22,829)
Accrued interest payable	1,300
Pension expense	3,914
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal retirements	69,995
Change in net position of governmental activities	$ (244,354)

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property	$ 1,028,855	$ 967,162	$ 955,221	$ (11,941)
Sales	365,000	396,288	404,065	7,777
Franchise	252,500	215,000	213,392	(1,608)
Insurance premium	284,250	284,250	283,057	(1,193)
Motor vehicle and mobile home	150,000	142,935	133,897	(9,038)
Alcoholic beverage	82,000	68,010	68,011	1
Other	12,335	12,335	16,220	3,885
Licenses and permits	68,250	68,250	66,524	(1,726)
Grants and subsidies	382,876	382,876	300,063	(82,813)
Charges for services	41,575	41,575	51,643	10,068
Fines and forfeitures	194,500	142,975	157,563	14,588
Interest revenue	600	600	1,095	495
Other revenue	690,044	690,044	524,323	(165,721)
Total revenues	3,552,785	3,412,300	3,175,074	(237,226)
Expenditures:				
General government:				
Elected officials	101,454	52,210	48,922	3,288
City manager	96,200	103,798	102,568	1,230
Finance director	68,144	71,138	70,418	720
General administration	524,142	512,249	555,432	(43,183)
Total general government	789,940	739,395	777,340	(37,945)
Public safety:				
Police	1,189,491	1,117,286	1,116,078	1,208
Fire	493,625	490,194	483,300	6,894
Total public safety	1,683,116	1,607,480	1,599,378	8,102
Highway and streets:				
Streets	474,526	475,058	485,019	(9,961)
Total highway and streets	474,526	475,058	485,019	(9,961)
Health and welfare:				
Senior center	141,069	138,830	158,892	(20,062)
Animal control	27,912	29,278	28,692	586
Total health and welfare	168,981	168,108	187,584	(19,476)
Culture and recreation:				
Recreation	375,622	361,659	360,139	1,520
Library	55,000	55,000	55,000	-
Total culture and recreation	430,622	416,659	415,139	1,520

Continued...

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2018
(Continued)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Debt service:				
Principal retirement	4,995	4,995	4,995	-
Interest	605	605	582	23
Total expenditures	3,552,785	3,412,300	3,470,037	(57,737)
Excess (deficiency) of revenues over (under) expenditures	-	-	(294,963)	(294,963)
Other financing sources (uses):				
Transfers in			3,734,804	3,734,804
Transfers out			(3,390,014)	(3,390,014)
Total other financing sources (uses)	-	-	344,790	344,790
Net change in fund balances	-	-	49,827	49,827
Fund balances, beginning of year	901,479	901,479	901,479	-
Fund balances, end of year	$ 901,479	$ 901,479	$ 951,306	$ 49,827

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
ASSETS				
Current assets:				
Cash	$ 784,593			$ 784,593
Receivables (net, where applicable, of allowance for uncollectibles):				
Accounts	286,346	$ 69,376	$ 57,672	413,394
Inventories	703	599		1,302
Total unrestricted current assets	1,071,642	69,975	57,672	1,199,289
Restricted cash	469,726			469,726
Total restricted cash	469,726	-	-	469,726
Total current assets	1,541,368	69,975	57,672	1,669,015
Noncurrent assets:				
Prepaid bond insurance, net of accumulated amortization	51,555	-	-	51,555
Capital assets:				
Land and land improvements	537,065			537,065
Buildings and systems	9,883,369	10,088		9,893,457
Improvements other than buildings	8,102,235	2,408,781		10,511,016
Machinery and equipment	935,089	56,726	21,060	1,012,875
Less, accumulated depreciation	(8,802,919)	(660,832)	(21,060)	(9,484,811)
Total capital assets, net of accumulated depreciation	10,654,839	1,814,763	-	12,469,602
Total noncurrent assets	10,706,394	1,814,763	-	12,521,157
Total assets	12,247,762	1,884,738	57,672	14,190,172
DEFERRED OUTFLOWS OF RESOURCES				
Pension:				
Differences between expected and actual experience	6,527	2,758		9,285
Changes of assumptions	6,666	2,817		9,483
Contributions after measurement date	21,000	8,874		29,874
Total deferred outflows of resources	34,193	14,449	-	48,642

(Continued...)

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018
(Continued)

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
LIABILITIES				
Current liabilities:				
Accounts payable	9,918	5,044		14,962
Customer deposits	77,254	18,395		95,649
Customer overpayments	15,107			15,107
Accrued compensated absences	5,498	8,178		13,676
Unearned revenue	24,600			24,600
Obligations under capital leases, current portion		87,101		87,101
Current liabilities payable from restricted assets:				
Accrued interest	58,243			58,243
Revenue bonds, current portion	460,000			460,000
Total current liabilities	650,620	118,718	-	769,338
Noncurrent liabilities:				
Compensated absences	2,960	4,404		7,364
Unearned revenues	619,100			619,100
Revenue bonds payable	6,436,279			6,436,279
Obligations under capital leases		272,227		272,227
Net pension liability	125,680	53,107		178,787
Total noncurrent liabilities	7,184,019	329,738	-	7,513,757
Total liabilities	7,834,639	448,456	-	8,283,095
DEFERRED INFLOWS OF RESOURCES				
Pension:				
Differences between expected and actual experience	8,315	3,514		11,829
Net difference between projected and actual earnings on plan investments	27,721	11,714		39,435
Total deferred inflows of resources	36,036	15,228	-	51,264
NET POSITION				
Net investment in capital assets	5,186,090	1,455,435		6,641,525
Restricted for construction	110,319			110,319
Unrestricted	(885,129)	(19,932)	57,672	(847,389)
Total net position	$ 4,411,280	$ 1,435,503	$ 57,672	$ 5,904,455

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
Operating revenues:				
Charges for services:				
Sales	$ 1,628,142	$ 843,417	$ 416,000	$ 2,887,559
Other fees	107,268	55,052		162,320
Total operating revenues	1,735,410	898,469	416,000	3,049,879
Operating expenses:				
Salaries and wages	238,511	116,884		355,395
Payroll taxes and employee benefits	92,639	39,755		132,394
Gas purchased for resale		433,420		433,420
Sales tax expense		38,575		38,575
Utilities	188,743	5,061		193,804
Repairs and maintenance	225,611	5,170		230,781
Materials, supplies, and chemicals	92,357	2,148		94,505
Office supplies and postage	6,511	2,163		8,674
Engineering and other professional services	13,360	9,168		22,528
Depreciation and amortization	420,942	48,515		469,457
Administrative charges	209,406	111,683		321,089
Sanitation expense			224,830	224,830
Miscellaneous	51,284	2,809	34,901	88,994
Total operating expenses	1,539,364	815,351	259,731	2,614,446
Operating income (loss)	196,046	83,118	156,269	435,433
Nonoperating revenues (expenses):				
Interest income	3,432			3,432
Interest expenses	(188,144)	(8,458)		(196,602)
Total nonoperating revenues (expenses)	(184,712)	(8,458)	-	(193,170)
Income (loss) before transfers	11,334	74,660	156,269	242,263
Transfers in	1,936,964	965,076	413,522	3,315,562
Transfers out	(2,097,946)	(996,561)	(565,845)	(3,660,352)
Changes in net position	(149,648)	43,175	3,946	(102,527)
Net position, beginning of year	4,560,928	1,392,328	53,726	6,006,982
Net position, end of year	$ 4,411,280	$ 1,435,503	$ 57,672	$ 5,904,455

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
Cash flows from operating activities:				
Receipts from customers	$ 1,677,229	$ 890,762	$ 412,054	$ 2,980,045
Receipts from (refund of) customer overpayments	2,265			2,265
Receipts from (refund of) customer deposits	1,257	1,245		2,502
Payments to employees	(340,684)	(155,259)		(495,943)
Payments to vendors	(577,867)	(499,886)	(224,830)	(1,302,583)
Payments to other funds for services provided	(209,406)	(111,683)	(34,901)	(355,990)
Net cash provided (used) by operating activities	552,794	125,179	152,323	830,296
Cash flows from noncapital financing activities:				
Transfers in	1,936,964	965,076	413,522	3,315,562
Transfers out	(2,097,946)	(996,561)	(565,845)	(3,660,352)
Principal paid on noncapital debt	(93,150)			(93,150)
Interest paid on noncapital debt	(36,283)			(36,283)
Net cash provided (used) by noncapital financial activities	(290,415)	(31,485)	(152,323)	(474,223)
Cash flows from capital and related financing activities:				
Transfers in				-
Acquisition of capital assets	(5,800)			(5,800)
Principal paid on capital debt	(356,850)			(356,850)
Capital lease payments		(85,236)		(85,236)
Interest paid on capital debt	(138,995)	(8,458)		(147,453)
Net cash provided (used) by capital and related financing activities	(501,645)	(93,694)	-	(595,339)
Cash flows from investing activities:				
Interest income	3,432			3,432
Net cash provided (used) by investing activities	3,432	-	-	3,432
Net increase (decrease) in cash	(235,834)	-	-	(235,834)
Cash, beginning of year	1,490,153			1,490,153
Cash, end of year	$ 1,254,319	$ -	$ -	$ 1,254,319
Reported on statement of net position:				
Cash	$ 784,593			$ 784,593
Restricted cash	469,726			469,726
Total cash per statement of net position	$ 1,254,319	$ -	$ -	$ 1,254,319
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	$ 196,046	$ 83,118	$ 156,269	$ 435,433
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	420,942	48,515		469,457
(Increase) decrease in:				
Accounts receivable	(33,581)	(7,707)	(3,946)	(45,234)
Increase (decrease) in:				
Accounts payable	(785)	(780)		(1,565)
Customer deposits	1,257	1,245		2,502
Customer overpayments	2,265			2,265
Accrued compensated absences	(1,707)	2,595		888
Unearned revenue	(24,600)			(24,600)
Net pension liability	(7,043)	(1,807)		(8,850)
Net cash provided (used) by operating activities	$ 552,794	$ 125,179	$ 152,323	$ 830,296

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Manchester, Georgia (the "City") was incorporated on August 16, 1909, under the provisions of the State of Georgia. The City operates under an elected Mayor-Council form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and welfare services, culture and recreation, public utilities, code enforcement, community development, and general administrative services.

The accounting policies of the City of Manchester, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

A. The Reporting Entity

The City of Manchester, Georgia is a municipal corporation governed by an elected Mayor and four member Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

- **Blended Component Units** - The Manchester Public Utilities Authority (the "PUA") serves all the citizens of the City and is governed by a board comprised of the City's elected council. The rates for any user charges and bond issuance authorizations are approved by the City's council and the legal liability for the general obligation portion of any PUA's debt remains with the City. The PUA is combined with the Water and Sewerage Fund in these financial statements and does not issue separate financial statements.

- **Discretely Presented Component Units** - The Manchester Development Authority (the "Authority") was created to attract new industry and promote existing industry in the City. The board members of the Manchester Development Authority are appointed by the Mayor and City Council of the City. The Authority's bonded debt must be approved by the City Council and the City provides significant financial support to the Authority. The Manchester Development Authority is presented as a governmental fund type. Complete financial statements can be obtained from the Manchester Development Authority, P.O. Box 583, Manchester, Georgia 31816.

  The Downtown Development Authority of the City of Manchester, Georgia (the "DDA") was created to revitalize and redevelop the central business district of the City. The DDA's board members are appointed by the Mayor and City Council of the City. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The DDA is presented as a governmental fund type. Fund financial statements for the DDA are included in supplemental information.

- **Related Organization** - The City Council is responsible for appointing the members of the Manchester Housing Authority board, but the City's accountability for this organization does not extend beyond making the appointments.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues, including property taxes, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants from other governments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The ***General Fund*** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The ***SPLOST Fund*** is established as a capital project fund to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

The City reports the following major proprietary funds:

- The ***Water and Sewerage Fund*** accounts for the activities of the government's water and sewerage activities.

- The ***Gas Fund*** accounts for the activities of the government's gas system activities.

- The ***Solid Waste Fund*** accounts for the activities of the government's waste disposal activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

The City's net position are reported in three parts - 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The City prepares and adopts its budget and complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving, and encouraging the principle of home rule over local matters. The procedures are as follows:

1. On or about May 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution. The General Fund, the Special Revenue Funds, and the Debt Service Fund have legally adopted budgets that are prepared by fund, function, and department. Any revisions that alter the total expenditures of any fund or any transfers between departments must be approved by the City Council. All appropriations lapse at year end. The legal level of control (level at which expenditures may not legally exceed the budget) is exercised by the City Council at the department level.

4. The budgets for the General Fund, Special Revenue Funds, and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.

The capital project fund representing the Special Purpose Local Option Sales Tax adopts its budget on a project-length basis instead of an annual basis.

The budget amounts shown in these financial statements include any amendments approved by the City Council during the year. The Council made several amendments during the year. Various taxes were decreased a net of approximately $89,000 and *Fines and Forfeitures* were decreased approximately $51,000. Both of these amendments were to more accurately reflect amounts being collected during the year. For expenditures, the only significant amendments recorded a net decrease in salaries and retirement of approximately $140,000 that affected most departments in the General Fund.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and non-negotiable certificates of deposits regardless of original maturity.

The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligation; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "A" or better by Moody's Investors Service Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments for the City, as well as for its component units, are reported at fair value. Neither the City, nor its component units, have any investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

G. Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied on October 20, and are due and payable on December 20. All unpaid taxes levied October 20 become delinquent December 21 of that year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

H. Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of expendable supplies. The City uses the consumption method to record inventory, which means that inventory acquisitions are recorded in inventory accounts when purchased and charged as expenditures or expenses when used.

I. Prepaid Items

The City uses the consumption method to record prepaid items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements when paid and charged to expenditures or expenses when used.

J. Restricted Cash

Certain cash in the Proprietary Funds of the City is restricted for the debt service and construction.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation plus any ancillary charges incurred to put the asset into service. Infrastructure assets acquired subsequent to July 1, 1980 are reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component unit is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Improvements	20-30
Public domain infrastructure	40
System infrastructure	20-50
Machinery and equipment	5-20

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The changes in assumptions, and the contributions made to the pension plan after the measurement date qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The differences between projected and actual earnings on pension plan investments, and the net difference between expected and actual experience qualify for reporting in this category.

M. Pensions

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

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Fund Equity

Beginning with the year ended June 30, 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed Fund Balance** - Amounts constrained to specific purposes by the City Council through an ordinance;
- **Assigned Fund Balance** - Amounts are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City manager based on the City Council direction;
- **Unassigned Fund Balance** - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. It is the City's policy to use restricted fund balances first, followed by committed, assigned, and then unassigned amounts, respectively.

Q. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Allocation of Administrative Expenses

The City does not allocate indirect costs. It is the City's policy to allocate to the proprietary funds overhead administrative expenses that are paid by and expended in the General Fund. This allocation is to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, etc.). These expenses allocated to the proprietary funds are presented in these financial statements as "administrative charges" on the proprietary funds financial statement and are included in "other revenue" on the General Fund financial statements.

S. Use of Estimates to Prepare Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and

liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

T. Subsequent Events

Subsequent events have been evaluated by management through December 7, 2018, which is the date the financial statements were available to be issued.

U. Recently Issued Accounting Principles

The "Governmental Accounting Standards Board" (GASB) has approved the following GASB Statement that has been adopted by the City for the year ended June 30, 2018, and has a direct and material impact on the City's financial statements.

GASB Statement No. 82 "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73" addresses pension issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. According to the GASB, the requirements of this Statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues.

2. DEPOSITS AND INVESTMENTS

At year end, the City had $1,430 in petty cash, $555,875 in short-term investments (cash equivalents), and the carrying amount of the City's deposits (checking, savings, and certificates of deposit) was $2,429,289. The short-term investments were invested 100% in a U.S. Treasury portfolio. For the City's deposits, the bank balance was $2,390,332 of which $616,501 was covered by federal depository insurance and $1,773,831 was collateralized through a multiple financial institution collateral pool. The City does not have a deposit policy for custodial credit risk.

At year end, the Manchester Development Authority, a discretely presented component unit, did not have any investments and the carrying amount of the Authority's deposits (checking and savings accounts) was $710,946 and the bank balance was $728,602. Of the bank balance, $500,063 was covered by federal depository insurance, $208,999 was covered by collateral held in the pledging bank's trust department or by its agent in the Authority's name, and $19,540 was uninsured and uncollateralized.

At year end, the Downtown Development Authority, the other discretely presented component unit, did not have any investments and the carrying amount of the DDA deposits (checking and savings accounts) was $24,179 and the bank balance was $76,532. Of the bank balance, $76,532 was covered by federal depository insurance.

Neither of the discretely presented component units have a deposit policy for custodial credit risk.

3. LOANS RECEIVABLE

Primary government

Approximately $89,830 of the outstanding balance of $113,171 of loans receivable are not anticipated to be collected within one year.

Component units

Approximately $434,510 of the outstanding balance of $456,253 of Manchester Development Authority's loans receivable are not anticipated to be collected within one year.

All of the outstanding balance of $3,046 of Downtown Development Authority's loans receivable are anticipated to be collected within one year.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 289,733			$ 289,733
Total capital assets, not being depreciated	289,733	$ -	$ -	289,733
Capital assets, being depreciated:				
Land improvements	23,160			23,160
Buildings and improvements	3,839,670			3,839,670
Machinery and equipment	1,751,876	43,787	(45,037)	1,750,626
Infrastructure	3,077,453			3,077,453
Total capital assets being depreciated	8,692,159	43,787	(45,037)	8,690,909
Less, accumulated depreciation for:				
Land improvements	(6,080)	(579)		(6,659)
Buildings	(2,211,318)	(76,058)		(2,287,376)
Machinery and equipment	(1,394,721)	(85,926)	45,037	(1,435,610)
Infrastructure	(840,666)	(76,936)		(917,602)
Total accumulated depreciation	(4,452,785)	(239,499)	45,037	(4,647,247)
Total capital assets, being depreciated, net	4,239,374	(195,712)	-	4,043,662
Governmental activities capital assets, net	$ 4,529,107	$(195,712)	$ -	$ 4,333,395
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 537,065			$ 537,065
Total capital assets, not being depreciated	537,065	$ -	$ -	537,065
Capital assets, being depreciated:				
Buildings	9,893,457			9,893,457
Improvements other than buildings	10,511,016			10,511,016
Machinery and equipment	1,007,075	5,800		1,012,875
Total capital assets being depreciated	21,411,548	5,800	-	21,417,348
Less, accumulated depreciation for:				
Buildings	(4,288,440)	(200,848)		(4,489,288)
Improvements other than buildings	(3,933,975)	(207,496)		(4,141,471)
Machinery and equipment	(792,939)	(61,113)		(854,052)
Total accumulated depreciation	(9,015,354)	(469,457)	-	(9,484,811)
Total capital assets, being depreciated, net	12,396,194	(463,657)	-	(11,932,537)
Business-type activities capital assets, net	$ 12,933,259	$(463,657)	$ -	$ 12,469,602

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 12,431
Public safety	73,004
Highways and streets, including depreciation of general infrastructure assets	88,642
Health and welfare	485
Culture and recreation	64,937
Total depreciation expense - Governmental activities	$ 239,499
Business-type activities:	
Water and sewerage	$ 420,942
Gas	48,515
Total depreciation expense - Business-type activities	$ 469,457

Component Units

Activity for the Manchester Development Authority for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 134,433			$ 134,433
Total capital assets not being depreciated	134,433	$ -	$ -	134,433
Capital assets being depreciated:				
Infrastructure	287,076			287,076
Buildings and improvements	2,087,631			2,087,631
Furniture and equipment	35,573			35,573
Total capital assets being depreciated	2,410,280	-	-	2,410,280
Less, accumulated depreciation for:				
Infrastructure	(240,779)	(5,779)		(246,558)
Building and improvements	(940,811)	(54,667)		(995,478)
Furniture and equipment	(35,484)	(84)		(35,568)
Total accumulated depreciation	(1,217,074)	(60,530)	-	(1,277,604)
Total capital assets being depreciated, net	1,193,206	(60,530)	-	1,132,676
Development Authority capital assets, net	$ 1,327,639	$(60,530)	$ -	$ 1,267,109

Depreciation expense for the Authority was charged to functions as follows:

Business promotion and tourism	$ 60,446
General and administrative	84
	$ 60,530

Activity for the Downtown Development Authority for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 20,400			$ 20,400
Total capital assets not being depreciated	$ 20,400	$ -	$ -	$ 20,400

5. UNEARNED REVENUE

On August 4, 1992, the City entered into a joint services contract with Talbot County, Georgia regarding the City's water treatment facility. The contract entitles Talbot county to 29% of the City's total water treatment plant capacity, 29% of the total reservoir capacity, and 29% of total water line capacity for the sum of $1,230,000. This amount was received by the City during the year ended June 30, 1995, and has been recorded as unearned revenue, to be recognized into income over the life of the contract, which is 50 years. The balance of unearned revenue at June 30, 2018 was $643,700 and is shown as unearned revenue in the business-type activities, Water and Sewerage Fund, in these financial statements as current liability ($24,600) and noncurrent liabilities ($619,100).

6. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities and are paid from the debt service fund. The original amount of general obligations bonds issued in prior years was $1,400,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Governmental activities	4.8 - 5%	$ 220,000

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

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2019	$ 70,000	$ 11,000
2020	75,000	7,500
2021	75,000	3,750
	$ 220,000	$ 22,250

B. Revenue Bonds

Primary Government

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The business-type activities currently have revenue bonds outstanding to be paid from the Water and Sewerage Fund. The original amount of revenue bonds issued in prior years is $9,460,000.

Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Water & Sewer	Variable, 2.0% to 2.75%	$ 6,930,000

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2019	$ 460,000	$ 165,728
2020	470,000	156,527
2021	480,000	145,953
2022	445,000	133,952
2023	460,000	125,052
2024-2028	2,445,000	469,130
2029-2032	2,170,000	148,575
	$ 6,930,000	$ 1,344,917

C. Notes Payable

Primary Government

The City has entered into a note payable with the U.S. Department of Agriculture (USDA) for financing the purchase of communications equipment for public safety. The total amount of the loan is $25,000. This note payable will be repaid through the General Fund.

Notes payable are direct obligations of the City and pledge the full faith and credit of the City. Notes payable currently outstanding are as follows:

Purpose	Interest Rate	Amount
Purchase of equipment	3.75%	$ 10,526

Notes payable debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2019	$ 5,183	$ 395
2020	5,343	234
	$ 10,526	$ 629

Component Unit

The Authority has issued a note payable to assist with machinery and equipment cost of a business in the industrial park. The original amount of the note payable issued is $500,000 and will be repaid through the Debt Service fund. This note payable is secured by a $500,000 promissory note given by the business to the Authority. The note is due in quarterly payments of $8,335, including interest at 3%. The balance at June 30, 2018 was $390,829.

Notes payable are direct obligations of the component unit and pledge the full faith and credit of the component unit. Notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amounts
Assists with cost of machinery and equipment for business in industrial park	3%	$ 390,829

Note payable debt service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
2019	$ 16,333	$ 8,671
2020	22,354	10,985
2021	23,033	10,307
2022	23,731	9,608
2023	24,451	8,888
2024-2028	133,845	32,852
2029-2033	147,082	11,277
	$ 390,829	$ 92,588

D. Capital Leases

Primary Government

The gas fund of the business activities has entered into lease agreements for the expansion and improvements to the gas distribution system. These leases are being repaid from revenues earned by the gas fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded as capital assets at the present value of their future minimum lease payments as of the inception date. The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

The assets acquired through capital leases are as follows:

Asset	Gas Fund
Improvements other than buildings	$ 2,000,000
Less, accumulated depreciation	(496,080)
Total	$ 1,503,920

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

	Gas Fund
Year ending June 30:	
2019	$ 93,553
2020	93,553
2021	93,553
2022	93,554
Total minimum lease payments	374,213
Less, amount representing interest	(14,885)
Present value of minimum lease payments	$ 359,328

E. Accrued Compensated Absences

Primary Government

The government accrues compensated absences for their employees. Both governmental activities and business-type activities have accrued compensated absences at June 30, 2018. Accrued compensated absences from governmental activities are repaid through the general fund. Business-type activities accrued compensated absences are repaid through the water & sewerage and gas funds.

F. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bond payable:					
General obligation bonds	$ 285,000		$(65,000)	$ 220,000	$ 70,000
Note payable	15,521		(4,995)	10,526	5,183
Accrued compensated absences	125,280	$ 77,374	(54,545)	148,109	96,271
Governmental activity long-term liabilities	$ 425,801	$ 77,374	$(124,540)	$ 378,635	$ 171,454
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 7,380,000		$(450,000)	$ 6,930,000	$ 460,000
Less, unamortized discount	(38,809)		5,088	(33,721)	
Total bonds payable	7,341,191		(444,912)	6,896,279	460,000
Capital leases	444,564		(85,236)	359,328	87,101
Accrued compensated absences	20,152	$ 16,134	(15,246)	21,040	13,676
Business-type activities long-term liabilities	$ 7,805,907	$ 16,134	$(545,394)	$ 7,276,647	$ 560,777

The government-wide statement of net position noncurrent liabilities due in more than one year for business-type activities of $7,334,970 includes $619,100 of unearned revenue which is not reported in the business-type activities in the schedule above.

Component Unit

Long-term liability activity for the Manchester Development Authority for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 417,249	$ -	$(26,420)	$ 390,829	$ 16,333
Component unit long-term liabilities	$ 417,249	$ -	$(26,420)	$ 390,829	$ 16,333

7. INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended June 30, 2018, consisted of the following:

	Transfers In					
Transfers Out	General Fund	Nonmajor Governmental	Water and Sewerage Fund	Gas Fund	Solid Waste Fund	Total
General Fund		$ 79,945	$1,931,471	$ 965,076	$ 413,522	$3,390,014
Nonmajor Governmental Fund	$ 79,945					79,945
Water and Sewerage Fund	2,097,946					2,097,946
Gas Fund	991,068		5,493			996,561
Solid Waste Fund	565,845					565,845
Total	$3,734,804	$ 79,945	$1,936,964	$ 965,076	$ 413,522	$7,130,311

Transfers are primarily used to (1) move funds from the proprietary funds to the General Fund for the allocated amount of administrative expense, (2) move funds between all funds and the General Fund for expenses paid through the accounts payable system, and (3) to supplement operations.

At June 30, 2018, there were no interfund balances owed between funds.

8. DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description – All full-time City employees and all City officials are eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit pension plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and city ordinance. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling 404/688-0472.

Benefits Provided – GMEBS provides service retirement, disability benefits, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65, and with ten years of total service are eligible to retire at age 55 with full retirement benefits.

Employees Covered – At June 30, 2018 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	27
Active employees	46
Total	126

Contributions – The City's employee's participation is noncontributory. The City is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The annual minimum contribution is the sum of (1) the normal cost (including administrative expenses); (2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees; and (3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total recommended contribution as a percentage of expected payroll is 14.22% for June 30, 2018.

B. Net Pension Liability

The City's net pension liability for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2017, using an annual actuarial valuation as of January 1, 2018. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2018
Measurement Date	September 30, 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Closed level dollar for remaining unfunded liability.

Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount Rate	7.50%
Inflation Rate	2.75%
Net investment rate of return	7.50%
Projected salary increase	2.75% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The investment return and inflation assumptions used in the January 1, 2018 valuation were based on the results of an actuarial study conducted in September 2017. The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. Further details of the experience study can be obtained by contacting The Georgia Municipal Association. The General Fund has been used in prior years to liquidate the pension liabilities for the governmental funds.

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The discount rate changed from 7.75% since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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 asset allocation as of March 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	**100%**	

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/Asset
Balances at September 30, 2016	$ 5,012,859	$ 3,721,701	$ 1,291,158
Changes for the year:			
Service cost	97,516		97,516
Interest	378,527		378,527
Differences between expected and actual experience	(99,070)		(99,070)
Contributions - employer		211,687	(211,687)
Contributions - employee			-
Net investment income		556,323	(556,323)
Benefit payments, including refunds of employee contributions	(257,277)	(257,277)	-
Administrative expense		(18,711)	18,711
Other	79,420		79,420
Net changes	199,116	492,022	(292,906)
Balances at September 30, 2017	$ 5,211,975	$ 4,213,723	$ 998,252

Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
$ 1,612,315	$ 998,252	$ 475,446

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of $218,651. At June 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ 14,206
Pension contributions subsequent to measurement date	$ 166,801	
Changes of assumptions	52,946	
Net difference between projected and actual earnings on pension plan investments		220,185
Total	$ 219,747	$ 234,391

$166,801 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2019	$ 23,634
2020	26,533
2021	77,201
2022	54,077
2023 and thereafter	-
	$ 181,445

9. OTHER POST EMPLOYMENT BENEFITS

The City provides post retirement life insurance benefits, as per the requirements of a local ordinance for certain retirees. The policy provides $10,000 in benefits payable to a designated beneficiary upon the death of the retiree. The City will pay 100 percent of the premiums when the employee retires. The General Fund has been used in prior years to fund these obligations. This benefit is available to retirees who terminate employment for the purpose of immediate retirement and will be receiving a monthly benefit over their lifetime from the GMA Retirement Fund. This excludes vested terminations, disability retirements, and those who receive lump sum distributions.

As of year end, there were eleven employees which had retired and were receiving the 100 percent premium coverage benefit. The City finances the plan on a pay-as-you-go basis. For the year ended June 30, 2018, the City paid $3,828 in premiums.

10. RISK MANAGEMENT

The City is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance.

There were no significant reductions of insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self Insurance - The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

11. COMMITMENTS AND CONTINGENT LIABILITIES

The activities of the City include revenues received from Federal and State governments and expenditures related to Federal and State funded grant programs. These programs are subject to program compliance audits by the grantors or their representative. The amount, if any, of expenditures which may be disallowed by the granting agencies' audits cannot be determined at this time, although the City believes any such amounts to be immaterial.

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

12. INTERGOVERNMENTAL AGREEMENTS

On March 1, 2014, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County, including the City of Manchester (the "City"), relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2014 for $9,000,000 in February 2014. The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST receipts be inadequate to service the debt. The City of Manchester's share is 19.6175%. The amount, if any, required to be funded by the City cannot be determined at this time.

13. HOTEL-MOTEL TAX

The City of Manchester has levied a 5% hotel-motel tax. A summary of the transactions for the year ended June 30, 2018 follows:

Balance of hotel-motel tax funds on hand at beginning of year	$	0
Hotel-motel tax receipts		9,287
Disbursements for tourism and promotion	(	9,287)
Balance of hotel-motel tax funds on hand at end of year	$	0

The activity for hotel-motel tax receipts and related expenditures is shown in the Hotel-Motel Tax Fund, a Special Revenue Fund. The expenditures were for promotion of tourism as required by OCGA 48-13-51.

14. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county west Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2018, the City paid $4,061 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes three members from each county of the area and five at-large members. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
P.O. Box 818
Griffin, Georgia 30224

15. EXCESS OF EXPENDITURES OVERAPPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the departments, as shown on page 17 and 18 of these financial statements. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

16. SUBSEQUENT EVENTS

At June 30, 2018, the City had applied for a combination grant/loan program with the United States Department of Agriculture. In November 2016, the City was approved for a grant for $1,514,000 and a loan for $1,880,000. The proceeds will be used for repair and maintenance expenses of the City's water treatment plant. No funds had been drawn from the grant or the loan at June 30, 2018.

The City sold its gas system July 17, 2018 for $3,100,000.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of changes in the net pension liability and related ratios- Defined Benefit Pension Plan

Schedule of contributions – Defined Benefit Pension Plan

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2018

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 97,516	$ 90,536	$ 100,935	$ 102,334
Interest	378,527	359,331	337,069	316,553
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(99,070)	51,329	104,702	91,822
Changes of assumptions	79,420	-	-	5,996
Benefit payments, including refunds of employee contributions	(257,277)	(249,740)	(261,164)	(242,786)
Net change in total pension liability	199,116	251,456	281,542	273,919
Total pension liability - beginning	5,012,859	4,761,403	4,479,861	4,205,942
Total pension liability - ending	5,211,975	5,012,859	4,761,403	4,479,861
Plan fiduciary net position				
Contributions:				
Employer	211,687	198,575	189,930	189,445
Employee	-	-	-	-
Net investment income	556,323	377,224	42,053	358,291
Benefit payments, including refunds of employee contributions	(257,277)	(249,740)	(261,164)	(242,786)
Administrative expense	(18,711)	(10,888)	(12,269)	(9,966)
Other	-	-	-	-
Net change in plan fiduciary net position	492,022	315,171	(41,450)	294,984
Plan fiduciary net position - beginning	3,721,701	3,406,530	3,447,980	3,152,996
Plan fiduciary net position - ending	4,213,723	3,721,701	3,406,530	3,447,980
Net pension liability - ending	$ 998,252	$ 1,291,158	$ 1,354,873	$ 1,031,881
Plan fiduciary net position as a % of total pension liability	80.85%	74.24%	71.54%	76.97%
Covered payroll	$ 1,576,692	$ 1,638,604	$ 1,488,304	$ 1,427,951
Net pension liability as a % of covered payroll	63.31%	78.80%	91.03%	72.26%

Changes in assumptions

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments made based on an actuarial experience study covering the period January 1, 2010 to June 30, 2014.

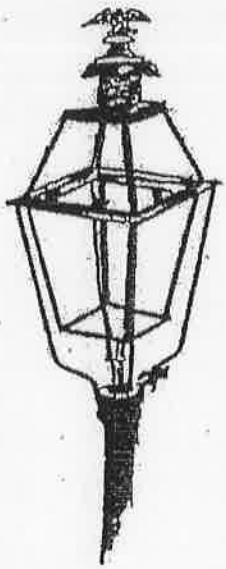
In 2018, amounts reported as changes in assumptions resulted from adjustments to assumptions based on an actuarial study conducted in September 2017. These adjustments included a decrease in the investment return assumption from 7.75% to 7.50%, and a decrease in the inflation assumption from 3.25% to 2.75%.

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.

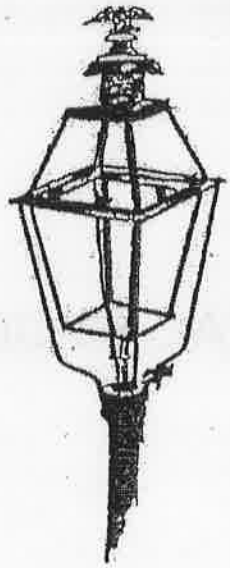
CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2018

	2018	2017	2016	2015
Actuarially determined contribution	$ 222,401	$ 208,116	$ 195,395	$ 188,108
Contributions in relation to actuarially determined contribution	$ 222,401	$ 208,116	$ 195,395	$ 188,108
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,866,511	$ 1,824,517	$ 1,866,884	$ 1,822,492
Contributions as a percentage of covered payroll	11.92%	11.41%	10.47%	10.32%

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.



SUPPLEMENTAL INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund accounts for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of Proprietary Fund Types).

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

CDBG Revolving Loan Fund - This fund is used to account for the community development block grants that are funding the revolving loan fund for economic development activities.

Hotel-Motel Tax Fund - This fund is used to account for the City's share of hotel-motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.

TIA Fund - This fund is used to account for the City's share of Transportation Investment Act sales tax.

CITY OF MANCHESTER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Funds				
	Debt Service Fund	CDBG Revolving Loan Fund	Hotel-Motel	TIA	Total Nonmajor Governmental Funds
ASSETS					
Cash		$ 116,501			$ 116,501
Loans receivable		113,171			113,171
Total assets	$ -	$ 229,672	$ -	$ -	$ 229,672
FUND BALANCE					
Restricted for:					
Economic development activities		$ 229,672			$ 229,672
Total fund balances	$ -	$ 229,672	$ -	$ -	$ 229,672

CITY OF MANCHESTER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Special Revenue Funds				
	Debt Service Fund	CDBG Revolving Loan Fund	Hotel-Motel	TIA	Total Nonmajor Governmental Funds
Revenues:					
Taxes:					
Property	$ 79,945				$ 79,945
Sales				$ 613	613
Hotel and motel			$ 9,287		9,287
Interest revenue		$ 1,203			1,203
Total revenues	79,945	1,203	9,287	613	91,048
Expenditures:					
Current:					
Community development		4	9,287		9,291
Streets				613	613
Debt service:					
Principal retirement	65,000				65,000
Interest and fees	14,945				14,945
Total expenditures	79,945	4	9,287	613	89,849
Excess of revenues over (under) expenditures	-	1,199	-	-	1,199
Other financing sources (uses):					
Transfers in	79,945				79,945
Transfers out	(79,945)				(79,945)
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	1,199	-	-	1,199
Fund balance, beginning of year		228,473			228,473
Fund balance, end of year	$ -	$ 229,672	$ -	$ -	$ 229,672

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	$ 79,945	$ 79,945	$ -
Total revenues	79,945	79,945	-
Expenditures:			
Debt service:			
Principal retirement	65,000	65,000	-
Interest and fees	14,945	14,945	-
Total expenditures	79,945	79,945	-
Excess of revenue over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in		79,945	79,945
Transfers out		(79,945)	(79,945)
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year			
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
2013 EIP Grant	$ 14,271		$ (14,271)
Interest revenue	190	$ 1,203	1,013
Total revenues	14,461	1,203	(13,258)
Expenditures:			
Current:			
Community development	10	4	6
Total expenditures	10	4	6
Excess of revenue over (under) expenditures	14,451	1,199	(13,252)
Net change in fund balances	14,451	1,199	(13,252)
Fund balance, beginning of year	228,473	228,473	-
Fund balance, end of year	$ 242,924	$ 229,672	$ (13,252)

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel/motel tax	$ 9,500	$ 9,287	$ (213)
Total revenues	9,500	9,287	(213)
Expenditures:			
Current:			
Community development:			
Tourism and promotion	9,500	9,287	213
Total expenditures	9,500	9,287	213
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-TIA FUND
Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Sales tax	$ 900	$ 613	$ (287)
Total revenues	900	613	(287)
Expenditures:			
Current:			
Highway and streets:			
Streets	900	613	287
Total expenditures	900	613	287
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for debt service	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Taxes:		
Property	$ 79,945	$ 77,825
Total revenues	79,945	77,825
Expenditures:		
Debt service:		
Principal retirement	65,000	60,000
Interest and fees	14,945	17,825
Total expenditures	79,945	77,825
Excess of revenue over (under) expenditures	-	-
Other financing sources (uses):		
Transfers in	79,945	77,825
Transfers out	(79,945)	(77,825)
Total other financing sources (uses)	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ 116,501	$ 190,850
Loans receivable	113,171	37,623
Total assets	$ 229,672	$ 228,473
FUND BALANCE		
Restricted for economic development activities	$ 229,672	$ 228,473
Total fund balances	$ 229,672	$ 228,473

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Interest revenue	$ 1,203	$ 1,524
Total revenue	1,203	1,524
Expenditures:		
Current:		
Community development	4	-
Total expenditures	4	-
Excess of revenue over (under) expenditures	1,199	1,524
Net change in fund balances	1,199	1,524
Fund balances, beginning of year	228,473	226,949
Fund balances, end of year	$ 229,672	$ 228,473

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for community development	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
Years Ended June 30, 2018 and 2017

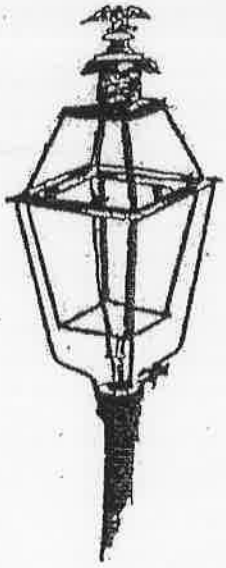
	2018	2017
Revenues:		
Taxes:		
Hotel and motel	$ 9,287	$ 8,568
Total revenue	9,287	8,568
Expenditures:		
Current:		
Community development	9,287	8,568
Total expenditures	9,287	8,568
Excess of revenue over (under) expenditures	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-TIA FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for highways and streets	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND-TIA FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Sales tax	$ 613	$ 833
Total revenue	613	833
Expenditures:		
Highway and streets:		
Streets	613	833
Total expenditures	613	833
Excess of revenue over (under) expenditures	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -



MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

SPLOST Fund - This fund is used to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
GENERAL FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ 1,059,899	$ 1,037,139
Receivables (net where applicable, of allowances for uncollectibles):		
Property taxes and tax liens	6,223	7,096
Fines and forfeitures	24,026	12,398
Nutrition program	7,721	22,714
Sales tax	66,997	59,221
Equipment tax	11,145	
Inventory, at cost	29,106	38,577
Prepaid items	33,384	31,370
Total assets	$ 1,238,501	$ 1,208,515
LIABILITIES		
Accounts payable	$ 162,128	$ 185,401
Accrued payroll	58,215	54,068
Unearned revenue	66,852	67,567
Total liabilities	287,195	307,036
FUND BALANCES		
Nonspendable for:		
Inventory	29,106	38,577
Prepaids	33,384	31,370
Committed:		
Infrastructure	240,905	240,664
Special incentives	24,178	16,963
Unassigned	623,733	573,905
Total fund balances	951,306	901,479
Total liabilities and fund balances	$ 1,238,501	$ 1,208,515

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
Years Ended June 30, 2018 and 2017

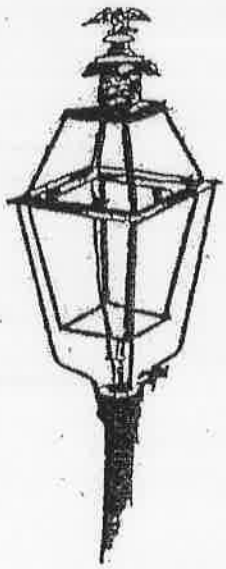
	2018	2017
Revenues:		
Taxes:		
Property	$ 955,221	$ 986,325
Sales	404,065	350,368
Franchise	213,392	222,887
Insurance premium	283,057	266,009
Motor vehicle/mobile home	133,897	113,628
Alcoholic beverage	68,011	74,792
Other	16,220	12,995
Licenses and permits	66,524	76,456
Grants and subsidies	300,063	245,811
Charges for services	51,643	53,457
Fines and forfeitures	157,563	133,206
Interest revenue	1,095	995
Other revenue	524,323	556,577
Total revenues	3,175,074	3,093,506
Expenditures:		
Current:		
General government	777,340	734,713
Public safety	1,599,378	1,578,288
Health and welfare	187,584	163,594
Culture and recreation	415,139	407,401
Highway and streets	485,019	402,982
Debt service:		
Principal retirement	4,995	4,840
Interest and fees	582	737
Total expenditures	3,470,037	3,292,555
Excess of revenue over (under) expenditures	(294,963)	(199,049)
Other financing sources (uses):		
Transfers in	3,734,804	3,662,664
Transfers out	(3,390,014)	(3,209,870)
Total other financing sources (uses)	344,790	452,794
Net change in fund balances	49,827	253,745
Fund balances, beginning of year	901,479	647,734
Fund balances, end of year	$ 951,306	$ 901,479

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPLOST FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 555,875	$ 669,936
Total assets	$ 555,875	$ 669,936
LIABILITIES		
Accounts payable	$ 37,987	$ -
Total liabilities	37,987	-
FUND BALANCE		
Restricted for capital projects	517,888	669,936
Total fund balances	517,888	669,936
Total liabilities and fund balance	$ 555,875	$ 669,936

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPLOST FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Interest revenue	$ 6,364	$ 1,738
Total revenue	6,364	1,738
Expenditures:		
Capital outlay:		
General government	49,601	
Public safety	8,944	3,900
Highway and streets	94,067	
Culture and recreation	5,800	
Total expenditures	158,412	3,900
Excess of revenue over (under) expenditures	(152,048)	(2,162)
Other financing sources (uses):		
Transfers out		(112,155)
Total other financing sources (uses)	-	(112,155)
Net change in fund balances	(152,048)	(114,317)
Fund balances, beginning of year	669,936	784,253
Fund balances, end of year	$ 517,888	$ 669,936



PROPRIETARY FUNDS

These funds account for the provision of utility service to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to administration, financing and related debt service, and billing and collection.

Water and Sewerage - This fund accounts for the operations of the City's water and sewerage activities.

Gas System - This fund accounts for the operations of the City's gas system activities.

Solid Waste - This fund accounts for the operations of the City's waste disposal activity.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWERAGE FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash	$ 784,593	$ 984,444
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	286,346	252,765
Inventories	703	703
Total unrestricted current assets	1,071,642	1,237,912
Restricted cash	469,726	505,709
Total current assets	1,541,368	1,743,621
Noncurrent assets:		
Prepaid bond insurance, net of accumulated amortization	51,555	59,333
Capital assets:		
Land and land improvements	537,065	537,065
Buildings and systems	9,883,369	9,883,369
Improvements other than buildings	8,102,235	8,102,235
Machinery and equipment	935,089	929,289
Less, accumulated depreciation	(8,802,919)	(8,381,977)
Total capital assets (net of accumulated depreciation)	10,654,839	11,069,981
Total noncurrent assets	10,706,394	11,129,314
Total assets	12,247,762	12,872,935
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	6,527	14,931
Changes of assumptions	6,666	197
Contributions after measurement date	21,000	20,479
Total deferred outflows of resources	34,193	35,607

Continued...

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWERAGE FUND
June 30, 2018 and 2017
(Continued)

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	9,918	10,703
Customer deposits	77,254	75,997
Customer overpayments	15,107	12,842
Accrued compensated absences	5,498	6,607
Unearned revenue	24,600	24,600
Total current liabilities	132,377	130,749
Current liabilities payable from restricted assets:		
Accrued interest	58,243	58,243
Revenue bonds, current portion	460,000	450,000
Total current liabilities payable from restricted assets	518,243	508,243
Noncurrent liabilities:		
Compensated absences	2,960	3,558
Unearned revenue	619,100	643,700
Revenue bonds payable	6,436,279	6,891,191
Net pension liability	125,680	169,400
Total noncurrent liabilities	7,184,019	7,707,849
Total liabilities	7,834,639	8,346,841
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	8,315	
Net difference between projected and actual earnings on investments	27,721	773
Total deferred inflows of resources	36,036	773
NET POSITION		
Net investment in capital assets	5,186,090	5,286,445
Restricted for construction	110,319	148,237
Unrestricted	(885,129)	(873,754)
Total net position	$ 4,411,280	$ 4,560,928

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER AND SEWERAGE FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Charges for services:		
Sales	$ 1,628,142	$ 1,634,010
Other fees	107,268	110,923
Total operating revenues	1,735,410	1,744,933
Operating expenses:		
Salaries and wages	238,511	238,444
Payroll taxes and employee benefits	92,639	105,260
Utilities	188,743	182,948
Repairs and maintenance	225,611	340,491
Materials, supplies, and chemicals	92,357	96,299
Office supplies and postage	6,511	7,432
Engineering and other professional services	13,360	16,283
Depreciation and amortization	420,942	425,289
Administrative charges	209,406	219,554
Miscellaneous	51,284	29,879
Total operating expenses	1,539,364	1,661,879
Operating income (loss)	196,046	83,054
Nonoperating revenues (expenses):		
Interest income	3,432	3,411
Interest expense	(188,144)	(288,175)
Total nonoperating revenues (expenses)	(184,712)	(284,764)
Income (loss) before transfers	11,334	(201,710)
Transfers in	1,936,964	1,948,371
Transfers out	(2,097,946)	(2,122,258)
Changes in net position	(149,648)	(375,597)
Net position, beginning of year	4,560,928	4,936,525
Net position, end of year	$ 4,411,280	$ 4,560,928

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER AND SEWERAGE FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 1,677,229	$ 1,694,684
Receipts from (refund of) customer overpayments	2,265	(235)
Receipts from (refund of) customer deposits	1,257	1,046
Payments to employees	(340,684)	(339,850)
Payments to vendors	(577,867)	(673,978)
Payments to other funds for services provided	(209,406)	(219,554)
Net cash provided (used) by operating activities	552,794	462,113
Cash flows from noncapital financing activities:		
Transfers in	1,936,964	1,805,288
Transfers out	(2,097,946)	(2,122,258)
Principal paid on noncapital debt	(93,150)	(110,745)
Interest paid on noncapital debt	(36,283)	(38,604)
Net cash provided (used) by noncapital financing activities	(290,415)	(466,319)
Cash flows from capital and related financial activities:		
Transfers in		143,083
Acquisition of capital assets	(5,800)	(136,076)
Principal paid on capital debt	(356,850)	(424,255)
Interest paid on capital debt	(138,995)	(147,890)
Net cash provided (used) by capital and related financing activities	(501,645)	(565,138)
Cash flows from investing activities:		
Interest income	3,432	3,411
Net increase (decrease) in cash	(235,834)	(565,933)
Cash, beginning of year	1,490,153	2,056,086
Cash, end of year	$ 1,254,319	$ 1,490,153
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 196,046	$ 83,054
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	420,942	425,289
(Increase) decrease in:		
Accounts receivable	(33,581)	(25,649)
Increase (decrease) in:		
Accounts payable	(785)	(283)
Customer deposits	1,257	1,046
Customer overpayments	2,265	(235)
Accrued compensated absences	(1,707)	(5,730)
Unearned revenue	(24,600)	(24,600)
Net pension liability	(7,043)	9,221
Net cash provided by operating activities	$ 552,794	$ 462,113

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
GAS SYSTEM FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	$ 69,376	$ 61,669
Inventories	599	599
Total current assets	69,975	62,268
Noncurrent assets:		
Capital assets:		
Buildings	10,088	10,088
Improvements other than buildings	2,408,781	2,408,781
Machinery and equipment	56,726	56,726
Less, accumulated depreciation	(660,832)	(612,317)
Total capital assets (net of accumulated depreciation)	1,814,763	1,863,278
Total noncurrent assets	1,814,763	1,863,278
Total assets	1,884,738	1,925,546
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	2,758	6,180
Changes of assumptions	2,817	81
Contributions after measurement date	8,874	8,476
Total deferred outflows of resources	14,449	14,737

Continued...

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
GAS SYSTEM FUND
June 30, 2018 and 2017
(Continued)

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	5,044	5,824
Customer deposits	18,395	17,150
Accrued compensated absences	8,178	6,492
Obligations under capital leases, current portion	87,101	85,360
Total current liabilities	118,718	114,826
Noncurrent liabilities:		
Compensated absences	4,404	3,495
Obligations under capital leases	272,227	359,204
Net pension liability	53,107	70,110
Total noncurrent liabilities	329,738	432,809
Total liabilities	448,456	547,635
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	3,514	
Net difference between projected and actual earnings on plan investments	11,714	320
Total deferred inflows of resources	15,228	320
NET POSITION		
Net investment in capital assets	1,455,435	1,418,714
Unrestricted	(19,932)	(26,386)
Total net position	$ 1,435,503	$ 1,392,328

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GAS SYSTEM FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Charges for services:		
Sales	$ 843,417	$ 755,834
Other fees	55,052	49,547
Total operating revenues	898,469	805,381
Operating expenses:		
Salaries and wages	116,884	112,033
Payroll taxes and employee benefits	39,755	54,384
Gas purchased for resale	433,420	406,848
Sales tax expense	38,575	27,464
Utilities	5,061	5,451
Repairs and maintenance	5,170	4,949
Materials, supplies, and chemicals	2,148	1,862
Office supplies and postage	2,163	2,324
Engineering and other professional services	9,168	7,613
Depreciation and amortization	48,515	48,515
Administrative charges	111,683	117,096
Miscellaneous	2,809	1,868
Total operating expenses	815,351	790,407
Operating income (loss)	83,118	14,974
Nonoperating revenues (expenses):		
Interest expense	(8,458)	(9,898)
Total nonoperating revenues (expenses)	(8,458)	(9,898)
Income (loss) before transfers	74,660	5,076
Transfers in	965,076	911,290
Transfers out	(996,561)	(895,414)
Changes in net position	43,175	20,952
Net position, beginning of year	1,392,328	1,371,376
Net position, end of year	$ 1,435,503	$ 1,392,328

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
GAS SYSTEM FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 890,762	$ 804,221
Receipts from (refund of) customer deposits	1,245	(1,780)
Payments to employees	(155,259)	(149,379)
Payments to vendors	(499,886)	(458,289)
Payments to other funds for services provided	(111,683)	(117,096)
Net cash provided (used) by operating activities	125,179	77,677
Cash flows from noncapital financing activities:		
Transfers in	965,076	911,290
Transfers out	(996,561)	(895,414)
Net cash provided (used) by noncapital financing activities	(31,485)	15,876
Cash flows from capital and related financial activities:		
Capital lease payments	(85,236)	(83,655)
Interest paid on capital debt	(8,458)	(9,898)
Net cash provided (used) by capital and related financing activities	(93,694)	(93,553)
Net increase (decrease) in cash	-	-
Cash, beginning of year		
Cash, end of year	$ -	$ -
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 83,118	$ 14,974
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	48,515	48,515
(Increase) decrease in:		
Accounts receivable	(7,707)	(1,160)
Increase (decrease) in:		
Accounts payable	(780)	531
Customer deposits	1,245	(1,780)
Accrued compensated absences	2,595	998
Net pension liability	(1,807)	15,599
Net cash provided (used) by operating activities	$ 125,179	$ 77,677

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
SOLID WASTE FUND
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	$ 57,672	$ 53,726
Total current assets	57,672	53,726
Noncurrent assets:		
Capital assets:		
Machinery and equipment	21,060	21,060
Less, accumulated depreciation	(21,060)	(21,060)
Total capital assets (net of accumulated depreciation)	-	-
Total noncurrent assets	-	-
Total assets	57,672	53,726
NET POSITION		
Unrestricted	57,672	53,726
Total net position	$ 57,672	$ 53,726

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SOLID WASTE FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Charges for services:		
Sales	$ 416,000	$ 418,162
Total operating revenues	416,000	418,162
Operating expenses:		
Administrative charges	34,901	36,592
Sanitation expense	224,830	224,232
Total operating expenses	259,731	260,824
Operating income (loss)	156,269	157,338
Income (loss) before transfers	156,269	157,338
Transfers in	413,522	416,082
Transfers out	(565,845)	(567,782)
Changes in net position	3,946	5,638
Net position, beginning of year	53,726	48,088
Net position, end of year	$ 57,672	$ 53,726

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
SOLID WASTE FUND
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 412,054	$ 412,524
Payments to vendors	(224,830)	(224,232)
Payments to other funds for services provided	(34,901)	(36,592)
Net cash provided (used) by operating activities	152,323	151,700
Cash flows from noncapital financing activities:		
Transfers in	413,522	416,082
Transfers out	(565,845)	(567,782)
Net cash provided (used) by noncapital financing activities	(152,323)	(151,700)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	$ -	$ -
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 156,269	$ 157,338
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	(3,946)	(5,638)
Net cash provided by operating activities	$ 152,323	$ 151,700

DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority is a discretely presented component unit of the City.

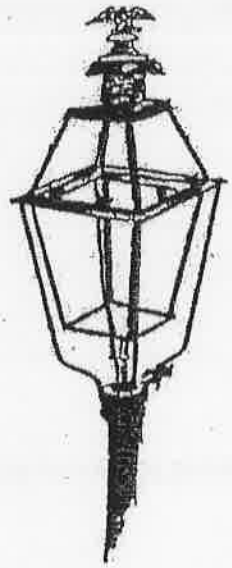
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ 24,179	$ 22,074
Notes receivable	3,046	7,337
Total assets	$ 27,225	$ 29,411
LIABILITIES		
Accounts payable	$ 50	$ 493
Unearned revenue	500	8,500
Total liabilities	550	8,993
FUND BALANCE		
Unassigned	26,675	20,418
Total fund balance	26,675	20,418
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	20,400	20,400
Net position of governmental activities	$ 47,075	$ 40,818

DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenue:		
Grants and subsidies	$ 8,000	
Contributions from city	10,000	
Special events	2,215	$ 2,410
Interest revenue	154	90
Other fees		50
Total revenue	20,369	2,550
Expenditures:		
Community development	14,112	10,190
Total expenditures	14,112	10,190
Excess of revenues over (under) expenditures	6,257	(7,640)
Net change in fund balance	6,257	(7,640)
Fund balance, beginning of year	20,418	28,058
Fund balance, end of year	$ 26,675	$ 20,418

There are no differences in amounts reported for changes in net position of governmental activities in the statement of activities.



CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF MANCHESTER, GEORGIA
COMPARATIVE SCHEDULES BY SOURCE *
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Years Ended June 30, 2018 and 2017

	2018	2017
Governmental funds capital assets:		
Land and land improvements	$ 312,893	$ 312,893
Buildings and improvements	3,839,670	3,839,670
Machinery and equipment	1,750,626	1,751,876
Infrastructure	3,077,453	3,077,453
Total governmental funds capital assets	$ 8,980,642	$ 8,981,892
Investment in governmental funds capital assets by source:		
General fund	$ 3,419,413	$ 3,464,450
SPLOST funds	1,624,622	1,580,835
Gifts	659,618	659,618
General obligation bonds	1,228,608	1,228,608
Federal grants	1,725,590	1,725,590
State grants	295,791	295,791
County grants	27,000	27,000
Total governmental funds capital assets	$ 8,980,642	$ 8,981,892

* This schedule presents only the capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
June 30, 2018

Function and Activity	Total	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure
General government	$ 962,126	$ 262,733	$ 585,544	$ 113,849	
Public safety	1,690,483		585,183	1,105,300	
Health and welfare	56,895		45,395	11,500	
Culture and recreation	2,909,912	27,000	2,536,774	346,138	
Highways and streets	3,361,226	23,160	86,774	173,839	$ 3,077,453
Total governmental funds capital assets	$ 8,980,642	$ 312,893	$ 3,839,670	$ 1,750,626	$ 3,077,453

* This schedule presents only capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
June 30, 2018

Function and Activity	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
General government	$ 962,126				$ 962,126
Public safety	1,710,263		$ (19,780)		1,690,483
Health and welfare	56,895				56,895
Culture and recreation	2,904,112	$ 5,800			2,909,912
Highways and streets	3,348,496	37,987	(25,257)		3,361,226
Total governmental funds capital assets	$ 8,981,892	$ 43,787	$ (45,037)	$ -	$ 8,980,642

* This schedule presents only the capital assets balances related to governmental funds.

ADDITIONAL DATA

The following data is required by either state statute, specific grant audit requirements, or auditing standards:

SPLOST - Disclosure required by state requirements.

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF SPECIAL PURPOSE SALES AND USE TAX
June 30, 2018

Project	Estimated Project Amount	Estimated Percentage of Completion	Amount of Receipts to Date	Amount Expended	
				Prior Years	Current Year
Resolution #030114:					
Buildings	$ 268,101	52.95%		$ 92,347	$ 49,601
Recreation	102,039	100.00%		102,039	
Streets and sidewalks	357,135	47.97%		77,233	94,067
Public safety	258,098	100.00%		258,098	
Equipment	290,109	58.54%		155,090	14,744
Water, Sewer, & Gas Projects	453,670	83.03%		376,673	
	$ 1,729,152			* $ 1,061,480	$ 158,412

* Receipts are not designated by project.

STATISTICAL SECTION

This part of the City of Manchester's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	78
Revenue Capacity - These schedules present information to help the reader assess the City's most significant local revenue sources.	83
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	90
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	95
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	97

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

CITY OF MANCHESTER, GEORGIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	$ 5,713,711	$ 5,924,123	$ 5,899,570	$ 4,268,924	$ 4,229,346	$ 4,236,911	$ 4,482,775	$ 4,414,285	$ 4,228,586	$ 4,102,869
Restricted	963,410	830,029	771,920	408,008	222,804	1,742,690	1,118,976	1,011,270	898,409	747,560
Unrestricted	(800,824)	(30,449)	(56,374)	68,474	351,608	678,760	32,705	(277,799)	(64,902)	(32,690)
Total governmental activities net position	$ 5,876,297	$ 6,723,703	$ 6,615,116	$ 4,745,406	$ 4,803,758	$ 6,658,361	$ 5,634,456	$ 5,147,756	$ 5,062,093	$ 4,817,739
Business-type activities										
Net investment in capital assets	$ 7,273,454	$ 7,363,268	$ 7,182,172	$ 7,102,398	$ 6,892,270	$ 8,115,278	$ 6,456,886	$ 6,750,474	$ 6,705,159	$ 6,641,525
Restricted					3,031,484	1,697,345	380,617	286,332	148,237	110,319
Unrestricted	(272,714)	(890,561)	(408,624)	(365,174)	(3,404,787)	(2,804,179)	(908,537)	(680,817)	(846,414)	(847,389)
Total business-type activities net position	$ 7,000,740	$ 6,472,707	$ 6,773,548	$ 6,737,224	$ 6,518,967	$ 7,008,444	$ 5,928,966	$ 6,355,989	$ 6,006,982	$ 5,904,455
Primary government										
Net investment in capital assets	$ 12,987,165	$ 13,287,391	$ 13,081,742	$ 11,371,322	$ 11,121,616	$ 12,352,189	$ 10,939,661	$ 11,164,759	$ 10,933,745	$ 10,744,394
Restricted	963,410	830,029	771,920	408,008	3,254,288	3,440,035	1,499,593	1,297,602	1,046,646	857,879
Unrestricted	(1,073,538)	(921,010)	(464,998)	(296,700)	(3,053,179)	(2,125,419)	(875,832)	(958,616)	(911,316)	(880,079)
Total primary government net position	$ 12,877,037	$ 13,196,410	$ 13,388,664	$ 11,482,630	$ 11,322,725	$ 13,666,805	$ 11,563,422	$ 11,503,745	$ 11,069,075	$ 10,722,194



CITY OF MANCHESTER, GEORGIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 999,930	$ 1,115,872	$ 963,147	$ 875,283	$ 851,282	$ 691,609	$ 758,893	$ 814,405	$ 612,706	$ 863,157
Public safety	1,463,794	1,491,837	1,425,739	1,461,400	1,526,212	1,559,309	1,706,052	1,724,118	1,805,575	1,724,421
Health and welfare	147,547	164,498	129,721	151,054	155,931	166,324	152,969	153,338	172,636	196,713
Culture and recreation	397,162	410,603	447,241	479,144	506,659	466,802	441,135	467,949	499,642	479,625
Streets and highways	710,416	680,166	587,832	556,214	489,636	502,479	598,737	594,490	493,739	574,196
Other governmental services										
Community development	121,927	12,883	159,378	2,218,377	104,379	108,801	9,576	8,884	8,568	9,291
Interest on long-term debt	65,901	106,183	44,254	36,721	31,754	28,027	24,557	21,623	17,362	14,227
Total governmental activities expenses	3,906,677	3,982,042	3,757,312	5,778,193	3,665,853	3,523,351	3,691,919	3,784,807	3,610,228	3,861,630
Business-type activities:										
Water and sewerage	1,344,528	1,354,612	1,599,354	1,593,314	2,061,417	1,743,175	2,676,364	2,034,863	1,950,054	1,727,508
Gas	948,163	848,029	797,554	702,362	659,844	771,321	755,385	669,864	800,305	823,809
Solid waste	301,947	296,420	281,548	271,683	267,034	263,547	264,099	267,010	260,824	259,731
Broadband	376,228	322,163	342,506	18,822	3,705					
Total business-type activities expenses	2,970,866	2,821,224	3,020,962	2,586,181	2,992,000	2,778,043	3,695,848	2,971,737	3,011,183	2,811,048
Total primary government expenses	$ 6,877,543	$ 6,803,266	$ 6,778,274	$ 8,364,374	$ 6,657,853	$ 6,301,394	$ 7,387,767	$ 6,756,544	$ 6,621,411	$ 6,672,678
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 473,763	$ 473,058	$ 484,127	$ 452,979	$ 431,163	$ 431,327	$ 460,497	$ 464,406	$ 468,389	$ 438,787
Public safety	130,675	143,143	129,646	166,785	192,472	195,597	208,510	166,478	133,206	157,563
Culture and recreation	71,879	56,200	58,800	68,936	61,230	58,776	55,152	92,985	52,903	52,246
Other activities	12,410	8,223	7,347	9,505	2,080	8,399	13,106	12,458	13,185	15,850
Operating grants and contributions	347,765	155,292	333,270	408,311	509,996	900,555	298,747	421,124	397,824	435,670
Capital grants and contributions	1,690,720	586,406	143,722	117,471	140,440	1,729,191	120,626	437,939	32,598	6,364
Total governmental activities program revenues	2,727,212	1,422,322	1,156,912	1,223,987	1,337,381	3,323,845	1,156,638	1,595,390	1,098,105	1,106,480
Business-type activities:										
Charges for services:										
Water and sewerage	1,818,181	1,894,847	2,108,600	1,970,781	1,856,517	1,909,741	1,721,914	1,860,577	1,744,933	1,735,410
Gas	891,819	964,698	949,673	756,450	765,116	900,497	803,820	723,448	805,381	898,469
Solid waste	339,140	419,367	446,503	437,134	443,380	425,453	421,906	420,086	418,162	416,000
Broadband	335,769	280,041	180,290	4,940						
Operating grants and contributions										
Total business-type activities program revenues	3,384,909	3,558,953	3,685,066	3,169,305	3,065,013	3,235,691	2,947,640	3,004,111	2,968,476	3,049,879
Total primary government program revenues	$ 6,112,121	$ 4,981,275	$ 4,841,978	$ 4,393,292	$ 4,402,394	$ 6,559,536	$ 4,104,278	$ 4,599,501	$ 4,066,581	$ 4,156,359
Net (expense)/revenue										
Governmental activities	$ (1,179,465)	$ (2,559,720)	$ (2,600,400)	$ (4,554,206)	$ (2,328,472)	$ (199,506)	$ (2,535,281)	$ (2,189,417)	$ (2,512,123)	$ (2,755,150)
Business-type activities	414,043	737,729	664,104	583,124	73,013	457,648	(748,208)	32,374	(42,707)	238,831
Total primary government net expense	$ (765,422)	$ (1,821,991)	$ (1,936,296)	$ (3,971,082)	$ (2,255,459)	$ 258,142	$ (3,283,489)	$ (2,157,043)	$ (2,554,830)	$ (2,516,319)

General Revenues and Other Changes Net Position	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Taxes										
Property taxes	$ 920,746	$ 1,127,332	$ 1,094,171	$ 1,034,166	$ 1,063,897	$ 1,036,188	$ 1,041,462	$ 1,039,654	$ 1,064,150	$ 1,035,166
Sales tax	376,908	395,807	395,138	392,921	380,696	361,302	357,636	342,834	351,201	404,678
Franchise tax	217,618	194,708	210,722	229,997	221,189	217,697	230,140	233,682	222,887	213,392
Insurance premium tax	223,201	221,107	214,681	198,405	210,739	218,200	229,870	245,578	266,009	283,057
Motor vehicle and mobile home tax	96,551	86,774	98,654	97,088	113,568	144,361	140,862	132,792	113,628	133,897
Alcoholic beverage taxes	90,289	89,694	92,336	90,480	85,990	79,749	77,247	74,421	74,792	68,011
Other	18,306	17,242	20,804	19,586	16,024	22,819	28,657	22,360	21,563	25,507
Investment earnings	21,194	8,163	1,098	823	1,228	2,827	2,470	2,579	2,519	2,298
Transfers	141,832	1,266,299	364,209	621,030	293,493	(29,034)	168,685	(391,183)	309,711	344,790
Total governmental activities	2,106,645	3,407,126	2,491,813	2,684,496	2,386,824	2,054,109	2,277,029	1,702,717	2,426,460	2,510,796
Business-type activities:										
Gain on sale of assets										
Investment earnings	686	537	946	1,582	2,223	2,795	2,196	3,466	3,411	3,432
Transfers	(141,832)	(1,266,299)	(364,209)	(621,030)	(293,493)	29,034	(168,685)	391,183	(309,711)	(344,790)
Total business-type activities	(141,146)	(1,265,762)	(363,263)	(619,448)	(291,270)	31,829	(166,489)	394,649	(306,300)	(341,358)
Total primary government	$ 1,965,499	$ 2,141,364	$ 2,128,550	$ 2,065,048	$ 2,095,554	$ 2,085,938	$ 2,110,540	$ 2,097,366	$ 2,120,160	$ 2,169,438
Change in Net Position										
Governmental activities	$ 927,180	$ 847,406	$ (108,587)	$ (1,869,710)	$ 58,352	$ 1,854,603	$ (258,252)	$ (486,700)	$ (85,663)	$ (244,354)
Business-type activities	272,897	(528,033)	300,841	(36,324)	(218,257)	489,477	(914,697)	427,023	(349,007)	(102,527)
Total primary government	$ 1,200,077	$ 319,373	$ 192,254	$ (1,906,034)	$ (159,905)	$ 2,344,080	$ (1,172,949)	$ (59,677)	$ (434,670)	$ (346,881)

CITY OF MANCHESTER, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	$ 75,632	$ 64,138	$ 38,002	$ 64,268	$ 46,447	$ 76,205	$ 71,776	$ 103,996	$ 69,947	$ 62,490
Restricted			44,911	75,802						
Committed			12,502	21,760	253,000	248,687	259,784	247,730	257,627	265,083
Unassigned	(737,723)	119,291	7,182	108,968	180,137	479,155	594,133	296,008	573,905	623,733
Total general fund	$ (662,091)	$ 183,429	$ 102,597	$ 270,798	$ 479,584	$ 804,047	$ 925,693	$ 647,734	$ 901,479	$ 951,306
Other governmental funds										
Restricted, reported in:										
Debt service fund	$ 197	$ 197	$ 198	$ 198						
Special revenue funds	712,595	719,288	715,501	223,178	$ 222,803	$ 222,807	$ 225,398	$ 227,017	$ 228,473	$ 229,672
Capital project fund	250,618	110,544	11,310	108,830	1	1,519,883	893,578	784,253	669,936	517,888
Total other governmental funds	$ 963,410	$ 830,029	$ 727,009	$ 332,206	$ 222,804	$ 1,742,690	$ 1,118,976	$ 1,011,270	$ 898,409	$ 747,560

CITY OF MANCHESTER, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	$ 1,943,619	$ 2,132,664	$ 2,126,506	$ 2,062,643	$ 2,092,103	$ 2,080,316	$ 2,105,874	$ 2,091,321	$ 2,114,230	$ 2,163,708
Licenses and permits	72,089	70,492	79,535	80,570	85,470	83,145	71,825	63,269	76,456	66,524
Intergovernmental			29,668			1,729,152				
Grants and subsidies	347,765	724,577	344,708	445,942	508,620	782,705	250,689	732,398	276,671	300,063
Charges for services	70,643	56,276	58,800	65,837	60,757	63,493	59,194	98,503	53,457	51,643
Fines and forfeitures	125,087	142,425	129,646	166,291	192,472	195,597	208,480	166,478	133,206	157,563
Interest revenue	21,194	8,163	2,137	1,409	1,663	2,866	2,596	2,939	4,257	8,662
Miscellaneous	420,908	440,701	493,100	464,761	479,627	469,714	491,324	534,382	556,577	524,323
Total revenues	3,001,305	3,575,298	3,264,100	3,287,453	3,420,712	8,596,970	10,094,126	10,176,630	6,487,340	3,272,486
Expenditures:										
General government	934,268	922,739	913,022	834,472	834,570	678,763	725,261	787,579	734,713	777,340
Public safety	1,390,208	1,386,289	1,373,271	1,378,111	1,448,479	1,487,937	1,578,793	1,586,347	1,578,288	1,599,378
Health and welfare	144,915	143,637	146,660	150,722	155,599	165,334	153,412	157,645	163,594	187,584
Culture and recreation	325,326	319,063	389,168	441,243	445,918	396,157	364,385	395,842	407,401	415,139
Highway and streets	557,515	576,763	415,793	417,056	393,371	419,999	482,947	507,387	403,815	485,632
Community development	121,927	12,883	159,378	715,049	104,379	108,801	9,576	8,884	8,568	9,291
Other governmental services	5,719	34,940	31,130							
Debt service:										
Principal	96,015	97,083	103,006	103,968	74,969	81,013	82,101	92,872	64,840	69,995
Interest	67,189	107,570	45,723	38,190	32,754	29,310	25,657	22,823	18,562	15,527
Capital outlay	552,334	528,491	235,010	56,274	124,782	166,291	463,603	124,393	3,900	158,412
Total expenditures	4,195,416	4,129,458	3,812,161	4,135,085	3,614,821	3,533,605	3,885,735	3,683,772	3,383,681	3,718,298
Excess of revenues over (under) expenditures	(1,194,111)	(554,160)	(548,061)	(847,632)	(194,109)	5,063,365	6,208,391	6,492,858	3,103,659	(445,812)
Other financing sources (uses):										
Transfers in	4,496,671	5,015,481	5,303,747	4,555,880	4,288,833	5,062,540	3,977,194	3,572,034	3,740,489	3,814,749
Transfers out	(4,354,839)	(3,749,182)	(4,939,538)	(3,934,850)	(3,995,340)	(5,091,574)	(3,808,509)	(3,963,217)	(3,430,778)	(3,469,959)
Capital leases							25,000			
Total other financing sources (uses)	141,832	1,266,299	364,209	621,030	293,493	(29,034)	193,685	(391,183)	309,711	344,790
Net change in fund balances	$ (1,052,279)	$ 712,139	$ (183,852)	$ (226,602)	$ 99,384	$ 5,034,331	$ 6,402,076	$ 6,101,675	$ 3,413,370	$ (101,022)
Debt service as a percentage of noncapital expenditures	4.36%	5.62%	4.04%	3.46%	3.07%	3.27%	3.06%	3.23%	2.46%	2.33%

CITY OF MANCHESTER, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Utilities and Other Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2009	$ 28,498,307	$ 18,696,169	$ 14,968,995	$ 8,382,359	$ 70,545,830	16.15	$ 176,364,575	40%
2010	32,206,279	20,351,383	15,927,525	3,126,102	71,611,289	17.15	179,028,223	40%
2011	33,394,954	17,938,189	11,319,108	3,126,064	65,778,315	17.242	164,445,788	40%
2012	33,339,197	17,865,342	9,667,910	3,126,064	63,998,513	17.242	159,996,283	40%
2013	32,052,831	18,179,965	13,131,113	2,881,761	66,245,670	17.704	165,614,175	40%
2014	30,412,353	18,449,189	12,488,038	3,237,486	64,587,066	17.704	161,467,665	40%
2015	29,294,546	18,862,901	12,491,042	3,223,486	63,871,975	17.704	159,679,938	40%
2016	28,526,378	19,514,008	13,476,510	3,131,931	64,648,827	17.667	161,622,068	40%
2017	28,496,581	19,196,120	13,835,819	3,293,679	64,822,199	17.667	162,054,998	40%
2018	27,402,730	19,881,379	14,330,977	3,293,698	64,908,784	17.858	162,271,960	40%

Data Source: Meriwether and Talbot County Tax Digest
(1) Per $1,000 of assessed value

CITY OF MANCHESTER, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUE)
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Manchester (Direct Rates)			Overlapping Rates	
	Operating Millage	Debt Service Millage *	Total City Millage	Total County Millage (1)	Total School Millage (2)
2009	14.400	1.750	16.150	12.270	18.000
2010	15.510	1.640	17.150	13.567	16.900
2011	15.572	1.670	17.242	13.650	16.998
2012	15.542	1.700	17.242	12.417	18.830
2013	15.984	1.720	17.704	13.740	19.010
2014	16.444	1.260	17.704	13.540	19.019
2015	16.443	1.261	17.704	13.644	19.230
2016	16.469	1.198	17.667	13.661	19.305
2017	16.512	1.155	17.667	13.669	19.255
2018	16.655	1.203	17.858	13.693	19.289

Data Sources:
(1) Meriwether County Tax Commissioner
(2) Meriwether County Board of Education

* General Obligation Debt

CITY OF MANCHESTER, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current year and Nine Years Ago

Taxpayer	2018 (1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2009 (2) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Angio Dynamics	$ 4,655,885	1	7.98%			
Dan Bitton (Eccomelt)	2,253,320	2	3.86%			
Georgia Power Company	1,891,842	3	3.24%	$ 1,254,506	4	1.95%
F&M Bank & Trust Co	1,549,718	4	2.66%	824,956	7	1.28%
The Sherwin Williams Co	1,022,352	5	1.75%	3,060,575	2	4.76%
William B Jones	868,560	6	1.49%	898,278	5	1.40%
CSX	804,952	7	1.38%			
Kilbarry Enterprises LLC	596,868	8	1.02%			
Regency Georgia Inc. LLC	459,040	9	0.79%			
CNRG LLC	454,719	10	0.78%			
Rita Medical Systems				3,798,356	1	5.91%
G&S Metals				2,300,880	3	3.58%
Windstream				862,940	6	1.34%
Manchester Housing LTD				531,507	8	0.83%
Jeneca Properties LLP				531,331	9	0.83%
Manchester Elderly Housing				522,749	10	0.81%
	$ 14,557,256		24.95%	$ 14,586,078		22.69%

Data Source: City Finance Office
(1) Based on 2017 tax digest.
(2) Based on 2008 tax digest.

CITY OF MANCHESTER, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	$ 1,034,853	$ 975,159	94.23%	$ 59,303	$ 1,034,462	99.96%
2010	1,168,964	1,101,187	94.20%	67,058	1,168,245	99.94%
2011	1,134,170	1,108,400	97.73%	22,437	1,130,837	99.71%
2012	1,132,152	1,107,460	97.82%	21,852	1,129,312	99.75%
2013	1,156,148	1,129,391	97.69%	20,932	1,150,323	99.50%
2014	1,163,477	1,147,929	98.66%	12,553	1,160,482	99.74%
2015	1,168,959	1,148,285	98.23%	16,933	1,165,218	99.68%
2016	1,167,198	1,135,527	97.29%	18,073	1,153,600	98.83%
2017	1,144,974	1,130,334	98.72%	8,295	1,138,629	99.45%
2018	1,172,419	1,156,066	98.61%	-	1,156,066	98.61%

Data Source: City Finance Office
(1) Includes: Real Property
Personal Property
Utility
Vehicles

CITY OF MANCHESTER, GEORGIA
UTILITY RATES
Year Ended June 30, 2018

Monthly Water Rate		
Base Charge	$	15.00
Commodity charge (per 1,000 gallons)	$	4.82

Monthly Out of Town Water Rate		
Base Charge	$	16.50
Commodity charge (per 1000 gallons)	$	5.22

Monthly Rural Water Rate		
Base charge	$	26.95
Commodity charge (per 1,000 gallons)	$	7.97

Monthly Sewer Rate		
Base charge	$	15.00
Commodity charge (per 1,000 gallons)	$	4.82

Monthly Gas Rate		
Base charge-residential	$	15.00
Base charge-commercial	$	100.00
Commodity charge (per 1,000 cubic feet), plus cost of gas (floating rate)	$	4.00

Monthly Garbage Rate		
Residential	$	19.00

Connection Chages		
Nonrefundable service agreement	$	50.00
Nonrefundable transfer	$	50.00
Water deposit	$	125.00
Gas deposit	$	175.00
Water reconnection	$	50.00
Gas reconnection	$	50.00
Return check fee	$	30.00

The above rates are in effect as of July 13, 2015.

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
TOP TEN WATER CONSUMERS
Year Ended June 30, 2018

Consumer	Fiscal Year Ended June 30, 2018		
	Consumption *	Revenue	Percentage of Total Water Revenue
Meriwether County Board of Education	1,898,421	$ 14,621	1.47%
Manchester Elderly Housing, LP	1,036,900	5,178	0.52%
Jet Spray Car Wash II, LLC	881,300	4,428	0.45%
Manchester Super	849,000	4,272	0.43%
Joysach, Inc. (McDonald's)	568,770	3,101	0.31%
Dairy Queen	309,510	1,672	0.17%
Manchester Laundry	234,200	1,309	0.13%
Angio Dynamics	188,000	1,086	0.11%
Stephanie Edgar	162,460	1,143	0.12%
Magic City Grill	145,880	853	0.09%
	6,274,441	$ 37,663	3.80%

Data Source: City Finance Office
* per gallons

CITY OF MANCHESTER, GEORGIA
TOP TEN SEWER CONSUMERS
Year Ended June 30, 2018

Consumer	Fiscal Year Ended June 30, 2018		
	Consumption *	Revenue	Percentage of Total Sewer Revenue
Meriwether County Board of Education	849,561	$ 5,370	0.88%
Manchester Elderly Housing, LP	1,036,900	5,178	0.85%
Jet Spray Car Wash, LLC	881,300	4,428	0.72%
Manchester Super	849,000	4,272	0.70%
Joysach, Inc (McDonald's)	565,600	2,902	0.48%
Dairy Queen	309,510	1,672	0.27%
Manchester Laundry	234,200	1,309	0.21%
Angio Dynamics	188,000	1,086	0.18%
Magic City Grill	145,880	853	0.14%
Circle K Stores	125,800	786	0.13%
	5,185,751	$ 27,856	4.56%

Data Source: City Finance Office
* per gallons

CITY OF MANCHESTER, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income**	Per Capita*
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases	Notes Payable			
2009	$ 800,000		$ 175,373	$3,265,270	$1,498,419		$5,739,062		1,439
2010	725,000		153,290	4,414,909	1,359,798	$ 827,595	7,480,592		1,876
2011	645,000		130,284	3,938,881	1,214,242	1,418,732	7,347,139		1,737
2012	565,000		106,316	3,695,050	1,048,319	1,890,419	7,305,104		1,727
2013	515,000		81,347	9,400,840	901,061		10,898,248		2,576
2014	460,000		55,334	8,900,927	732,712		10,148,973		2,399
2015	405,000	$ 25,000	28,233	8,391,015	610,203		9,459,451		2,236
2016	345,000	20,361		7,871,103	528,219		8,764,683		2,072
2017	285,000	15,521		7,341,191	444,564		8,086,276		1,991
2018	220,000	10,526		6,896,279	359,328		7,486,133		1,873

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

* See Demographic and Economic Statistics on page 95 for population data.
** Information not available.

CITY OF MANCHESTER, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita**
2009	$ 800,000	$ 197	$ 799,803	0.45%	200
2010	725,000	197	724,803	0.40%	182
2011	645,000	198	644,802	0.39%	152
2012	565,000	198	564,802	0.35%	134
2013	515,000		515,000	0.31%	122
2014	460,000		460,000	0.28%	109
2015	405,000		405,000	0.25%	96
2016	345,000		345,000	0.21%	82
2017	285,000		285,000	0.18%	70
2018	220,000		220,000	0.14%	55

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

* See Assessed Value and Estimated Actual Value of Taxable Property on page 83 for property value data.
** See Demographic and Economic Statistics on page 95 for population data.

CITY OF MANCHESTER, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Meriwether County, Georgia	$ 10,383,711	19%	$ 1,972,905
Meriwether County Board of Public Education	3,120,262	19%	592,850
Subtotal, overlapping debt			2,565,755
Direct debt:			
City of Manchester, Georgia governmental activities			230,526
Subtotal, direct debt			230,526
Total direct and overlapping debt			$ 2,796,281

Data Sources: Debt outstanding data provided by the County and the Board of Education.

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

* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

CITY OF MANCHESTER, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	$ 7,054,583	$ 7,161,128	$ 6,577,832	$ 6,399,851	$ 6,624,567	$ 6,458,707	$ 6,387,198	$ 6,464,883	$ 6,482,200	$ 6,490,878
Total net debt applicable to limit	799,803	724,803	644,802	2,013	2,014	460,000	405,000	345,000	285,000	220,000
Total net debt margin	$ 6,254,780	$ 6,436,325	$ 5,933,030	$ 6,397,838	$ 6,622,553	$ 5,998,707	$ 5,982,198	$ 6,119,883	$ 6,197,200	$ 6,270,878
Total net debt applicable to the limit as a percentage of debt limit	11.34%	10.12%	9.80%	0.03%	0.03%	7.12%	6.34%	5.34%	4.40%	3.39%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	$ 58,319,061
Add Back: Exempt real property	6,589,723
Total assessed value	$ 64,908,784
Debt limit (10% of total assessed value)	$ 6,490,878
Debt applicable to limit:	
General obligation bonds	220,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	220,000
Legal debt margin	$ 6,270,878

Note: Under state law the City of Manchester's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MANCHESTER, GEORGIA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Utility Charges and Other*	Less: Operating Expenses**	Net Available Revenue	Debt Service					Coverage
				Principal	Interest	Total Debt Service	Less CAPI Funds	Net Debt Service	
2009	$ 2,710,000	$ 1,676,724	$ 1,033,276	$ 224,000	$ 117,707	$ 341,707		$ 341,707	3.02
2010	2,902,292	1,594,079	1,308,213	405,000	108,485	513,485		513,485	2.55
2011	3,058,273	1,620,285	1,437,988	426,000	95,742	521,742		521,742	2.76
2012	2,596,937	1,525,264	1,071,673	436,000	82,493	518,493		518,493	2.07
2013	2,621,633	1,606,791	1,014,842	504,254	68,238	572,492		572,492	1.77
2014	1,916,840	1,084,127	832,713	505,000	216,928	721,928	$ 216,928	505,000	1.65
2015	1,792,800	1,192,630 ***	600,170	515,000	206,228	721,228	206,228	515,000	1.17
2016	1,872,508	1,264,600 ***	607,908	525,000	195,928	720,928	172,330	548,598	1.11
2017	1,755,351	1,128,936 ***	626,415	535,000	185,428	720,428	86,165	634,263	0.99
2018	1,738,842	1,118,422 ***	620,420	450,000	174,728	624,728	-	624,728	0.99

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Through fiscal year ended June 30, 2013, the revenue bonds outstanding were Combined Public Utilities Revenue Bonds; therefore, the above figures included the Water, Sewer, and Gas Funds of the City. Beginning with fiscal year ended June 30, 2014, the revenue bonds are Water and Sewer Revenue Bonds; therefore, the above figures include only the Water and Sewerage Fund of the City.

* SPLOST reimbursement for repairs and maintenance is included in this figure.
** Operating expenses do not include interest or depreciation.
*** Operating expenses have been reduced for any expenses paid with bond proceeds.

CITY OF MANCHESTER, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income	Meriwether County Public School Enrollment (3)	Meriwether County Unemployment Rate (4)
2009	3,988	$ 22,715	$ 90,587,420	3,149	8.40%
2010	3,988	20,880	83,269,440	3,071	12.10%
2011	4,230	17,586	74,388,780	3,038	11.70%
2012	4,230	17,586	74,388,780	3,135	14.60%
2013	4,230	18,295	77,387,850	3,164	15.20%
2014	4,230	15,708	66,444,840	3,075	11.40%
2015	4,230	15,704	66,427,920	2,933	5.90%
2016	4,230	18,821	79,612,830	3,116	6.80%
2017	4,061	18,059	73,337,599	2,641	6.20%
2018	3,997	19,626	78,445,122	2,697	4.90%

Data Sources:
(1) U.S. Census Bureau
(2) Meriwether County Industrial Development Authority
(3) Meriwether County Board of Public Education, based on census at start of school year
(4) Georgia Department of Labor

CITY OF MANCHESTER, GEORGIA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2018			2009		
Taxpayer	Employees	Rank	Percentage of Total City Employees	Employees	Rank	Percentage of Total City Employees
CSX	286	1	27.32%			
Angio Dynamics	106	2	10.12%			
Board of Education	79	3	7.55%			
City of Manchester	49	4	4.68%	59	3	6.00%
MJR Solutions	25	5	2.39%			
Piggly Wiggly	25	6	2.39%	30	5	3.05%
The Sherwin Williams Co	25	7	2.39%	63	2	6.41%
F&M Bank & Trust Co	24	8	2.29%	47	4	4.78%
Eccomelt	19	9	1.81%			
Walgreens	18	10	2.06%			
Rita Medical Systems				300	1	30.52%
Flint Facilities				30	6	3.05%
Taylor-Foster Hardware				20	7	2.03%
G&S Metals				19	8	1.93%
Georgia LP Gas				17	9	1.73%
TBO McDonalds				15	10	1.53%
	656		63.00%	600		61.03%

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	9	11	9	9	9	9	9	8	10	5
Public safety										
Police	19	16	17	17	17	19	19	20	16	19
Fire	8	7	6	7	7	8	8	8	8	8
Health and welfare										
Senior center	2	2	2	2	2	2	2	2	2	2
Animal control	1	1	1	1	1	1	1	1	1	1
Culture and recreation	3	3	4	4	3	4	4	4	4	4
Highways and streets	2	2	2	1	1	1	1	1	1	1
Other governmental services										
Code enforcement	0	0	0	0	0	0	0	0	0	0
Vehicle maintenance	0	1	0	0	0	0	0	0	0	0
Community development	0	0	0	0	0	0	0	0	0	0
Water and sewerage	10	7	7	6	7	9	9	8	8	6
Gas	5	3	2	3	2	2	2	3	2	3
Solid waste	0	0	0	0	0	0	0	0	0	0
Total	59	53	50	50	49	55	55	55	52	49

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Years

	Fiscal Year Ended June 30									
Function	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Police										
Physical arrests	227	219	283	263	327	326	129	269	265	220
Parking violations	5	6	8	37	94	51	0	3	13	536
Traffic violations	739	677	667	802	1,089	1,047	755	838	637	926
Fire										
Number of calls answered	639	626	451	550	664	777	672	767	738	580
Inspections	350	350	146	162	171	112	293	662	384	1,005
Culture and recreation										
Number of youth participants	820	862	1,120	1,170	1,369	1,320	1,585	1,525	1,467	1,360
Senior center meals served	14,483	12,824	9,898	10,259	11,123	12,354	7,018	13,007	13,049	21,334
Health and Welfare										
Animal control (captured animals)	121	102	248	209	225	124	30	65	170	67
Highways and streets										
Street resurfacing (miles)	1	1	1	1	2	1	2	2	0	2
Potholes repaired	178	103	187	250	50	200	150	77	232	168
Water and sewerage										
New water connections	8	11	9	5	3	3	0	1	8	0
New sewage connections	4	3	1	1	0	1	0	0	1	0
Average daily consumption ^	800	800	800	800	800	800	800	800	800	800
Average daily sewage treatment ^	710	710	710	710	710	710	710	710	710	710
Gas										
Breaks on gas main	2	2	1	0	0	0	1	0	0	0
Solid waste										
Refuse collected (tons/day)	*	*	*	*	*	*	*	*	*	*
Recyclables collected (tons/day)	*	*	*	*	*	*	*	*	*	*

Data Sources: Various City Departments
Note: Indicators not available for the general government function.
* Information not available
^ Per thousands of gallons

CITY OF MANCHESTER, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	14	14	14	13	14	14	14	14	14
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines	4	4	4	3	3	3	3	3	3	3
Health and welfare										
Animal control-Animal pounds	1	1	1	1	1	1	1	1	1	1
Senior center-Buildings	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Parks acreage	51	51	51	51	51	51	51	51	51	51
Parks	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	0	0	0	0	0
Tennis courts	2	2	2	2	2	2	2	2	2	0
Community centers	4	4	4	3	2	2	2	2	2	2
Highways and streets										
Streets (miles)	67	67	67	67	67	67	67	67	67	67
Streetlights	670	670	670	670	670	670	670	670	670	670
Traffic signals	4	4	4	4	4	4	4	4	4	4
Water and sewerage										
Water customers	2,191	2,119	2,132	2,103	2,101	2,058	2,067	2,083	2,083	2,065
Water mains (miles)	105	105	105	105	113	113	113	113	113	113
Fire hydrants	265	265	265	265	300	300	300	300	300	290
Maximum daily water capacity ^	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Sewer customers	1,718	1,659	1,671	1,637	1,631	1,600	1,622	1,630	1,633	1,619
Sanitary sewers (miles)	609	609	609	609	609	609	609	609	609	609
Storm sewers (miles)	366	366	366	366	366	366	366	366	366	366
Maximum daily sewer treatment capacity ^	850	850	850	850	850	850	850	850	850	850
Gas										
Gas customers	927	865	845	805	770	727	706	678	654	659
Gas lines (miles)	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5
Number of distribution stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Sanitation customers	1,718	1,659	1,671	1,637	1,631	1,600	1,622	1,601	1,615	1,581

Data Sources: Various City departments

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

^ Per thousands of gallons