CITY OF SANDERSVILLE, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2019

TABLE OF CONTENTS

Financial Section

Independent Auditor's Report 1-2

Management's Discussion and Analysis (Unaudited) 3-12

Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Position 13
Statement of Activities 14

Fund Financial Statements:

Governmental Funds:
Balance Sheet 15
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position 16
Statement of Revenues, Expenditures and Changes in Fund Balances 17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities 18

Proprietary Funds:
Statement of Net Position 19
Statement of Revenues, Expenses, and Changes in Fund Net Position 20
Statement of Cash Flows 21-22

Notes to the Basic Financial Statements 23-47

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *General Fund* 48

Supplemental Information:

Combining and Individual Fund Statements and Schedules:

Governmental Funds:

Nonmajor Governmental Funds:
Combining Balance Sheet – By Fund Type 49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type 50

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2019

Major *General Fund*:
Comparative Balance Sheet 51
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 52
Schedule of Revenues – Budget and Actual 53
Schedule of Expenditures – Budget and Actual 54-57

Nonmajor Special Revenue Funds:
Combining Balance Sheet 58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 59

Special Revenue Funds:
Hotel-Motel Tax Fund
Comparative Balance Sheet 60
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 61
Confiscated Assets Fund
Comparative Balance Sheet 62
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 63

Major Capital Projects Fund
T-SPLOST Fund
Comparative Balance Sheet 64
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 65
2013 SPLOST Fund
Comparative Balance Sheet 66
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 67
CDBG 2017 Fund
Comparative Balance Sheet 68
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 69

Nonmajor Capital Projects Funds:
Combining Balance Sheet 70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 71
CHIP 2018 Fund
Comparative Balance Sheet 72
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 73
CHIP 2014 Fund
Comparative Balance Sheet 74
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 75

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2019

Proprietary Funds

Enterprise Funds:
Major Enterprise Funds

Water and Sewerage Fund
Comparative Statement of Net Position 76
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position 77
Comparative Statement of Cash Flows 78-79

Electrical Fund
Comparative Statement of Net Position 80
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position 81
Comparative Statement of Cash Flows 82-83

Telecom Fund
Comparative Statement of Net Position 84
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position 85
Comparative Statement of Cash Flows 86-87

Solid Waste Fund
Comparative Statement of Net Position 88
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position 89
Comparative Statement of Cash Flows 90-91

Additional Supplementary Information

Schedule of Special Purpose Local Option Sales Tax 92
Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards* 93-94

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Sandersville, 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 unit, each major fund, and the aggregate remaining fund information of the City of Sandersville, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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, based on our audit, 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 unit, each major fund, and the aggregate remaining fund information of the City of Sandersville, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 12 and 48 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 Sandersville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated August 28, 2020 on our consideration of the City of Sandersville, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sandersville, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

Sandersville, Georgia
August 28, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Sandersville, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures follow this section.

Financial Highlights

- The City's assets exceeded its liabilities by $37,443,634 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  (1) Net investment in capital assets, of $18,319,299 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $1,001,077 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $18,123,258 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of $1,886,607 this year. This compares to the prior year ending fund balance of $1,215,255 showing an increase of $671,352 during the current year. Unassigned fund balance of $827,858 at December 31, 2019 shows a $471,800 increase from the prior year of $356,058.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $856,109 or 17.6% of total General Fund expenditures, as compared to 7.4% at December 31, 2018.
- Overall, the City continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the water and sewer systems, electrical system, sanitation and telecom.

The government-wide financial statements are presented on pages 13 & 14 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 - 18 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as enterprise funds. These enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for these funds. The basic enterprise fund financial statements are presented on pages 19 – 22 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 23 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. Also included are notes to the RSI.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Note that because of some reclassifications in this fiscal year from last fiscal year, it is difficult to explain some comparisons.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $37,443,634 as compared to $35,973,529 at December 31, 2018. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Percentage
	2019	2018	2019	2018	2019	2018	of Total
Assets:							
Current assets	$ 1,984,055	$ 1,252,286	$ 19,100,992	$ 18,848,624	$ 21,085,047	$ 20,100,910	48%
Capital assets	10,146,040	9,617,039	12,594,644	11,501,976	22,740,684	21,119,015	51%
Deferred outflows	348,406	418,320	-	-	348,406	418,320	1%
Total assets	12,478,501	11,287,645	31,695,636	30,350,600	44,174,137	41,638,245	100%
Liabilities:							
Current liabilities	94,926	35,926	732,894	738,523	827,820	774,449	12%
Long-term liabilities	1,712,650	1,426,339	4,088,817	3,064,644	5,801,467	4,490,983	86%
Deferred inflows	101,216	399,284	-	-	101,216	399,284	2%
Total liabilities	1,908,792	1,861,549	4,821,711	3,803,167	6,730,503	5,664,716	100%
Net position:							
Net investment in capital assets	10,146,040	9,617,039	8,173,259	8,090,950	18,319,299	17,707,989	49%
Restricted	1,001,077	805,261	-	-	1,001,077	805,261	3%
Unrestricted	(577,408)	(996,204)	18,700,666	18,456,483	18,123,258	17,460,279	48%
Total net position	$ 10,569,709	$ 9,426,096	$ 26,873,925	$ 26,547,433	$ 37,443,634	$ 35,973,529	100%

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 20.9 to 1 as compared to 34.9 to 1 at December 31, 2018. The current ratio for business-type activities is 26.1 to 1 as compared to 25.5 to 1 at December 31, 2018.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $1,143,613 or 12.1% for governmental activities, and increased $326,492 or 1.2% for business-type activities. The City's overall financial position increased by $1,470,105 or 4.1% during fiscal year 2019.

Note that 96% of the governmental activities' net position is tied up in capital. The City uses these capital assets to provide services to its citizens. However, in business type activities, the City has spent 30.4% of its net position on capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 48.9% of the City's total net position is included in capital assets. The following is a summary of changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program:						
Charges for services & fines	$ 419,135	$ 442,505	$ 17,074,317	$ 17,261,628	17,493,452	17,704,133
Operating grants	735,371	796,363	-	237,867	735,371	1,034,230
Capital grants	954,920	333,034	-	-	954,920	333,034
General:						
Taxes	3,967,721	3,783,123	-	-	3,967,721	3,783,123
Other	43,293	19,217	188,302	154,855	231,595	174,072
Total revenues	6,120,440	5,374,242	17,262,619	17,654,350	23,383,059	23,028,592
Program Expenses:						
General government	960,533	937,660	-	-	960,533	937,660
Judicial	93,566	111,924	-	-	93,566	111,924
Public safety	2,661,141	2,580,782	-	-	2,661,141	2,580,782
Public works	1,420,013	1,197,834	-	-	1,420,013	1,197,834
Health and welfare	42,533	43,189	-	-	42,533	43,189
Culture and recreation	65,752	72,591	-	-	65,752	72,591
Housing and devel.	285,180	252,328	-	-	285,180	252,328
Interest	-	-	-	-	-	-
Water and sewer	-	-	2,134,996	1,783,378	2,134,996	1,783,378
Electrical	-	-	13,127,223	11,738,917	13,127,223	11,738,917
Telecommunications	-	-	125,182	97,355	125,182	97,355
Solid waste	-	-	996,835	847,462	996,835	847,462
Total expenses	5,528,718	5,196,308	16,384,236	14,467,112	21,912,954	19,663,420
Revenues over (under) expenses	591,722	177,934	878,383	3,187,238	1,470,105	3,365,172
Transfers in (out)	551,891	407,842	(551,891)	(407,842)	-	-
Net changes in net position	1,143,613	585,776	326,492	2,779,396	1,470,105	3,365,172
Beginning net position	9,426,096	8,840,320	26,547,433	23,768,037	35,973,529	32,608,357
Ending net position	$ 10,569,709	$ 9,426,096	$ 26,873,925	$ 26,547,433	$ 37,443,634	$ 35,973,529

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 19.0% of the City's total governmental revenues as compared to 20.3% in fiscal year 2019. Sales taxes make up 13.9% of the City's total governmental revenues as compared to 14.5% in fiscal year 2018.

User charges and fines revenue source totaled $419,135 and operating grants totaled $735,371. Note that program revenues cover 38.2% of governmental operating expenses. If the capital grant revenue referenced above were excluded from program revenue, program revenue would only cover 20.9% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 61.8% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up 73.8% of the total governmental activities expenses as compared to 72.7% in fiscal year 2018. General government totaled $960,533 and the housing and development costs were $285,180.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net cost illustrates the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	%	Net Cost of Services	%
General government	$ 960,533	17.4%	$ (155,775)	4.6%
Judicial	93,566	1.7%	(93,566)	2.7%
Public safety	2,661,141	48.1%	(2,312,604)	67.6%
Public works	1,420,013	25.7%	(677,085)	19.8%
Health and welfare	42,533	0.8%	(42,533)	1.2%
Culture and recreation	65,752	1.2%	(60,952)	1.8%
Housing and development	285,180	5.2%	(76,777)	2.2%
Interest	-	0.0%	-	0.0%
Total	$ 5,528,718	100.0%	$ (3,419,292)	100.0%

Public safety totals 67.6% of the net cost of service while Public Works and General Government total 19.8% and 4.6%, respectively, of these costs.

BUSINESS-TYPE ACTIVITIES

Overall Analysis – For all enterprise funds, total operating revenues decreased $187,311 or 1.1%. Operating expenses increased $1,800,137 or 12.5%. In total, the operating income decreased $1,987,448. The total decrease in the operating income relates primarily to a decrease in the electric fund in the amount of $1,641,523.

The operating income (loss) for each utility was as follows:

	Amount
Electric	$ 387,816
Water and sewer	569,302
Telecom	27,989
Solid waste	(70,942)

The following includes an analysis of the fiscal year 2019 financial activities for each utility.

Electric Utility – The operating income of $387,816 in fiscal year 2019 compares to an increase in operating income of $2,029,339 in fiscal year 2018. This decrease in operating income from FY of $1,641,523 relates to an increase in the cost of electricity purchased in the amount of $1,398,094. The fiscal year 2019 operating revenues decreased $253,217 or 1.9% from fiscal year 2018.

Water and Sewerage System Utility – The operating income of $569,302 in fiscal year 2019 is a decrease of $175,684, or 23.6% from the operating income of $744,986 in fiscal year 2018. Fiscal year 2019 operating revenues increased $58,101 or

2.4% from fiscal year 2018. Operating expenses increased $233,785 or 13.9%. Purchased services increased $207,808 from the prior year or 75.0% while materials and supplies decreased $20,127 or 10.0%. The transfer out of $171,857 to the general fund was intended to recover administration costs provided by the general fund.

Telecom - The operating income of $27,989 in fiscal year 2019 decreased from the operating income of $62,975 in fiscal year 2018 by $34,986, or 55.6%. The fiscal year 2019 operating revenues decreased $7,159 or 4.5% from fiscal year 2018. Operating expenses increased $27,827 or 28.6%. Purchased services increased from $48,127 in fiscal year 2018 to $77,065 in fiscal year 2019 for an increase of 60.1%.

Solid Waste - The fiscal year 2019 operating loss of $70,942 decreased by 210.3%, or $135,255 from fiscal year 2018. The fiscal year 2019 operating revenues increased $14,964 over fiscal year 2018. Operating expenses increased $150,219 or 17.8% from fiscal year 2018. Purchased services increased $152,921 or 22.1%.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $1,886,607 as compared to the 2018 fiscal year amount of $1,215,255. Of this year-end total, $827,858 is unassigned indicating availability for continuing City service requirements. Fund balance includes $386,789 restricted for capital outlay, $294,951 restricted for transportation improvements as well as $316,718 restricted for hotel-motel tax purposes and $2,619 restricted for public safety. Fund balance includes assets not available for spending in the amount of $57,672, which is tied up in inventory. The total ending fund balances of governmental funds show an increase of $671,352, or 55.2% over the prior year.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased $489,754, or 115.5% in fiscal year 2019. In fiscal year 2018, the fund balance increased $148,888, or 54.1%.

Total revenues increased $71,855 or 1.5% more than fiscal year 2018.

Local option sales taxes increased $72,655 or 9.3%. Motor vehicle property tax decreased $340 or 0.6%; however, motor vehicle title tax increased $18,355 or 13.6%. Fines decreased $27,437 or 20.7%.

Total expenditures decreased $111,094 or 2.2% from fiscal year 2018.

The general government function decreased $34,859 or 4.1% from fiscal year 2018.

The expenditures for most other functions were approximately equal to the fiscal year 2018 amount except for public safety which increased by $54,232, or 2.3% and public works which decreased by $132,490 or 10.2% resulting from a decrease in capital outlay for a streetscape project.

The general fund's ending unassigned fund balance of $856,109 represents an increase of $486,018 from the December 31, 2018 balance of $370,091. This balance represents the equivalent of 17.6% of annual expenditures, as compared to 7.4% last year.

2013 SPLOST Fund - This fund accounts for the cost of capital improvement projects in the City that are financed with the 2013 Special Purpose Local Option Sales Tax revenues including:

- The purchase of public safety (fire) equipment
- Replacement of a vehicle in administration
- Funding the downtown master plan – greenspace and parking

In fiscal year 2019, this fund reported $315,471 in revenues and $210,971 in expenditures leaving a fund balance of $386,789.

The Proprietary Funds

The proprietary funds' statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2019, the City Council did amend the general fund budget. The revenue budget was amended upward by $220,883 to account for $128,883 in grant funds received from FEMA and for an additional $92,000 resulting from the renegotiation of a fire services agreement with Washington County. The City recognized $234,296 more than anticipated in total revenues including an increase of $64,168 in property taxes, $91,605 in sales tax, $38,127 in franchise tax and $31,175 in insurance premium tax. Also, in fiscal year 2019, the City experienced a decrease in budgeted fines and forfeitures revenues in the amount of $35,689. Most other general fund revenue sources came in at or just above budgeted amounts except for motor vehicle property taxes which ended at $52,217 for a decrease of $7,783 from the original budgeted amount of $60,000.

The general fund expenditure budget was amended upward by $199,475. General government was increased by $7,417 and the public safety final budget was increased by $50,355; however, the actual budget came in $66,996 less than the final budget of $2,523,501 with a decrease in expenditures in the police department of $53,825, in the fire department of $6,589, and in animal control of $6,582. The decrease in the police department resulted from a decrease in personal services where vacant positions were not filled in FY 2019. The public works actual budget saw a decrease from the final budget by $36,871 resulting primarily from a decrease in the street department's personal services of $14,206 and in purchased services of $16,429.

On the expenditure side, each city department made every effort to minimize spending and no department overspent their final amended 2019 budget. In total, the final budgeted amount was underspent by $216,237 primarily from public safety, which was underspent by $66,996, general government by $28,274, public works by $36,871, and housing and development by $56,652.

In total, the City expended 95.7 % of the final general fund budget.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2019, was $10,146,040 and $12,594,644 respectively. This was an increase in net investment in governmental activities of 17.5% and an increase of 29.1% for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	$ 960,416	$ 960,416	$ 222,257	$ 222,257	$ 1,182,673	$ 1,182,673
Construction in progress	196,625	130,218	2,029,947	426,095	2,226,572	556,313
Total non-depreciable assets:	1,157,041	1,090,634	2,252,204	648,352	3,409,245	1,738,986
Depreciable assets:						
Buildings	5,152,078	4,419,177	472,360	472,360	5,624,438	4,891,537
Equipment	5,225,447	5,298,631	5,372,457	5,218,126	10,597,904	10,516,757
Software	257,398	257,398	-	-	257,398	257,398
Infrastructure	4,938,449	4,695,539	25,212,822	25,054,145	30,151,271	29,749,684
Total depreciable assets	15,573,372	14,670,745	31,057,639	30,744,631	46,631,011	45,415,376
Less accumulated depreciation	6,584,373	6,144,340	20,715,199	19,891,007	27,299,572	26,035,347
Book value - depreciable assets	8,988,999	8,526,405	10,342,440	10,853,624	19,331,439	19,380,029
Percentage depreciated	42%	42%	67%	65%	59%	57%
Book value - all assets	$ 10,146,040	$ 9,617,039	$ 12,594,644	$ 11,501,976	$ 22,740,684	$ 21,119,015

At December 31, 2019, the depreciable capital assets for governmental activities were 42% depreciated. This compares to 42% at the December 31, 2018. This comparison indicates that the City is replacing its assets at the same rate as they are depreciating which is a positive indicator.

In the City's business type activities, 67% of the asset values were depreciated at December 31, 2019, which compares to the December 31, 2018 percentage of 65%.

Long-term Debt

At the end of this fiscal year, the City reported $4,421,387 of outstanding long-term debt, all in GEFA loans. During the year, the City retired $346,426 or 10.2% of the January 1, 2019 outstanding business-type activities debt. Following are the changes in the GEFA loans during 2019.

	Outstanding 1/1/2019	Additions	Reductions	Outstanding 12/31/19	Amounts Due in One Year	Long-term Portion
Business-Type Activities:						
GEFA loan - DW00-023	$ 334,709	$ -	$ 42,008	$ 292,701	$ 43,196	$ 249,505
GEFA loan - 2002-L22WS	1,026,555	-	167,904	858,651	175,339	683,312
GEFA loan - 2010-L06WJ	866,474	-	53,382	813,092	55,452	757,640
GEFA loan - CW15003	1,158,138	-	57,982	1,100,156	58,581	1,041,575
GMA loan - 9910003183	25,150	-	25,150	-	-	-
GEFA Construction loans:						
GEFA loan - DW2018010	-	14,090	-	14,090	-	14,090
GEFA loan - CW2018014	-	508,546	-	508,546	-	508,546
GEFA lona - GF2019007	-	834,151	-	834,151	-	834,151
	$ 3,411,026	$ 1,356,787	$ 346,426	$ 4,421,387	$ 332,568	$ 4,088,819

See Note 3-F for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The July 2020 unemployment rate for Washington County was 6.7% compared to Georgia at 7.6% and the U.S. at 10.2%, all considerably higher from a year ago at 4.6%, 3.8% and 3.6% respectively, resulting primarily from the current COVID19 pandemic. Prior to the pandemic, in FY 2019 the City of Sandersville continued to experienced marked improvements in the local economy with the return of new retail and the expansion of local industry. As a result, the financial condition of the Electric Fund, Water/ Sewer Fund, and Telecom Fund all experienced significant improvements with each fund self-supporting and non-reliant on other funds. The Solid Waste fund, however, ended FY 2019 with an operating loss of $70,942. The net position in the City's Electric Fund increased in FY 2019 by $227,739 compared to an increase in FY 2018 of $1,933,066. This fund had experienced significant operating income losses in recent years due to the increase in the cost to purchase power and the City's excess power capacity and contractual obligation to purchase 15MW of Project One Power Sales Contract including premium payments associated with this contract. In fiscal year 2019, the City's obligation for this 15MW of Project 1 and for the premium payments were $5,175,771 and $439,381 respectively. The operating income for this fund which had increased in FY 2018 from $1,450,415 to $2,029,339, decreased in FY 2019 to $387,816.

In FY 2019, General Fund revenues increased 1.5% from $4,717,882 in FY 2018 to $4,789,737. Local Option Sales Tax (LOST) revenues increased 9.3% from $778,950 in 2018 to $851,605 in 2019 and Insurance Premium Tax increased $27,433 from FY 2018 to FY 2019, all indications of improved economic activity. Although there was a decrease in the millage rate from 5.775 to 5.635, property tax revenue increased $11,007. Increased property values are another indicator of positive economic growth. The gross property tax digest for the City of Sandersville has increased the last three years from $223,676,339 to $229,269,506 in 2016 to $234,934,963 in 2017 and to $237,241,093 in 2018. Other revenues for the City include franchise taxes and motor vehicle title taxes where the city received $1,140,104, an increase of 3.3%, in franchise fees in FY 2019 and $153,406, an increase of 13.6% in motor vehicle title taxes in FY 2019.

In November 2019, the voters of Washington County approved a referendum to continue the collection of the 1% sales tax, which provides the necessary revenue for capital projects, many of which could not be funded without these SPLOST funds. The 2019 SPLOST, along with the remaining proceeds of the 2013 SPLOST, will provide the City with an estimated $1.8 million in funding for these capital projects for FY 2020 - FY 2026. During this period, the City will continue to invest in infrastructure while funding a scheduled preventative maintenance program for vehicles, facilities and equipment. With the continued support of tax revenue for equipment and training our Police and Fire Departments will maintain State Certification and a Class 3 ISO rating, both of which have reduced our risk and prepared us to better serve and protect the citizens of our City. In FY 2020, the 2013 Special Purpose Local Option Sales Tax (SPLOST) will fund the scheduled replacement of police vehicles and conversions in the amount of $94,922, the replacement of tasers in the amount of $38,200, purchase equipment for the Fire Department and make improvements to the Fire Department property for a total of $29,315, compete phase 3 of a

downtown master plan which includes a park, parking and street improvement project and replace a Ford F-150 truck in the Community Development Department at an estimated cost of $30,305 and a John Deere mower for $11,000. In addition to the Capital projects in the 2013 SPLOST the 2019 SPLOST will fund the replacement of a flatbed dump truck for the Public Works Street Construction Department in the amount of $54,000.

Our City leadership has been proactive in financing major upgrades to infrastructure that provide quality water and sewer resources and improved transportation throughout the City. In May, 2019 the City Council awarded bids totaling $12,605,010 for USDA water and sewer infrastructure projects with an additional $1,913,054 to refinance current GEFA debt for a total USDA loan of $14,518,064. The debt will be repaid over 40 years at a fixed rate of 2.25%. These funds will be used to upgrade the Wastewater Treatment Plant, rehab the South Water Treatment Plant and provide upgrades to the Davisboro Road lift station and lines that feed this station. The sewer system supporting West Church Street, W. Haynes Street and Cook Street will be replaced and the City will extend water and sewer services to unserved areas inside and adjacent to the City, creating new revenue sources.

In March, 2020 the voters of Sandersville, Washington County along with voters in the Central Savannah Regional Area approved the extension of a regional 1% transportation SPLOST in which 75% of the funding will be used for a pre-determined list of priority projects in the region while the remaining 25% will be provided to the local governments in the region as discretionary funds to be used on their individual transportation projects. The City established a Transportation Fund in the FY 2013 budget to account for the receipt and disbursement of these funds as well as LMIG (Local Maintenance and Improvement Grant) funds from the Georgia Department of Transportation. In FY 2019, LMIG and TSPLOST funds in the amount of $296,680 assisted in funding a Downtown Master Plan including a park, green space, parking and street rehabilitation all of which will improve the quality of life for our citizens and visitors while promoting economic development in downtown Sandersville.

Contacting the City's Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Administrator at 141 West Hayes Street, Sandersville, Georgia, 31082 or call 478-552-2525.

City of Sandersville, Georgia
Statement of Net Position
December 31, 2019

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 1,539,223	$ 8,415,931	$ 9,955,154	$ 23,767
Cash in Georgia Fund I	-	8,645,083	8,645,083	-
Investments	-	6,152	6,152	-
Receivables:				
Accounts	156,041	1,487,903	1,643,944	2,054
Taxes	8,799	-	8,799	-
Intergovernmental	142,274	-	142,274	-
Internal balances	80,046	797	80,843	-
Inventories	57,672	545,126	602,798	-
Prepaid expenses	-	-	-	-
Total Current Assets	1,984,055	19,100,992	21,085,047	25,821
Noncurrent Assets				
Capital assets (Note 3D)				
Nondepreciable	960,416	222,257	1,182,673	-
Construction in progress	196,625	2,029,947	2,226,572	-
Depreciable, net	8,988,999	10,342,440	19,331,439	-
Total Noncurrent Assets	10,146,040	12,594,644	22,740,684	-
Deferred outflows of resources				
Difference between expected and actual	348,406	-	348,406	-
Total Assets	12,478,501	31,695,636	44,174,137	25,821
Liabilities				
Current Liabilities				
Accounts payable	7,960	53,265	61,225	-
Sales taxes payable	6,123	26,678	32,801	-
Customer deposits	-	320,383	320,383	-
Interfund payable	80,843	-	80,843	-
Unearned revenue	-	-	-	-
Notes payable, current portion	-	332,568	332,568	-
Total Current Liabilities	94,926	732,894	827,820	-
Long-term Liabilities: (net of current portion) (Note 3F)				
Notes payable	-	4,088,817	4,088,817	-
Net pension liability	1,712,650	-	1,712,650	-
Total Liabilities	1,807,576	4,821,711	6,629,287	-
Deferred inflows of resources:				
Change in pension assumptions	101,216	-	101,216	-
Total Liabilities and deferred inflows of resources	1,908,792	4,821,711	6,730,503	-
Net Position				
Net investment in capital assets (Note 3H)	10,146,040	8,173,259	18,319,299	-
Restricted for housing and development	316,718	-	316,718	-
Restricted for capital outlay	386,789	-	386,789	-
Restricted for public safety	2,619	-	2,619	-
Restricted for transportation	294,951	-	294,951	-
Unrestricted	(577,408)	18,700,666	18,123,258	25,821
Total Position	$ 10,569,709	$ 26,873,925	$ 37,443,634	$ 25,821

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2019

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary Government								
Governmental Activities								
General government	$ 960,533	$ 159,544	$ 5,765	$ 639,449	$ (155,775)	$ -	$ (155,775)	$ -
Judicial	93,566	-	-	-	(93,566)	-	(93,566)	-
Public safety	2,661,141	108,631	239,906	-	(2,312,604)	-	(2,312,604)	-
Public works	1,420,013	-	427,457	315,471	(677,085)	-	(677,085)	-
Health and welfare	42,533	-	-	-	(42,533)	-	(42,533)	-
Culture and recreation	65,752	4,800	-	-	(60,952)	-	(60,952)	-
Housing and development	285,180	146,160	62,243	-	(76,777)	-	(76,777)	-
Interest	-	-	-	-	-	-	-	-
Total Governmental Activities	5,528,718	419,135	735,371	954,920	(3,419,292)	-	(3,419,292)	-
Business-type Activities:								
Water and sewerage	2,134,996	2,480,868	-	-	-	345,872	345,872	-
Electrical	13,127,223	13,515,039	-	-	-	387,816	387,816	-
Telecom	125,182	153,171	-	-	-	27,989	27,989	-
Solid waste	996,835	925,239	-	-	-	(71,596)	(71,596)	-
Total Business-type Activities:	16,384,236	17,074,317	-	-	-	690,081	690,081	-
Total - Primary Government	$ 21,912,954	$ 17,493,452	$ 735,371	$ 954,920	$ (3,419,292)	690,081	(2,729,211)	-
Component Unit								
Downtown Development Authority	$ 1,938	$ -	$ 13,501	$ -	$ -	-	-	11,563
General Revenues								
Property taxes levied for general government purposes					1,165,540	-	1,165,540	-
Sales tax					851,605	-	851,605	-
Insurance premium tax					451,175	-	451,175	-
Franchise tax					1,140,104	-	1,140,104	-
Alcohol tax					135,422	-	135,422	-
Other taxes					223,875	-	223,875	-
Gain on disposition of capital assets					-	-	-	-
Investment earnings (loss)					-	188,284	188,284	18
Miscellaneous					43,293	18	43,311	-
Total General Revenues					4,011,014	188,302	4,199,316	18
Transfers					551,891	(551,891)	-	-
Total General Revenues and Transfers					4,562,905	(363,589)	4,199,316	18
Change in Net Position					1,143,613	326,492	1,470,105	11,581
Net Position Beginning of Year					9,426,096	26,547,433	35,973,529	14,240
Net Position End of Year					$ 10,569,709	$ 26,873,925	$ 37,443,634	$ 25,821

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Balance Sheet
Governmental Funds
December 31, 2019

	General	TSPLOST Fund	2013 SPLOST	CDBG 2017	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 550,057	$ 281,002	$ 386,789	$ 355	$ 321,020	$ 1,539,223
Receivables:						
Accounts	156,041	-	-	-	-	156,041
Taxes	2,522	-	-	-	6,277	8,799
Intergovernmental	76,885	13,949	-	13,438	38,002	142,274
Interfund	80,046	-	-	-	-	80,046
Inventories	57,672	-	-	-	-	57,672
Prepaid expenses	-	-	-	-	-	-
Total Assets	$ 923,223	$ 294,951	$ 386,789	$ 13,793	$ 365,299	$ 1,984,055
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ 7,960	$ 7,960
Accrued expenditures	6,123	-	-	-	-	6,123
Interfund payable	797	-	-	28,011	52,035	80,843
Unearned revenue	-	-	-	-	-	-
Total Liabilities	6,920	-	-	28,011	59,995	94,926
Deferred Inflows of Resources - Property Taxes	2,522	-	-	-	-	2,522
Total Liabilities and Deferred Inflows of Resources	9,442	-	-	28,011	59,995	97,448
Fund Balances						
Nonspendable						
Inventory	57,672	-	-	-	-	57,672
Prepaid expenses	-	-	-	-	-	-
Restricted	-	294,951	386,789	-	319,337	1,001,077
Unassigned	856,109	-	-	(14,218)	(14,033)	827,858
Total Fund Balances	913,781	294,951	386,789	(14,218)	305,304	1,886,607
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 923,223	$ 294,951	$ 386,789	$ 13,793	$ 365,299	$ 1,984,055

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

Total Governmental Fund Balances		$ 1,886,607
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Cost of capital assets	$ 16,730,413	
Less accumulated depreciation	(6,584,373)	10,146,040
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Accounts receivable, net of allowance for doubtful accounts of $0		2,522
Net pension liability		(1,712,650)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds		247,190
Net Position of Governmental Activities		$ 10,569,709

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	TSPLOST Fund	2013 SPLOST	CDBG 2017	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 3,966,304	$ 154,842	$ -	$ -	$ 62,243	$ 4,183,389
Licenses and permits	159,544	-	-	-	-	159,544
Intergovernmental	517,168	141,838	315,471	639,449	-	1,613,926
Charges for services	16,598	-	-	-	1,257	17,855
Fines and forfeitures	105,311	-	-	-	-	105,311
Investment earnings	-	-	-	-	-	-
Miscellaneous	24,812	-	-	-	318	25,130
Total Revenues	4,789,737	296,680	315,471	639,449	63,818	6,105,155
Expenditures						
Current:						
General government	809,916	-	-	-	-	809,916
Judicial	93,566	-	-	-	-	93,566
Public safety	2,456,505	-	-	-	2,074	2,458,579
Public works	1,166,468	160,899	6,764	-	-	1,334,131
Health and welfare	35,150	-	-	-	-	35,150
Culture and recreation	62,607	-	-	-	-	62,607
Housing and development	241,530	-	-	-	43,650	285,180
Capital Outlay	-	62,559	204,207	653,667	-	920,433
Debt Service:						
Interest	-	-	-	-	-	-
Total Expenditures	4,865,742	223,458	210,971	653,667	45,724	5,999,562
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,005)	73,222	104,500	(14,218)	18,094	105,593
Other Financing Sources (Uses)						
Proceeds from the disposition of capital assets	13,868	-	-	-	-	13,868
Transfers in	551,891	-	-	-	-	551,891
Transfers (out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	565,759	-	-	-	-	565,759
Net Change in Fund Balances	489,754	73,222	104,500	(14,218)	18,094	671,352
Fund Balances Beginning of Year	424,027	221,729	282,289	-	287,210	1,215,255
Fund Balances End of Year	$ 913,781	$ 294,951	$ 386,789	$ (14,218)	$ 305,304	$ 1,886,607

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2019

Net Changes In Fund Balances - Total Governmental Funds		$ 671,352
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded the capitalized capital outlay in the current period.		
Depreciation expense	$ (530,151)	
Capital outlay	1,059,152	529,001
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement less book value of traded-in asset capitalized.		-
Capital assets received as contributions on the government-wide statement of activities but not reported on the governmental fund type operating statement.		-
Cost of benefits earned net of employee contribution		(58,157)
Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.		
Liability @ 12/31/18	$ (1,105)	
Liability @ 12/31/19	2,522	1,417
Change In Net Position of Governmental Activities		$ 1,143,613

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 2,370,179	$ 5,269,600	$ 629,934	$ 146,218	$ 8,415,931
Cash in Georgia Fund 1	721,663	7,923,420	-	-	8,645,083
Investments	-	6,152	-	-	6,152
Receivables					
Accounts	256,868	1,116,042	26,161	88,832	1,487,903
Interfund	119,977	154,422	797	-	275,196
Prepaid expenses	-	-	-	-	-
Inventory	66,041	469,264	9,821	-	545,126
Total Current Assets	3,534,728	14,938,900	666,713	235,050	19,375,391
Noncurrent Assets					
Capital assets					
Nondepreciable	168,636	53,621	-	-	222,257
Depreciable, net	8,543,541	1,535,792	160,460	102,647	10,342,440
Construction in progress	2,014,614	-	15,333	-	2,029,947
Total Noncurrent Assets	10,726,791	1,589,413	175,793	102,647	12,594,644
Total Assets	14,261,519	16,528,313	842,506	337,697	31,970,035
Liabilities					
Current Liabilities					
Accounts payable	-	53,210	-	55	53,265
Accrued expenses payable	-	-	-	-	-
Current portion of notes payable	332,568	-	-	-	332,568
Sales tax payable	-	26,678	-	-	26,678
Customer deposits	8,355	311,978	50	-	320,383
Interfund payable	-	119,977	-	5,549	125,526
Total Current Liabilities	340,923	511,843	50	5,604	858,420
Long-Term Liabilities (net of current portion)					
Due to electrical fund	-	-	148,873	-	148,873
Notes payable	4,088,817	-	-	-	4,088,817
Total Liabilities	4,429,740	511,843	148,923	5,604	5,096,110
Net Position					
Net investment in capital assets	6,305,406	1,589,413	175,793	102,647	8,173,259
Restricted	-	-	-	-	-
Unrestricted	3,526,373	14,427,057	517,790	229,446	18,700,666
Total Net Position	$ 9,831,779	$ 16,016,470	$ 693,583	$ 332,093	$ 26,873,925

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues	$ 2,452,243	$ 13,508,279	$ 134,643	$ 925,239	$ 17,020,404
Charges for services	28,625	6,760	18,528	-	53,913
Miscellaneous					
Total Operating Revenues	2,480,868	13,515,039	153,171	925,239	17,074,317
Operating Expenses					
Personal services - salaries	415,232	449,742	-	77,863	942,837
Personal services - benefits	165,580	133,909	-	31,734	331,223
Electricity purchased	-	11,385,845	-	-	11,385,845
Franchise fees	-	532,491	6,709	-	539,200
Purchased services	484,747	350,348	77,065	845,741	1,757,901
Materials and supplies	180,843	113,675	5,375	13,920	313,813
Miscellaneous	31,865	21,304	4,323	7,650	65,142
Depreciation	633,299	139,909	31,710	19,273	824,191
Total Operating Expenses	1,911,566	13,127,223	125,182	996,181	16,160,152
Operating Income (Loss)	569,302	387,816	27,989	(70,942)	914,165
Non-Operating Revenues (Expenses)					
Interest expense	(94,710)	-	-	(654)	(95,364)
Change in fair market value of investments	-	18	-	-	18
GEFA loan fees	(128,720)	-	-	-	(128,720)
Intergovernmental grants	-	-	-	-	-
Interest and dividend income	15,705	172,579	-	-	188,284
Total Non-Operating Revenues (Expenses)	(207,725)	172,597	-	(654)	(35,782)
Income (Loss) Before Contributions and Transfers In (Out)	361,577	560,413	27,989	(71,596)	878,383
Contributions	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(171,857)	(332,674)	(5,024)	(42,336)	(551,891)
Change in Net Position	189,720	227,739	22,965	(113,932)	326,492
Net Position Beginning of Year	9,642,059	15,788,731	670,618	446,025	26,547,433
Net Position End of Year	$ 9,831,779	$ 16,016,470	$ 693,583	$ 332,093	$ 26,873,925

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 2,669,813	$ 13,551,031	$ 150,889	$ 922,240	$ 17,293,973
Cash payments for personal services	(580,812)	(583,651)	-	(109,596)	(1,274,059)
Cash payments for goods and services	(675,454)	(12,404,230)	(90,965)	(867,256)	(14,037,905)
Other cash receipts (payments)	-	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	1,413,547	563,150	59,924	(54,612)	1,982,009
Cash Flows from Noncapital Financing Activities					
Operating grants received	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(171,857)	(332,674)	(5,024)	(42,336)	(551,891)
Net Cash Provided by (Used in) Noncapital Financing Activities	(171,857)	(332,674)	(5,024)	(42,336)	(551,891)
Cash Flows from Capital and Related Financing Activities					
Capital grants	-	-	-	-	-
Principal paid on notes and leases	(321,234)	-	-	(25,194)	(346,428)
Interest paid on notes and leases	(94,710)	-	-	(654)	(95,364)
GEFA loan fees paid	(128,720)	-	-	-	(128,720)
Proceeds from notes payable	1,356,787	-	-	-	1,356,787
Payments for capital acquisitions	(1,753,531)	(163,329)	-	-	(1,916,860)
Net Cash (Used in) Capital and Related Financing Activities	(941,408)	(163,329)	-	(25,848)	(1,130,585)
Cash Flows from Investing Activities					
Net purchase of investments	-	(162)	-	-	(162)
Interest and dividend income	15,705	172,579			188,284
Investment earnings	-	18	-	-	18
Net Cash Provided by (Used in) Investing Activities	15,705	172,435	-	-	188,140
Net Increase (Decrease) in Cash and Cash Equivalents	315,987	239,582	54,900	(122,796)	487,673
Cash and Cash Equivalents Beginning of Year	2,775,855	12,953,438	575,034	269,014	16,573,341
Cash and Cash Equivalents End of Year	$ 3,091,842	$ 13,193,020	$ 629,934	$ 146,218	$ 17,061,014
Cash and Cash Equivalents	$ 2,370,179	$ 5,269,600	$ 629,934	$ 146,218	$ 8,415,931
Cash in Georgia Fund I	721,663	7,923,420	-	-	8,645,083
Total	$ 3,091,842	$ 13,193,020	$ 629,934	$ 146,218	$ 17,061,014

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ 569,302	$ 387,816	$ 27,989	$ (70,942)	$ 914,165
Adjustments					
Depreciation	633,299	139,909	31,710	19,273	824,191
Loss on sale of capital assets	-	-	-	-	-
(Increase) Decrease in Assets					
Accounts receivable	188,945	35,992	(2,282)	(2,999)	219,656
Inventory	21,127	(7,823)	2,507	-	15,811
Prepaid expenses	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Increase (Decrease) in Liabilities					
Accounts payable	-	5,750	-	56	5,806
Accrued expenses	-	-	-	-	-
Sales tax payable	-	(4,089)	-	-	(4,089)
Interfund payable	-	-	-	-	-
Customer deposits payable	874	5,595	-	-	6,469
Net Cash Provided by (Used in) Operating Activities	$ 1,413,547	$ 563,150	$ 59,924	$ (54,612)	$ 1,982,009

See accompanying notes to the basic financial statements

Index

Summary of Significant Accounting Policies 1
- Reporting Entity 1-A
- Basis of Presentation 1-B
- Measurement Focus 1-C
- Basis of Accounting 1-D
- Assets, Liabilities, and Fund Equity 1-E
  - Cash, Cash Equivalents and Investments 1-E-1
  - Receivables 1-E-2
  - Interfund Balances 1-E-3
  - Consumable Inventories 1-E-4
  - Prepaid Items 1-E-5
  - Capital Assets 1-E-6
  - Accrued Liabilities and Long-term Obligations 1-E-7
  - Fund Equity 1-E-8
  - Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses 1-E-9
  - Operating Revenues and Expenses 1-E-10
  - Contributions of Capital 1-E-11
  - Interfund Activity 1-E-12
  - Estimates 1-E-13
  - Comparative Data 1-E-14
  - Implementation of New GASB Standards 1-E-15

Stewardship, Compliance, and Accountability 2
- Budgetary Information 2-A
- Excess of Expenditures over Appropriations 2-B

Detailed Notes on All Funds 3
- Deposits 3-A
- Receivables 3-B
- Property Taxes 3-C
- Capital Assets 3-D
- Interfund Balances 3-E
- Long-Term Debt 3-F
- Pensions 3-G
- Fund Equity 3-H

Other Notes 4
- Risk Management 4-A
- Contingent Liabilities 4-B
- Joint Ventures 4-C
- Hotel/Motel Taxes 4-D
- Commitments 4-E
- Subsequent Events 5

The City of Sandersville, Georgia (the "City") was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater, electric, solid waste and telecom).

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

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

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

The following separate entity is the discretely presented component unit of the City.

The City of Sandersville Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. More specifically, the Development Authority was created by a resolution of the City Council of Sandersville on April 12, 2001, to promote the development of the downtown area of the City. The Mayor and City Council appoint all members of the Development Authority and one member of the City Council also serves as a member. Separate statements are not prepared for the Development Authority.

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

The seven major individual funds, the general fund, the 2013 SPLOST fund, the TSPLOST fund, the water and sewer system fund, the electric fund, the telecom fund and the solid waste fund are reported in separate columns.

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

> ***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following is the City's major governmental fund:
>
> > ***The General Fund*** – The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.
> >
> > ***2013 SPLOST Fund*** - This fund accounts for the cost of certain capital improvement projects in the City that are financed with the 2013 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including the purchase of public safety vehicles and equipment, improvements to the fire station, tools and equipment for public works, reflective signage in the street department and funding the downtown master plan.
> >
> > ***TSPLOST Fund*** - This fund accounts for the receipt and disbursement of Transportation Investment Act funds generated from a regional 1% sales tax to fund transportation on projects by priority and for the receipt and disbursement of LMIG, Local Maintenance and Improvement Grant, funds from the Georgia Department of Transportation.

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's four proprietary funds are classified as major enterprise funds.

The Water and Sewerage System Fund –This fund is used for the operation of the City's water and sewerage system which renders services to the residents and businesses located within the City.

The Electrical Fund –This fund is used for the operation of the City's electrical system which renders services to the residents and businesses located within the City.

The Telecom Fund –This fund is used for the operation of the City's non-voice telecommunications including internet access for the residents and businesses located within the City.

The Solid Waste Fund –This fund is used for the operation of the City's solid waste collection and disposal services for the residents and businesses located within the City.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

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

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

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, investment earnings and federal and state grants.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at December 31, 2019.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-4. Consumable Inventories

On the government-wide financial statements and in the enterprise fund financial, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-E-5 Prepaid Items

For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of fifteen hundred dollars within an estimated life of two years or more. The City began capitalizing its infrastructure in December 2002. The City capitalizes our infrastructure retroactively to 1980. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized. The total interest expense incurred by the City during the current fiscal year was $95,364. Of this amount, none was included as part of the cost of capital assets under construction in connection with public building construction projects.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives
Buildings and improvements	30-40 Years
Infrastructure	40-50 Years
Land improvements	8-20 Years
Machinery and equipment	5-25 Years

1-E-7 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds Capital leases are recognized as a liability in the governmental fund financial statements when due.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-8 Fund Equity

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

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

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the approval of a motion. Only, the City also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. By motion, the City Council has authorized the City Administrator to assign fund balances.

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

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9 Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts, are deferred and amortized over the life of the using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services. Operating expenses are necessary costs incurred to provide the water and sewerage services. All other revenues and expenses are classified as non-operating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings or losses on investments.

1-E-11 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-13 Estimates

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

1-E-14 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 1 - Summary of Significant Accounting Policies (Continued)

In calendar year 2013, the City implemented the following GASB Statement:

Statement No. 65, *Items Previously Reported as Assets and Liabilities* clarifies the use of deferred inflows of resources to ensure consistency in financial reporting. This statement also requires certain items which were previously reported as liabilities to be reported as deferred inflows of resources. As a result of implementing this statement, the City changed the classification of certain liabilities to deferred inflows of resources.

Note 2 – Stewardship, Compliance, and Accountability

2-A Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and all enterprise funds. The City also adopts a project length budget for all capital projects funds.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Administrator may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. During 2019 the City's budget was amended twice.

All unexpended annual appropriations lapse at year-end.

2-B Excess of Expenditures over Appropriations

No City department had expenditures in excess of departmental appropriations in FY 2019.

Note 3 - Detailed Notes on All Funds

3-A Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2019, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at December 31, 2019:

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a $1.00 per share value. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer.

Note 3 - Detailed Notes on All Funds (Continued)

Funds included in this Pool are not required to be collateralized.

The fair value of the City's position in the pool approximates the value of the City's pool shares. Credit risk, value, and interest risk at December 31, 2019 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 8,645,083	39 day WAM

The City classifies its investments in Georgia Fund I as cash and cash equivalents.

3-B Receivables

Receivables at December 31, 2019, consisted of taxes, fines, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. At December 31, 2019, allowances for uncollectables were reported as follows:

General fund (fines)	$341,426
Water and sewerage fund (charges for services)	101,452
Electrical fund (charges for services)	606,173
Solid Waste (charges for services)	44,176
Telecom (charges for services)	248,472

3-C. Property Taxes

The City Council levied property taxes on December 16, 2019. Property taxes attach as an enforceable lien on property as of May 28, 2020. Property taxes were billed on January 6, 2020 and were payable on March 31, 2020.

The City is subject to tax abatements granted by the Development Authority of Washington County for the purpose of economic development and revitalization of employment in the area,

For the year ended December 31, 2019, the City had the following property tax abatement:

Trojan Battery has a 100% property tax abatement on the first $10,000,000 of personal property. The abatement began in 2013 and expires in 2020. The total property tax reduction for the City of Sandersville totaled $22,540 for FY 2019.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 960,416	$ -	$ -	$ 960,416
Construction in progress	130,218	145,641	(79,234)	196,625
Total capital assets not being depreciated	1,090,634	145,641	(79,234)	1,157,041
Other capital assets:				
Buildings	4,419,177	732,901	-	5,152,078
Equipment	5,298,631	16,934	(90,118)	5,225,447
Software	257,398	-	-	257,398
Infrastructure	4,695,539	242,910	-	4,938,449
Total other capital assets	14,670,745	992,745	(90,118)	15,573,372
Total capital assets	15,761,379	1,138,386	(169,352)	16,730,413
Accumulated depreciation:				
Buildings	1,786,154	135,833	-	1,921,987
Equipment	3,512,006	229,455	(90,118)	3,651,343
Software	183,864	16,732	-	200,596
Infrastructure	662,316	148,131	-	810,447
Total accumulated depreciation	6,144,340	530,151	(90,118)	6,584,373
Governmental activities capital assets, net	$ 9,617,039	$ 608,235	$ (79,234)	$ 10,146,040

Governmental activities depreciation expense:

General government	$ 138,614
Public safety	189,286
Public works	199,106
Culture and recreation	3,145
Housing and development	-
Total governmental activities depreciation expense	$ 530,151

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2019, was as follows:

	Beginning Balance 1/1/2019	Additions	Deductions	Ending Balance 12/31/2019
Business type acrtivities:				
Nondepreciable capital assets				
Land	$ 222,257	$ -	$ -	$ 222,257
Construction in progress	426,095	1,603,852	-	2,029,947
Total nondepreciable capital assets	648,352	1,603,852	-	2,252,204
Other capital assets:				
Buildings	472,360	-	-	472,360
Machinery and equipment	5,218,126	154,331	-	5,372,457
Infrastructure	25,054,145	158,677	-	25,212,822
Total other capital assets	30,744,631	313,008	-	31,057,639
Total capital assets	31,392,983	1,916,860	-	33,309,843
Accumulated depreciation:				
Buildings	337,249	8,438	-	345,687
Machinery and equipment	2,548,758	253,800	-	2,802,558
Infrastructure	17,005,000	561,954	-	17,566,954
Total accumulated depreciation	19,891,007	824,192	-	20,715,199
Business-type activities capital assets, net	$ 11,501,976	$ 1,092,668	$ -	$ 12,594,644

3-E Interfund Balances

Interfund Receivables/Payables – The following are interfund balances between funds:

	Payable from:							
Receivable to:	General	CHIP 2014	CHIP 2018	CDBG 2017	Telecom	Electrical	Solid Waste	Total
General	$ -	$ 14,033	$ 38,002	$ 28,011	$ -	$ -	$ -	$ 80,046
2013 SPLOST	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	119,977	-	119,977
Electrical	-	-	-	-	$ 148,873	-	5,549	154,422
Telcommunications	797	-	-	-	-	-	-	797
Total	$ 797	$ 14,033	$ 38,002	$ 28,011	$ 148,873	$ 119,977	$ 5,549	$ 355,242

Interfund balances at December 31, 2019, consisted of interfund loans between funds for cash flow purposes and for other budgeted purposes.

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers – Interfund transfers for the year ended December 31, 2020, consisted of the following::

	Transfers from:						
Transfers to:	General	Nonmajor Governmental	Water & Sewer	Electrical	Telecom	Solid Waste	Total
General	$ -	$ -	$ 171,857	$ 332,674	$ 5,024	$ 42,336	$ 551,891
Nonmajor Governmental	-	-	-	-	-	-	-
Total	$ -	$ -	$ 171,857	$ 332,674	$ 5,024	$ 42,336	$ 551,891

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F Long-term Debt

At December 31, 2019, the City has seven loans outstanding with the Georgia Environmental Finance Authority (GEFA).

GEFA Loan — DW00023 – In October 2006, the City borrowed $758,724 at an interest rate of 3% for water distribution system upgrades. Quarterly principal and interest payments are $12,884 with a final maturity date of January 1, 2026.

Annual debt service requirements to amortize this loan as of December 31, 2019 follow:

Year	Principal	Interest	Total
2020	$ 43,196	$ 8,339	$ 51,535
2021	44,510	7,025	51,535
2022	45,864	5,671	51,535
2023	47,259	4,276	51,535
2024	48,696	2,839	51,535
2025 - 2026	63,176	1,461	64,637
	$ 292,701	$ 29,611	$ 322,312

GEFA Loan — 2002-L22WS - In February 2006, the City borrowed $2,650,913 at an interest rate of 4.35% for water distribution system upgrades. Monthly principal and interest payments are $17,436 with a final maturity date of July 1, 2024.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this loan as of December 31, 2019 follow:

Year	Principal	Interest	Total
2020	$ 175,339	$ 33,894	$ 209,233
2021	183,144	26,089	209,233
2022	191,264	17,969	209,233
2023	199,752	9,481	209,233
2024	109,152	1,467	110,619
	$ 858,651	$ 88,900	$ 947,551

GEFA Loan — 2010L06WJ – In November 2011, the City borrowed $1,195,000 at an interest rate of 3.81% for water distribution system upgrades. Monthly principal and interest payments are $7,122 with a final maturity date of November 1, 2031.

Annual debt service requirements to amortize this loan as of December 31, 2019 follow:

Year	Principal	Interest	Total
2020	$ 55,452	$ 30,017	$ 85,469
2021	57,602	27,867	85,469
2022	59,835	25,634	85,469
2023	62,155	23,314	85,469
2024	64,565	20,904	85,469
2025 - 2029	362,372	64,971	427,343
2030 - 2031	151,111	5,581	156,692
	$ 813,092	$ 198,288	$ 1,011,380

GEFA Loan — CW15003 – In April 2017, the City borrowed $1,258,180 at an interest rate of 1.03% for sewer upgrades. Monthly principal and interest payments are $5,803 with a final maturity date of March 1, 2037.

Annual debt service requirements to amortize this loan as of December 31, 2019 follow:

Year	Principal	Interest	Total
2020	$ 58,581	$ 11,056	$ 69,637
2021	59,187	10,449	69,636
2022	59,800	9,837	69,637
2023	60,419	9,218	69,637
2024	61,044	8,593	69,637
2025 - 2029	314,828	33,356	348,184
2030 - 2034	331,460	16,725	348,185
2035 - 2037	154,837	1,868	156,705
	$ 1,100,156	$ 101,102	$ 1,201,258

Note 3 - Detailed Notes on All Funds (Continued)

GEFA Construction Loans– During 2019, the City secured $12,872,000 of construction financing with GEFA through three loans to upgrade the City's water and sewer system. The notes bear interest at rates between 0.62% and 1.41%. Interest is due monthly, and the entire principal balance will be paid by a USDA note at the completion of construction which is estimated to be in 2022. The balance due on these notes at December 31, 2019 was $1,356,787.

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2019:

	Outstanding 1/1/2019	Additions	Reductions	Outstanding 12/31/19	Amounts Due in One Year	Long-term Portion
Business-Type Activities:						
GEFA loan - DW00-023	$ 334,709	$ -	$ 42,008	$ 292,701	$ 43,196	$ 249,505
GEFA loan - 2002-L22WS	1,026,555	-	167,904	858,651	175,339	683,312
GEFA loan - 2010-L06WJ	866,474	-	53,382	813,092	55,452	757,640
GEFA loan - CW15003	1,158,138	-	57,982	1,100,156	58,581	1,041,575
GMA loan - 9910003183	25,150	-	25,150	-	-	-
GEFA Construction loans:						
GEFA loan - DW2018010	-	14,090	-	14,090	-	14,090
GEFA loan - CW2018014	-	508,546	-	508,546	-	508,546
GEFA lona - GF2019007	-	834,151	-	834,151	-	834,151
	$ 3,411,026	$1,356,787	$ 346,426	$ 4,421,387	$332,568	$4,088,819

The City's GEFA loans payable are being repaid from the City's water and sewerage fund. The City's Georgia Municipal Association loan was repaid from the solid waste fund.

3-G Pension

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

Note 3 - Detailed Notes on All Funds (Continued)

All full-time City employees (i.e., 30 hours per week) with one year of service are eligible to participate in the plan with benefits vesting after 5 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of

credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

At July 1, 2019, the date of the most recent actuarial valuation, there were 181 participants consisting of the following:

Retired participants and beneficiaries	70
Vested former participants	30
Active employees	77
Active elected officials	4
Total membership	**181**

Funding Policy – The obligations to contribute for both the City and its employees are established by the City council through ordinance. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 10.49% of annual covered payroll. City employees hired prior to March 1, 2017 are not required to contribute to GMEBS, however; employees hired or rehired after this date are required to contribute 2% of their earnings.

Contributions – The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2019, the actuarially determined contribution rate was $10.49% of covered payroll.

For the year ended December 31, 2019, the City's recommended and actual contribution was $349,616 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report dated July 1, 2019 and included in the government-wide statement of activities amounted to $342,577.

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at March 31, 2018*	$ 8,145,029	$ 6,718,690	$ 1,426,339
Changes for the year:			
Service Cost	128,571	-	128,571
Interest	602,417	-	602,417
Differences between expected and actual experience	92,968	-	92,968
Contributions - employer	-	-	-
Contributions - employee	-	331,563	(331,563)
Net investment income	-	7,636	(7,636)
Benefit payments, including refunds of employee contributions	-	239,144	(239,144)
Administrative expense	(482,737)	(482,737)	-
Other	-	-	-
Net changes	-	(19,456)	19,456
	21,242	-	21,242
	362,461	76,150	286,311
Balances at March 31, 2019**	$ 8,507,490	$ 6,794,840	$ 1,712,650

* *Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2018 are used to measure TPL as of March 31, 2018. The balances as of March 31, 2018 constitute measurements of the NPL for the fiscal year ending December 31, 2018.*

***Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2019 are used to measure TPL as of March 31, 2019. The balances as of March 31, 2019 constitute measurements of the NPL for the fiscal year ending December 31, 2019.*

Note 3 - Detailed Notes on All Funds (Continued)

Pension Expense for the Year Ended December 31, 2019

Service cost	$ 128,571
Interest on TPL	602,417
Employee contribution	(7,636)
Administrative expenses	19,456
Expected return on assets	(497,789)
Expensed portion of current year period differences between expected and actual experience in TPL	23,242
Expensed portion of current year period assumption changes	21,242
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investments earnings	51,729
Current year recognition of deferred inflows and outflows established in prior years	48,488
Total expense	$ 389,720

Deferred Outflows/Inflows of Resources related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 267,392	$ (101,216)
Changes of assumptions	70,425	-
Net difference between projected and actual earnings on pension plan investments	10,589	-
	-	-
Total	$ 348,406	$ (101,216)

Note 3 - Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31, 2019	
2019	$166,176
2020	55,710
2021	29,929
2022	80,537
	$332,352

Actuarial Assumptions

Current Valuation Date	July 1, 2019
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay (Closed)
Remaining Amortization Period	Varies for the Bases with a Net Effect Amortization Period of Ten 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
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	2.75%, plus age and service based merit increases
Cost of Living Adjustments	0.00%
Mortality Rates-	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - unisex rates
Plan Termination Bases	1994 Group Annuity Reserving Unisex Table

The long-term 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. 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, 2019 are1 summarized in the following table:

Note 3 - Detailed Notes on All Funds (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate:

1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
$ 2,783,881	$ 1,712,650	$ 817,118

Note 3 - Detailed Notes on All Funds (Continued)

*Schedule of Changes in the Net Pension Liability and Related Ratios**

Schedule of Changes in the Net Pension Liability and Related Ratios*

	2019	2018	2017	2016	2015
Total Pension Liability:					
Service cost	$ 128,571	$ 144,127	$ 136,371	$ 127,807	$ 119,816
Interest	602,417	562,396	561,884	532,346	496,859
Difference between expected and actual experience	92,968	286,477	(253,042)	128,906	218,391
Changes of assumptions	-	117,377	-	-	(15,167)
Changes of benefit terms	21,242	-	-	-	-
Benefit payments, including refunds of employee contributions	(482,737)	(444,154)	(433,043)	(382,805)	(341,205)
Net change in total pension liability	362,461	666,223	12,170	406,254	478,694
Total pension liability, beginning	8,145,029	7,478,806	7,466,636	7,060,382	6,581,688
Total pension liability, ending (a)	8,507,490	8,145,029	7,478,806	7,466,636	7,060,382
Plan Fiduciary Net Position:					
Contributions - employer	331,563	296,590	319,700	306,982	334,711
Contributions - employee	7,636	2,861	-	-	-
Net investment income	239,144	756,662	692,234	17,302	500,215
Benefit payments	(482,737)	(444,154)	(433,043)	(382,805)	(341,205)
Administrative expense	(19,456)	(16,967)	(17,456)	(11,934)	(10,926)
Other	-	-	-	-	-
Net change in fiduciary net position	76,150	594,992	561,435	(70,455)	482,795
Plan fiduciary net position, beginning	6,718,690	6,123,698	5,562,263	5,632,718	5,149,923
Plan fiduciary net position, ending (b)	6,794,840	6,718,690	6,123,698	5,562,263	5,632,718
Net pension liability, ending (a) - (b)	$ 1,712,650	$ 1,426,339	$ 1,355,108	$ 1,904,373	$ 1,427,664
Schedule of Contributions:					
Actuarially determined contributions**		$ 295,112	$ 330,361	$ 316,146	$ 303,927
Contributions in relation to the actuarially determined contribution**		(294,969)	(330,198)	(341,473)	(278,600)
Contribution deficiency (excess)		$ 143	$ 163	$ (25,327)	$ 25,327
Plan's fiduciary net position as a % of the total pension liability	79.87%	82.49%	81.88%	74.49%	79.78%
Covered-employee payroll	$ 3,288,568	$ 3,268,860	$ 3,333,519	$ 3,396,739	$ 3,239,785
Net pension liability as a % of covered-employee payroll	52.08%	43.63%	40.65%	56.06%	44.07%
Contributions as a % of covered-employee payr	-	9.02%	9.91%	10.05%	8.60%

** Historical information prior to implementation of GASB 67/68 is not required*

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

Note 3 - Detailed Notes on All Funds (Continued)

* *Historical information prior to implementation of GASB 67/68 is not required*

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

3-J. Fund Equity

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:	
Inventories	$ 57,672

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Nonmajor Governmental Funds:	
Hotel - Motel Tax	$ 316,718
Confiscated Assets	2,619
Total	$ 319,337
Major Capital Projects Funds:	
TSPLOST	$ 294,951
Capital Projects - 2013 SPLOST	386,789
Total	$ 681,740

- ***Unassigned*** – The following fund balances include the General Fund unassigned amount of $856,109:

Governmental Funds:	
Unassigned	$ 827,858

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2019 are as follows:

	Governmental Activities	Business Type Activities
Net investment in capital assets:		
Cost of capital assets	$ 16,730,413	$ 33,309,843
Less accumulated depreciation	6,584,373	20,715,199
Book value	10,146,040	12,594,644
Less capital related debt	-	4,421,385
Net investment in capital assets	$ 10,146,040	$ 8,173,259

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is to allow the pools' agents and attorneys to represent them in investigation, settlement discussions and all levels of litigation arising out of any claim made against them within the scope of loss protection provided by the funds.

The funds are to defend and protect the members of the funds against any liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Funds are to pay all costs assessed to its members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Settled claims in the last three years have not exceeded coverage. The City also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2019. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Central Savannah River Area Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

Central Savannah River Area Regional Development Center
3626 Walton Way Extension # 300
P.O. Box 2800
Augusta, GA 30914-2800

Note 4 - Other Notes (Continued)

4-D. Hotel/Motel Taxes

The City levies a 5% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended December 31, 2019 follows:

Fund balance, December 31, 2018	$ 297,807
Add:	
Hotel/motel taxes and misc.	62,561
Less:	
Expenditures	43,650
Transfers to general fund	-
Fund balance, December 31, 2019	$ 316,718

Expenditures of $43,650 (69.77% of current year's receipts) were for promotion of tourism as required by OCGA 48-13-51. This complies with the expenditure requirements of OCGA 48-13-51.

4-E. Contract Commitment

The City has commitments for contracts with the following organization.

Municipal Electric Authority of Georgia – The City has contracted for a period not to exceed 50 years, to purchase all of its electric power from the Municipal Electric Authority of Georgia (MEAG). MEAG agrees to provide the generating capacity necessary for reliable and economical power for the City's needs.

MEAG has issued bonds for the purpose of building generation, transmission, and telecommunications facilities. Each participant, such as the City, is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The City's contingent contractual obligation varies by individual MEAG project and totals approximately $39,792,874 at December 31, 2019. The contingent obligations are general obligations of the City to which the City's full faith, credit and taxing powers are pledged.

In 2007 the City purchased additional interest in MEAG's power sales contract from the City of College Park. Through an Inter-participant contract, in addition to premium payments to College Park in the amount of $41.7 million, the City purchased 15 MW of College Park's Project One Power Sales Contract. In fiscal year 2017, the City elected to discontinue paying the premium payments due in the amount of $1,025,583 for FY 2017, $1,027,291 for FY 2018 and $439,381 for FY 2019, leaving a remaining balance due of $39,908,296. Also in fiscal year 2019, the City paid $5,175,771 in Project One cost.

On April 12, 1999 the City adopted the provisions of a Municipal Competitive Trust agreement with MEAG. Under the agreement, MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (the participating Cities). The Trust was created to provide a means of accumulating funds to mitigate the expected differential between market rates for power and the associated costs of generating that power after the anticipated deregulation of the electric industry. The Trust provides for three types of accounts that are held by the trustee in the name of the City.

The flexible operating trust account includes funds that are available for withdrawal at the discretion of the City. This amount is included in investments and had a zero balance December 31, 2019. The two additional accounts created were the credit support operating trust account and the reserve funded debt trust account. The funds in the credit support operating trust account can only be used to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. There was a zero balance in this account as of December 31, 2019.

The funds in the reserve funded debt trust account can only be used for charges related to MEAG's bond obligations. The balance in this account at December 31, 2019 was $0. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of net position.

Note 4 - Other Notes (Continued)

In accordance with the First Amendment of the Municipal Competitive Trust, MEAG Power withdrew funds from the credit support operation account and the reserve funded debt account on behalf of the Participants for the purpose of lowering the annual generation charges for the period of January 1, 2009 through December 31, 2020. The annual amount for the City for 2019 was $15,778.

In accordance with the Second Amendment of the Municipal Competitive Trust, effective August 10, 2009, MEAG Power amended the restrictions and broadened the circumstances under which a Participant may withdraw funds from the New Generation Trust, which was established earlier in 2009 to provide for the future funding of the construction of new power generation facilities, including, but not limited to the Plant Vogtle expansion project. The voluntary funding of the New Generation Trust by Participants will improve the overall credit rating of MEAG Power in the municipal bond market, both now and in the future. The Generation Trust Account balance at December 31, 2019 was $6,152.

Note 5 – Subsequent Events

The City performed an evaluation of subsequent events through August 28, 2020, the date upon which the City's financial statements were available for issue. The City has not evaluated subsequent events after this date. No substantial events were identified that would have required a change to the financial statements or note disclosures in the notes to the financial statements.

City of Sandersville, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 3,740,304	$ 3,740,304	$ 3,966,304	$ 226,000
Licenses and permits	151,227	151,227	159,544	8,317
Intergovernmental	283,157	504,040	517,168	13,128
Charges for services	13,280	13,280	16,598	3,318
Fines and forfeitures	141,000	141,000	105,311	(35,689)
Miscellaneous	5,590	5,590	24,812	19,222
Total Revenues	4,334,558	4,555,441	4,789,737	234,296
Expenditures				
Current:				
General government	830,773	838,190	809,916	28,274
Municipal Court	111,126	111,126	93,566	17,560
Public safety	2,473,146	2,523,501	2,456,505	66,996
Public works	1,068,930	1,203,339	1,166,468	36,871
Health and welfare	35,150	35,150	35,150	-
Culture and recreation	72,197	72,491	62,607	9,884
Housing and development	291,182	298,182	241,530	56,652
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,882,504	5,081,979	4,865,742	216,237
Excess (Deficiency) of Revenues Over (Under) Expenditures	(547,946)	(526,538)	(76,005)	450,533
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	1,000	1,000	13,868	12,868
Transfers in	551,891	551,891	551,891	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	552,891	552,891	565,759	12,868
Net Change in Fund Balances	$ 4,945	$ 26,353	489,754	$ 463,401
Fund Balances Beginning of Year			424,027	
Fund Balances End of Year			$ 913,781	

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 321,020	$ -	$ 321,020
Receivables:			
Sales taxes	-	-	-
Hotel/motel taxes	6,277	-	6,277
Intergovernmental	-	38,002	38,002
Total Assets	$ 327,297	$ 38,002	$ 365,299
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 7,960	$ -	$ 7,960
Interfund payable	-	52,035	52,035
Unearned revenue	-	-	-
Total Liabilities	7,960	52,035	59,995
Fund Balances			
Restricted	319,337	-	319,337
Unassigned (deficit)	-	(14,033)	(14,033)
Total Fund Balances	319,337	(14,033)	305,304
Total Liabilities and Fund Balances	$ 327,297	$ 38,002	$ 365,299

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - By Fund Type

For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 62,243	$ -	$ 62,243
Sales taxes	-	-	-
Intergovernmental	-	-	-
Fines and forfeitures	1,257	-	1,257
Investment earnings	-	-	-
Miscellaneous	318	-	318
Total Revenues	63,818	-	63,818
Expenditures			
Current:			
Public safety	2,074	-	2,074
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	43,650		43,650
Capital Outlay	-	-	-
Total Expenditures	45,724	-	45,724
Excess of Revenues Over Expenditures	18,094	-	18,094
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	18,094	-	18,094
Fund Balances (Deficits) Beginning of Year	301,243	(14,033)	287,210
Fund Balances End of Year	$ 319,337	$ (14,033)	$ 305,304

City of Sandersville, Georgia
General Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 550,057	$ 172,801
Receivables (net, where applicable):		
Property taxes	2,522	1,105
Accounts	156,041	99,758
Interfund	80,046	27,744
Intergovernmental	76,885	70,585
Inventories	57,672	53,936
Prepaid expenses	-	-
Total Assets	$ 923,223	$ 425,929
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Accrued expenditures	6,123	-
Unearned revenue	-	-
Interfund payable	797	797
Total Liabilities	6,920	797
Deferred Inflows of Resources - Property Taxes	2,522	1,105
Total Liabilities and Deferred Inflows of Resources	9,442	1,902
Fund Balances		
Restricted	-	-
Nonspendable	57,672	53,936
Unassigned	856,109	370,091
Total Fund Balances	913,781	424,027
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 923,223	$ 425,929

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Taxes	$ 3,966,304	$ 3,794,745
Licenses and permits	159,544	156,151
Intergovernmental	517,168	326,902
Charges for services	16,598	10,001
Fines and forfeitures	105,311	132,748
Miscellaneous	24,812	297,335
Total Revenues	4,789,737	4,717,882
Expenditures		
Current:		
General government	809,916	844,775
Municipal Court	93,566	111,924
Public safety	2,456,505	2,402,273
Public works	1,166,468	1,298,958
Health and welfare	35,150	35,150
Culture and recreation	62,607	69,070
Housing and development	241,530	214,686
Debt Service:		
Interest and fiscal charges	-	-
Total Expenditures	4,865,742	4,976,836
Deficiency of Revenues (Under) Expenditures	(76,005)	(258,954)
Other Financing Sources (Uses)		
Proceeds from the disposition of capital assets	13,868	-
Transfers in	551,891	407,842
Transfers out	-	-
Total Other Financing Sources (Uses)	565,759	407,842
Net Change in Fund Balances	489,754	148,888
Fund Balances Beginning of Year	424,027	275,139
Fund Balances End of Year	$ 913,781	$ 424,027

City of Sandersville, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 1,050,000	$ 1,050,000	$ 1,114,168	$ 64,168
General property tax - delinquent	-	-	-	-
Motor vehicle property tax - current	60,000	60,000	52,217	(7,783)
Motor vehicle title adv tax	152,000	152,000	153,406	1,406
Mobile home - personal property	6,500	6,500	4,878	(1,622)
Public utility taxes	48,927	48,927	49,955	1,028
Real estate transfer taxes	800	800	1,206	406
Intangible taxes	1,000	1,000	5,767	4,767
Other	-	-	-	-
Penalties and interest on taxes	4,100	4,100	6,401	2,301
Total real and personal property taxes	1,323,327	1,323,327	1,387,998	64,671
Selective taxes:				
Sales tax	760,000	760,000	851,605	91,605
Franchise tax	1,101,977	1,101,977	1,140,104	38,127
Alcoholic beverage tax	135,000	135,000	135,422	422
Insurance premium tax	420,000	420,000	451,175	31,175
Total selective taxes	2,416,977	2,416,977	2,578,306	161,329
Licenses and permits:				
Alcoholic beverages	24,000	24,000	23,325	(675)
General business license	31,500	31,500	32,007	507
General business license - insurance	14,300	14,300	16,750	2,450
Financial institutions	45,894	45,894	49,132	3,238
Building structure and equipment permit	18,000	18,000	17,224	(776)
Permits	2,950	2,950	10,323	7,373
Other	14,283	14,283	10,600	(3,683)
Business license penalties	300	300	183	(117)
Total licenses and permits:	151,227	151,227	159,544	8,317
Intergovernmental				
Police grants	-	-	-	-
FEMA/GEMA emergency grant funds	-	128,883	128,883	-
Governor's Office of Highway safety grant	-	-	-	-
Forestry Commission grant	-	-	-	-
Forest land protection grant	1,900	1,900	1,894	(6)
GMA health grant	8,000	8,000	8,000	-
GMA safety liability grant	8,000	8,000	11,908	3,908
County reimbursement - public safety	50,000	142,000	142,019	19
County reimbursement - animal control	63,332	63,332	72,539	9,207
County development authority	146,160	146,160	146,160	-
Housing authority - payments in lieu of taxes	5,765	5,765	5,765	-
Total intergovernmental	283,157	504,040	517,168	13,128
Fines and forfeitures:				
Court fines	141,000	141,000	105,311	(35,689)
Charges for services:				
General government	3,830	3,830	4,295	465
Animal control	4,500	4,500	5,440	940
Public safety	2,350	2,350	2,063	(287)
Sale of cemetery lots	2,600	2,600	4,800	2,200
Total charges for services	13,280	13,280	16,598	3,318
Miscellaneous:				
Private donations	2,000	2,000	1,332	(668)
Miscellaneous	3,590	3,590	23,480	19,890
Total miscellaneous	5,590	5,590	24,812	19,222
Total revenues	4,334,558	4,555,441	4,789,737	234,296
Other financing sources:				
Transfers in	551,891	551,891	551,891	-
Proceeds from the disposition of capital assets	1,000	1,000	13,868	12,868
Total revenues and other financing sources	$ 4,887,449	$ 5,108,332	$ 5,355,496	$ 247,164

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government				
Governing body:				
Personal services	$ 81,849	$ 81,849	$ 112,809	$ (30,960)
Purchased services	55,159	55,159	22,134	33,025
Supplies	800	800	733	67
Miscellaneous	1,000	1,000	184	816
Total governing body	138,808	138,808	135,860	2,948
General administration				
Personal services	542,722	542,722	521,679	21,043
Purchased services	118,912	125,442	121,687	3,755
Supplies	9,700	9,700	19,584	(9,884)
Miscellaneous	11,035	11,035	1,840	9,195
Capital Outlays	1,200	1,200	-	1,200
Total general administration	683,569	690,099	664,790	25,309
General administration fees:				
Miscellaneous	8,396	9,283	9,266	17
Total general government	830,773	838,190	809,916	28,274
Municipal court				
Personal services	69,649	69,649	57,560	12,089
Purchased services	12,567	12,567	10,833	1,734
Supplies	531	531	132	399
Miscellaneous	28,379	28,379	25,041	3,338
Total municipal court	111,126	111,126	93,566	17,560
Public safety:				
Police:				
Personal services	1,319,376	1,319,376	1,258,544	60,832
Purchased services	175,032	175,032	190,754	(15,722)
Supplies	67,600	67,600	65,094	2,506
Miscellaneous	1,000	1,000	217	783
Capital outlay	3,500	11,536	6,110	5,426
Total police	1,566,508	1,574,544	1,520,719	53,825
Total carried forward	2,508,407	2,523,860	2,424,201	99,659

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 2,508,407	$ 2,523,860	$ 2,424,201	$ 99,659
Fire:				
Personal services	588,477	597,377	590,031	7,346
Purchased services	47,950	47,950	49,790	(1,840)
Supplies	20,350	22,248	21,090	1,158
Miscellaneous	500	500	575	(75)
Capital outlay	-	-	-	-
Total fire	657,277	668,075	661,486	6,589
Animal control:				
Personal services	91,461	122,982	118,683	4,299
Purchased services	12,000	12,000	12,702	(702)
Supplies	5,900	5,900	4,667	1,233
Miscellaneous	500	500	248	252
Capital outlay	1,500	1,500	-	1,500
Total animal control	111,361	142,882	136,300	6,582
EMA/E-911 Fee	138,000	138,000	138,000	-
Total public safety	2,473,146	2,523,501	2,456,505	66,996
Public works:				
Public works - operations:				
Personal services	154,252	154,252	154,124	128
Purchased services	18,100	19,900	17,383	2,517
Supplies	4,300	4,300	4,272	28
Miscellaneous	500	500	-	500
Total - public works - operations	177,152	178,952	175,779	3,173
Street department				
Personal services	482,414	482,414	468,208	14,206
Purchased services	68,950	68,950	52,521	16,429
Supplies	72,500	72,500	65,866	6,634
Miscellaneous	1,000	1,000	75	925
Street repairs	-	-	12,757	(12,757)
Capital outlays	-	132,609	132,609	-
Total street department	624,864	757,473	732,036	25,437
Total carried forward	4,217,061	4,409,242	4,267,802	141,440

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 4,217,061	$ 4,409,242	$ 4,267,802	$ 141,440
Fleet maintenance				
Personal services	55,714	55,714	56,048	(334)
Purchased services	6,725	6,725	5,021	1,704
Supplies	7,650	7,650	5,840	1,810
Miscellaneous	500	500	-	500
Capital Outlays	-	-	-	-
Total fleet maintenance	70,589	70,589	66,909	3,680
Parks and Cemetery				
Personal services	153,125	153,125	150,557	2,568
Purchased services	26,600	26,600	29,714	(3,114)
Supplies	16,100	16,100	11,165	4,935
Capital outlay	-	-	-	-
Miscellaneous	500	500	308	192
Total parks and cemetery	196,325	196,325	191,744	4,581
Total public works	1,068,930	1,203,339	1,166,468	36,871
Health and welfare				
Payments for senior center	35,150	35,150	35,150	-
Culture and recreation				
Disc Golf				
Personal services	-	-	-	-
Purchased services	7,200	7,200	6,139	1,061
Supplies	12,100	12,100	5,142	6,958
Capital outlay	-	-	-	-
Miscellaneous	6,000	6,000	4,135	1,865
Total disc golf	25,300	25,300	15,416	9,884
Parks:				
Payments to DAR	1,710	1,710	1,710	-
Forestry and nursery:				
Payments to Tree City	1,000	1,294	1,294	-
Total carried forward	4,547,135	4,739,610	4,580,025	159,585

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	4,547,135	4,739,610	4,580,025	159,585
Libraries:				
Payment to Rosa M. Tarbutton Library	44,187	44,187	44,187	-
Total culture and recreation	72,197	72,491	62,607	9,884
Housing and development:				
Planning and zoning				
Personal services	182,482	182,482	140,159	42,323
Purchased services	38,550	38,550	27,160	11,390
Supplies	4,150	4,150	4,195	(45)
Capital outlay	2,500	2,500	-	2,500
Miscellaneous	500	500	16	484
Total planning and zoning	228,182	228,182	171,530	56,652
Economic development and assistance				
UGA Archway	8,000	15,000	15,000	-
Historical society	-	-	-	-
Industrial park	-	-	-	-
Downtown development authority	6,000	6,000	6,000	-
Downtown tourism	-	-	-	-
Public facilities authority	-	-	-	-
Payment to WACO airport	19,000	19,000	19,000	-
Payment to WACO chamber of commerce	30,000	30,000	30,000	-
Total economic development and assistance	63,000	70,000	70,000	-
Total housing and development	291,182	298,182	241,530	56,652
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	4,882,504	5,081,979	4,865,742	216,237
Other financing Uses:				
Transfers out	-	-	-	-
Total Expenditures and Transfers	$ 4,882,504	$ 5,081,979	$ 4,865,742	$ 216,237

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	$ 310,441	$ 10,579	$ 321,020
Taxes receivable	6,277	-	6,277
Total Assets	$ 316,718	$ 10,579	$ 327,297
Liabilities			
Account payables	-	7,960	7,960
Fund Balances			
Restricted	$ 316,718	$ 2,619	$ 319,337
Unassigned (deficit)	-	-	$ -
Total Liabilities and Fund Balances	$ 316,718	$ 10,579	$ 327,297

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	$ 62,243	$ -	$ 62,243
Fines and forfeitures	-	1,257	1,257
Intergovernmental	-	-	-
Miscellaneous	318	-	318
Total Revenues	62,561	1,257	63,818
Expenditures			
Current:			
Public safety	-	2,074	2,074
Housing and development	43,650	-	43,650
Capital Outlay	-	-	-
Total Expenditures	43,650	2,074	45,724
Excess of Revenues Over Expenditures	18,911	(817)	18,094
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Net Change in Fund Balances	18,911	(817)	18,094
Fund Balances Beginning of Year	297,807	3,436	301,243
Fund Balances End of Year	$ 316,718	$ 2,619	$ 319,337

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 310,441	$ 292,127
Hotel/motel taxes receivable	6,277	5,680
Total Assets	$ 316,718	$ 297,807
Fund Balances		
Restricted for housing and development	$ 316,718	$ 297,807

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Hotel/Motel Tax Fund

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 53,263	$ 53,263	$ 62,243	$ 8,980	$ 56,780
Miscellaneous	75	75	318	243	358
Total Revenues	53,338	53,338	62,561	9,223	57,138
Expenditures					
Current:					
Housing and development	56,175	56,175	43,650	12,525	37,642
Excess of Revenues Over Expenditures	(2,837)	(2,837)	18,911	21,748	19,496
Other Financing (Uses)					
Transfers out	-	-	-	-	-
Net Change in Fund Balances	$ (2,837)	$ (2,837)	18,911	$ 21,748	19,496
Fund Balances Beginning of Year			297,807		278,311
Fund Balances End of Year			$ 316,718		$ 297,807

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2019

	2019	2018
Assets		
Cash and cash equivalents	$ 10,579	$ 10,821
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 7,960	$ 7,385
Fund Balances		
Restricted for public safety	2,619	3,436
Total Liabilities and Fund Balances	$ 10,579	$ 10,821

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Confiscated Assets Fund

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ -	$ -	$ 1,257	$ 1,257	$ 2,617
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	1,257	1,257	2,617
Expenditures					
Current:					
Public Safety	2,000	2,000	2,074	(74)	1,994
Capital Outlay	-	-	-	-	-
Total Expenditures	2,000	2,000	2,074	(74)	1,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,000)	(817)	1,183	623
Other Financing Uses					
Transfers Out	-	-	-	-	-
Net Change in Fund Balances	$ (2,000)	$ (2,000)	(817)	$ 1,183	623
Fund Balances Beginning of Year			3,436		2,813
Fund Balances End of Year			$ 2,619		$ 3,436

City of Sandersville, Georgia
Comparative Balance Sheet
T-SPLOST Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 281,002	$ 207,831
Intergovernmental receivable	13,949	13,898
Total Assets	$ 294,951	$ 221,729
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Unearned revenue	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for transportation	294,951	221,729
Total Fund Balances	294,951	221,729
Total Liabilities and Fund Balances	$ 294,951	$ 221,729

City of Sandersville, Georgia
Comparitve Statement of Expenditures
and Changes in Fund Balance
T-SPLOST Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues:		
Sales Tax	$ 154,842	$ 154,663
Intergovernmental revenue	141,838	86,706
Total Revenues	296,680	241,369
Expenditures		
Public works	160,899	-
Capital Outlays	62,559	536,456
Total Expenditures	223,458	536,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,222	(295,087)
Other Financing Sources		
Transfers out	-	-
Fund Balances Beginning of Year	221,729	516,816
Fund Balances End of Year	$ 294,951	$ 221,729

City of Sandersville, Georgia
Comparative Balance Sheet
2013 SPLOST Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 386,789	$ 260,772
Receivables:		
Intergovernmental	-	$ 21,517
Total Assets	$ 386,789	$ 282,289
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for capital purchases	386,789	282,289
Liabilities and Fund Balances	$ 386,789	$ 282,289

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2013 SPLOST Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Intergovernmental	$ 315,471	$ 287,624
Expenditures		
Current:		
General government	$ -	$ -
Public works	6,764	3,038
Housing and economic development	-	-
Capital Outlay	204,207	218,499
Total Expenditures	210,971	221,537
Excess (Deficiency) of Revenues Over (Under) Expenditures	104,500	66,087
Other Financing Sources		
Transfers in	-	-
Net Change in Fund Balances	104,500	66,087
Fund Balances Beginning of Year	282,289	216,202
Fund Balances End of Year	$ 386,789	$ 282,289

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2017 Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 355	$ 100
Intergovernmental receivable	13,438	13,437
Total Assets	$ 13,793	$ 13,537
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	28,011	13,537
Total Liabilities	28,011	13,537
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(14,218)	-
Total Fund Balances	(14,218)	-
Total Liabilities and Fund Balances	$ 13,793	$ 13,537

City of Sandersville, Georgia
Comparitive Statement of Revenues and Changes in Fund Balances
CDBG 2017 Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues:		
Intergovernmental revenue	$ 639,449	$ 79,234
Expenditures		
Housing and development	-	-
Capital Outlays	653,667	79,234
Total Expenditures	653,667	79,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,218)	-
Other Financing Sources		
Transfer in	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ (14,218)	$ -

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	CHIP 2018	CHIP 2014	Total Nonmajor Capital Projects Funds
Assets			
Cash and cash equivalents	$ -	$ -	$ -
Receivables:			
Intergovernmental	38,002	-	38,002
Sales taxes	-	-	-
Total Assets	$ 38,002	$ -	$ 38,002
Liabilities			
Accounts payable	$ -	$ -	$ -
Interfund payable	38,002	14,033	52,035
Unearned revenue	-	-	-
Total Liabilities	38,002	14,033	52,035
Fund Balances			
Restricted for transportation	-	-	-
Unassigned (deficit)	-	(14,033)	(14,033)
Total Liabilities and Fund Balances	$ 38,002	$ -	$ 38,002

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2019

	CHIP 2018	CHIP 2014	Total Nonmajor Capital Projects Funds
Revenues:			
Sales taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Total Revenues	-	-	-
Expenditures			
Current:			
Public works	-	-	-
Housing and development	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess of Revenues Over Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balances Beginning of Year	-	(14,033)	(14,033)
Fund Balances End of Year	$ -	$ (14,033)	$ (14,033)

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2018 Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ -	$ -
Intergovernmental receivable	38,002	174
Total Assets	$ 38,002	$ 174
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 38,002	$ 174
Fund Balances		
Restricted	-	-
Unassigned (deficit)	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 38,002	$ 174

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2018 Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues:		
Intergovernmental revenue	$ -	$ -
Expenditures		
Housing and Development	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2014 Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 14,033	$ 14,033
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(14,033)	(14,033)
Total Fund Balances	(14,033)	(14,033)
Total Liabilities and Fund Balances	-	$ -

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2014 Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues:		
Intergovernmental revenue	$ -	$ -
Expenditures		
Housing and development	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	(14,033)	(14,033)
Fund Balances End of Year	$ (14,033)	$ (14,033)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,370,179	$ 2,069,897
Investments	721,663	705,958
Receivable:		
Accounts (net)	256,868	445,813
Interfund	119,977	119,977
Due from FEMA	-	-
Prepaid expenses	-	-
Inventories	66,041	87,168
Total Current Assets	3,534,728	3,428,813
Noncurrent Assets:		
Capital assets:		
Nondepreciable	168,636	168,636
Depreciable, net	8,543,541	9,027,161
Construction in progress	2,014,614	410,762
Total Noncurrent Assets	10,726,791	9,606,559
Total Assets	14,261,519	13,035,372
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
GEFA loans payable	332,568	321,188
Customer deposits held	8,355	7,481
Total Current Liabilities	340,923	328,669
Long-term Liabilities (net of current portion):		
GEFA loans payable	4,088,817	3,064,644
Total Liabilities	4,429,740	3,393,313
Net Position		
Net investment in capital assets	6,305,406	6,220,727
Unrestricted	3,526,373	3,421,332
Total Net Position	$ 9,831,779	$ 9,642,059

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 2,452,243	$ 2,419,020
Miscellaneous	28,625	3,747
Total Operating Revenues	2,480,868	2,422,767
Operating Expenses		
Personal services - salaries	415,232	402,388
Personal services - benefits	165,580	160,479
Purchased services	484,747	276,939
Materials and supplies	180,843	200,970
Miscellaneous	31,865	19,333
Depreciation	633,299	617,672
Total Operating Expenses	1,911,566	1,677,781
Operating Income	569,302	744,986
Non-Operating Revenues (Expenses)		
Interest and dividend income	15,705	12,918
Intergovernmental Grant	-	237,867
GEFA loan fees	(128,720)	-
Interest and fiscal charges	(94,710)	(105,597)
Total Non-Operating Revenues (Expenses)	(207,725)	145,188
Income Before Contributions and Transfers In (Out)	361,577	890,174
Contributions	-	-
Transfer In	-	-
Transfers Out	(171,857)	(127,719)
Change in Net Position	189,720	762,455
Net Position Beginning of Year	9,642,059	8,879,604
Net Position End of Year	$ 9,831,779	$ 9,642,059

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 2,669,813	$ 2,156,608
Cash payments to employees for services	(580,812)	(562,867)
Cash payments for goods and services	(675,454)	(461,735)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	1,413,547	1,132,006
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund receivable	-	-
Transfers in	-	-
Transfers out	(171,857)	(127,719)
Net Cash Provided by (Used in) Noncapital Financing Activities	(171,857)	(127,719)
Cash Flows from Capital and Related Financing Activities		
GEFA grant	-	237,867
Principal paid on GEFA notes	(321,234)	(310,274)
Interest paid on notes	(94,710)	(105,597)
GEFA loan fees	(128,720)	-
Proceeds from notes payable	1,356,787	-
Acquisition of capital assets	(1,753,531)	(585,233)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(941,408)	(763,237)
Cash Flows from Investing Activities		
Interest and dividend income	15,705	12,918
Investment earnings	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	315,987	253,968
Cash and Cash Equivalents Beginning of Year	2,775,855	2,521,887
Cash and Cash Equivalents End of Year	$ 3,091,842	$ 2,775,855
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 2,370,179	$ 2,069,897
Cash in Georgia Fund I	721,663	705,958
Total Cash and Cash Equivalents	$ 3,091,842	$ 2,775,855

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2019 and 2018

(continued)

	2019	2018
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 569,302	$ 744,986
Adjustments:		
Depreciation and amortization	633,299	617,672
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	188,945	(266,159)
Inventories	21,127	34,714
Prepaid expenses	-	-
Interfund receivable	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Customer deposits payable	874	793
Net Cash Provided by (Used in) Operating Activities	$ 1,413,547	$ 1,132,006

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 5,269,600	$ 5,202,453
Cash in Georgia Fund I	7,923,420	7,750,985
Investments	6,152	5,990
Receivable:		
Accounts (net)	1,116,042	1,152,034
Interfund	154,422	154,422
Prepaid expenses	-	-
Inventories	469,264	461,441
Total Current Assets	14,938,900	14,727,325
Noncurrent Assets:		
Capital assets:		
Nondepreciable	53,621	53,621
Depreciable, net	1,535,792	1,512,372
Total Noncurrent Assets	1,589,413	1,565,993
Total Assets	16,528,313	16,293,318
Liabilities		
Current Liabilities:		
Accounts payable	53,210	47,460
Accrued expenses payable	-	-
Sales tax payable	26,678	30,767
Interfund payable	119,977	119,977
Customer deposits payable	311,978	306,383
Total Current Liabilities	511,843	504,587
Net Position		
Investment in capital assets	1,589,413	1,565,993
Unrestricted	14,427,057	14,222,738
Total Net Position	$ 16,016,470	$ 15,788,731

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 13,508,279	$ 13,758,473
Miscellaneous	6,760	9,783
Total Operating Revenues	13,515,039	13,768,256
Operating Expenses		
Personal services - salaries	449,742	439,621
Personal services - benefits	133,909	126,128
Electricity purchased	11,385,845	9,987,751
Purchased services	350,348	376,341
Franchise fee	532,491	540,190
Materials and supplies	113,675	102,704
Miscellaneous	21,304	25,836
Depreciation	139,909	140,346
Total Operating Expenses	13,127,223	11,738,917
Operating Income (Loss)	387,816	2,029,339
Non-Operating Revenues (Expenses)		
Interest and dividend income	172,579	141,944
Change in fair market value of investments	18	(7)
Interest and fiscal charges	-	-
Federal Grant	-	-
Total Non-Operating Revenues (Expenses)	172,597	141,937
Income (Loss) Before Contributions and Transfers In (Out)	560,413	2,171,276
Contributions	-	-
Transfers In (Out)	(332,674)	(238,210)
Change in Net Position	227,739	1,933,066
Net Position Beginning of Year	15,788,731	13,855,665
Net Position End of Year	$ 16,016,470	$ 15,788,731

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 13,551,031	$ 13,686,798
Cash payments to employees for services	(583,651)	(565,749)
Cash payments for goods and services	(12,404,230)	(11,018,233)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	563,150	2,102,816
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund receivable	-	-
Interfund payable	-	-
Transfers in (out)	(332,674)	(238,210)
Net Cash Provided by (Used in) Noncapital Financing Activities	(332,674)	(238,210)
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Interest paid	-	-
Acquisition of capital assets	(163,329)	(129,053)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(163,329)	(129,053)
Cash Flows from Investing Activities		
Investment earnings (loss)	18	(7)
Interest and dividend income	172,579	141,944
Net (purchase) sale of investments	(162)	(108)
Cash Flows from Investing Activities	172,435	141,829
Net Increase (Decrease) in Cash and Cash Equivalents	239,582	1,877,382
Cash and Cash Equivalents Beginning of Year	12,953,438	11,076,056
Cash and Cash Equivalents End of Year	$ 13,193,020	$ 12,953,438
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 5,269,600	$ 5,202,453
Cash in Georgia Fund I	7,923,420	$ 7,750,985
Total Cash and Cash Equivalents	$ 13,193,020	$ 12,953,438

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2019 and 2018

(continued)

	2019	2018
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 387,816	$ 2,029,339
Adjustments:		
Depreciation	139,909	140,346
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	35,992	(81,458)
Inventories	(7,823)	1,716
Prepaid expenses	-	209
Increase (Decrease) in Liabilities:		
Accounts payable	5,750	982
Accrued expenses payable	-	-
Sales tax payable	(4,089)	5,862
Interfund payable	-	-
Customer deposits	5,595	5,820
Net Cash Provided by (Used in) Operating Activities	$ 563,150	$ 2,102,816

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 629,934	$ 575,034
Receivable:		
Accounts (net)	26,161	23,879
Interfund	797	797
Prepaid expenses	-	-
Inventory	9,821	12,328
Total Current Assets	666,713	612,038
Noncurrent Assets:		
Capital assets:		
Depreciable, net	160,460	192,170
Construction in progress	15,333	15,333
Total Assets	842,506	819,541
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Customer deposits payable	50	50
Interfund payable	-	-
Total Current Liabilities	50	50
Long-term Liabilities (net of current portion):		
Due to electrical fund	148,873	148,873
Total Liabilities	148,923	148,923
Net Position		
Net investment in capital assets	175,793	207,503
Unrestricted	517,790	463,115
Total Net Position	$ 693,583	$ 670,618

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 134,643	$ 141,802
Miscellaneous	18,528	18,528
Total Operating Revenues	153,171	160,330
Operating Expenses		
Personal services - salaries	-	-
Personal services - benefits	-	-
Franchise fee	6,709	7,043
Purchased services	77,065	48,127
Materials and supplies	5,375	919
Depreciation	31,710	36,705
Miscellaneous	4,323	4,561
Total Operating Expenses	125,182	97,355
Operating Income	27,989	62,975
Transfers In (Out)	(5,024)	(9,134)
Change in Net Position	22,965	53,841
Net Position Beginning of Year	670,618	616,777
Net Position End of Year	$ 693,583	$ 670,618

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 150,889	$ 160,945
Cash payments to employees for services	-	-
Cash payments for goods and services	(90,965)	(64,518)
Net Cash Provided by (Used in) Operating Activities	59,924	96,427
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	-
Interfund payable	-	-
Transfers in (out)	(5,024)	(9,134)
Net Cash Provided by (Used in) Noncapital Financing Activities	(5,024)	(9,134)
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	-	(15,333)
Net Increase (Decrease) in Cash and Cash Equivalents	54,900	71,960
Cash and Cash Equivalents Beginning of Year	575,034	503,074
Cash and Cash Equivalents End of Year	$ 629,934	$ 575,034
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 629,934	$ 575,034

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2019 and 2018

(continued)

	2019	2018
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 27,989	$ 62,975
Adjustments:		
Depreciation	31,710	36,705
(Increase) Decrease in Assets:		
Accounts receivable	(2,282)	615
Inventories	2,507	(3,868)
Prepaid expenses	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Customer deposits	-	-
Net Cash Provided by (Used in) Operating Activities	$ 59,924	$ 96,427

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 146,218	$ 269,014
Due from FEMA	-	-
Accounts receivable (net)	88,832	85,833
Prepaid expenses	-	-
Total Current Assets	235,050	354,847
Noncurrent Assets:		
Capital assets:		
Depreciable, net	102,647	121,921
Total Assets	337,697	476,768
Liabilities		
Current Liabilities:		
Accounts payable	55	-
Current portion of notes payable	-	25,194
Interfund payable	5,549	5,549
Total Current Liabilities	5,604	30,743
Noncurrent Liabilities		
Notes Payable, net of current portion	-	-
Total Liabilities	5,604	30,743
Net Position		
Net investment in capital assets	102,647	96,727
Unrestricted	229,446	349,298
Total Net Position	$ 332,093	$ 446,025

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 925,239	$ 910,275
Miscellaneous	-	-
Total Operating Revenues	925,239	910,275
Operating Expenses		
Personal services - salaries	77,863	74,052
Personal services - benefits	31,734	28,701
Purchased services	845,741	692,820
Materials and supplies	13,920	16,498
Depreciation	19,273	23,550
Miscellaneous	7,650	10,341
Total Operating Expenses	996,181	845,962
Operating Income	(70,942)	64,313
Non-Operating Revenues (Expenses)		
Interest Expense	(654)	(1,500)
Federal Grant	-	-
Total Non-Operating Revenues	(654)	(1,500)
Income (Loss) Before Contributions and Transfers In (Out)	(71,596)	62,813
Transfers In (Out)	(42,336)	(32,779)
Capital Contributions	-	-
Change in Net Position	(113,932)	30,034
Net Position Beginning of Year	446,025	415,991
Net Position End of Year	$ 332,093	$ 446,025

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 922,240	$ 942,993
Cash payments to employees for services	(109,596)	(102,753)
Cash payments for goods and services	(867,256)	(719,659)
Net Cash Provided by (Used in) Operating Activities	(54,612)	120,581
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund payable	-	-
Transfers out	(42,336)	(32,779)
Net Cash Provided by (Used in) Noncapital Financing Activities	(42,336)	(32,779)
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	(25,194)	(24,268)
Interest paid on notes	(654)	(1,500)
Payments for capital acquisitions	-	-
Net Cash (Used in) Capital and Related Financing Activities	(25,848)	(25,768)
Net Increase (Decrease) in Cash and Cash Equivalents	(122,796)	62,034
Cash and Cash Equivalents Beginning of Year	269,014	206,980
Cash and Cash Equivalents End of Year	$ 146,218	$ 269,014
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 146,218	$ 269,014

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2019 and 2018

(continued)

	2019	2018
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ (70,942)	$ 64,313
Adjustments:		
Depreciation	19,273	23,550
(Increase) Decrease in Assets:		
Accounts receivable	(2,999)	32,718
Prepaid expenses	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	56	-
Accrued expenses payable	-	-
Net Cash Provided by (Used in) Operating Activities	$ (54,612)	$ 120,581

City of Sandersville, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended December 31, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
2013 Tax:						
Fire protection	$ 100,000	$ 100,000	$ 139,341	$ 6,764	$ 146,105	146.1%
Transportation improvements	500,000	500,000	414,554	-	414,554	82.9%
Economic development	400,000	400,000	12,527	-	12,527	3.1%
Capital outlays:						
Street department equipment	300,000	300,000	129,744	-	129,744	43.2%
Water & sewer system equipment & upgrades	500,000	500,000	-	-	-	0.0%
General & admin equipment	100,000	100,000	74,823	204,207	279,030	279.0%
Police department vehicles & equipment	200,000	200,000	195,732	-	195,732	97.9%
Electrical fund equipment	200,000	200,000	41,610	-	41,610	20.8%

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

To the Mayor and Council
City of Sandersville, Georgia

We have audited, 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, the financial statements of the governmental activities, the business type activities the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Sandersville, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Sandersville's basic financial statements and have issued our report thereon dated August 28, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that were considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Wright & Wright, P.C.

Sandersville, Georgia
August 28, 2020