CITY OF SANDERSVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2018

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2018

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

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

Nonmajor Capital Projects Funds:
Combining Balance Sheet 68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 69
CDBG 2017 Fund
Comparative Balance Sheet 70
Comparative 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

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2018, 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 June 21, 2019 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
June 21, 2019

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, 2018. 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 $35,973,529 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $17,707,989 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 $805,261 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $17,460,279 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 $1,215,255 this year. This compares to the prior year ending fund balance of $1,275,248 showing a decrease of $59,993 during the current year. Unassigned fund balance of $356,058 at December 31, 2018 shows a $430,802 increase from the prior year of (60,711).

- At the end of the current fiscal year, unassigned fund balance for the general fund was $370,091 or (7.44%) of total General Fund expenditures, as compared to (1.34%) at December 31, 2017.

- 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 $35,973,529 as compared to $32,608,357 at December 31, 2017. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Percentage
	2018	2017	2018	2017	2018	2017	of Total
Assets:							
Current assets	$1,252,286	$ 1,586,743	$18,848,624	$16,301,659	$ 20,100,910	$ 17,888,402	48%
Capital assets	9,617,039	8,955,439	11,501,976	11,590,630	21,119,015	20,546,069	51%
Deferred outflows	418,320	164,699	-	-	418,320	164,699	1%
Total assets	11,287,645	10,706,881	30,350,600	27,892,289	41,638,245	38,599,170	100%
Liabilities:							
Current liabilities	35,926	298,768	738,523	713,226	774,449	1,011,994	14%
Long-term liabilities	1,426,339	1,355,108	3,064,644	3,411,026	4,490,983	4,766,134	79%
Deferred inflows	399,284	212,685	-	-	399,284	212,685	7%
Total liabilities	1,861,549	1,866,561	3,803,167	4,124,252	5,664,716	5,990,813	100%
Net position:							
Net investment in capital assets	9,617,039	8,955,439	8,090,950	7,845,062	17,707,989	16,800,501	49%
Restricted	805,261	1,349,992	-	-	805,261	1,349,992	2%
Unrestricted	(996,204)	(1,465,111)	18,456,483	15,922,975	17,460,279	14,457,864	49%
Total net position	$9,426,096	$ 8,840,320	$26,547,433	$23,768,037	$ 35,973,529	$ 32,608,357	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 34.9 to 1 as compared to 5.3 to 1 at December 31, 2017. The current ratio for business-type activities is 25.5 to 1 as compared to 22.9 to 1 at December 31, 2017.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $585,776 or 6.6% for governmental activities, and increased $2,779,396 or 11.7% for business-type activities. The City's overall financial position increased by $3,365,172 or 10.3% during fiscal year 2018.

Note that 102% of the governmental activities' net position is tied up in capital assets. The City uses these capital assets to provide services to its citizens. However, in business type activities, the City has spent 30.5% of its net position on capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 49.2% 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	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program:						
Charges for services & fines	$ 442,505	$ 375,554	$ 17,261,628	$ 16,755,345	17,704,133	17,130,899
Operating grants	796,363	544,346	237,867	351,244	1,034,230	895,590
Capital grants	333,034	194,517	-	-	333,034	194,517
General:	-	-			-	
Taxes	3,783,123	3,532,232	-	-	3,783,123	3,532,232
Other	19,217	51,715	154,855	141,272	174,072	192,987
Total revenues	5,374,242	4,698,364	17,654,350	17,247,861	23,028,592	21,946,225
Program Expenses:						
General government	937,660	898,007	-	-	937,660	898,007
Judicial	111,924	102,473	-	-	111,924	102,473
Public safety	2,580,782	2,570,533	-	-	2,580,782	2,570,533
Public works	1,197,834	1,234,081	-	-	1,197,834	1,234,081
Health and welfare	43,189	35,150	-	-	43,189	35,150
Culture and recreation	72,591	68,723	-	-	72,591	68,723
Housing and devel.	252,328	302,937	-	-	252,328	302,937
Interest	-	-	-	-	-	-
Water and sewer	-	-	1,783,378	1,761,308	1,783,378	1,761,308
Electrical	-	-	11,738,917	11,938,076	11,738,917	11,938,076
Telecommunications	-	-	97,355	149,973	97,355	149,973
Solid waste	-	-	847,462	839,353	847,462	839,353
Total expenses	5,196,308	5,211,904	14,467,112	14,688,710	19,663,420	19,900,614
Revenues over (under) expenses	177,934	(513,540)	3,187,238	2,559,151	3,365,172	2,045,611
Transfers in (out)	407,842	407,842	(407,842)	(407,842)	-	-
Net changes in net position	585,776	(105,698)	2,779,396	2,151,309	3,365,172	2,045,611
Beginning net position	8,840,320	8,946,018	23,768,037	21,616,728	32,608,357	30,562,746
Prior period adjustment	-	-	-	-	-	-
Net position, beginning as restated	8,840,320	8,946,018	23,768,037	21,616,728	32,608,357	30,562,746
Ending net position	$ 9,426,096	$ 8,840,320	$ 26,547,433	$ 23,768,037	$ 35,973,529	$ 32,608,357

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 20.3% of the City's total governmental revenues as compared to 20.6% in fiscal year 2017. Sales taxes make up 14.5% of the City's total governmental revenues as compared to 15.6% in fiscal year 2017.

User charges and fines revenue source totaled $442,505 and operating grants totaled $796,363. Note that program revenues cover 30.3% of governmental operating expenses. If the capital grant revenue referenced above were excluded from program revenue, program revenue would only cover 23.8% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 69.75% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up 72.8% of the total governmental activities expenses as compared to 73.0% in fiscal year 2017. General government totaled $937,660 and the housing and development costs were $252,328.

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 costs 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	$ 937,660	18.0%	$ (384,210)	10.6%
Judicial	111,924	2.2%	(111,924)	3.1%
Public safety	2,580,782	49.7%	(2,276,677)	62.8%
Public works	1,197,834	23.1%	(689,527)	19.0%
Health and welfare	43,189	0.8%	(43,189)	1.2%
Culture and recreation	72,591	1.4%	(69,491)	1.9%
Housing and development	252,328	4.9%	(49,388)	1.4%
Interest	-	0.0%	-	0.0%
Total	$ 5,196,308	100.0%	$ (3,624,406)	100.0%

Public safety totals 62.8% of the net cost of service while Public Works and General Government total 19.0% and 10.6%, respectively, of these costs.

BUSINESS-TYPE ACTIVITIES

Overall Analysis – For all enterprise funds, total operating revenues increased $506,283 or 3.0%. Operating expenses decreased $210,755 or 1.3%. In total, the operating income increased $717,038, of 32.8%. The total increase in the operating income relates primarily to increases in the water & sewer fund and electric fund in the amount of $96,903 and $578,924 respectively.

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

	Amount
Electric	$ 2,029,339
Water and sewer	744,986
Telecom	62,975
Solid waste	64,313

The following includes an analysis of the fiscal year 2018 financial activities for each utility.

Electric Utility – The operating income of $2,029,339 in fiscal year 2018 compares to an increase in operating income of $1,450,415 in fiscal year 2017. This increase in operating income relates to a decrease in the cost of electricity purchased in the amount of $172,446 and an increase in charges for services of $406,457. The fiscal year 2018 operating revenues increased $379,765 or 2.8% over fiscal year 2017.

Water and Sewerage System Utility – The operating income of $744,986 in fiscal year 2018 is an increase of $96,903 from the operating income of $648,803 in fiscal year 2017. Fiscal year 2018 operating revenues increased $129,133 or 5.6% from fiscal year 2017. Operating expenses increased $32,230 or 2.0%. Purchased services decreased $47,900 from the prior year or 14.7% while materials and supplies increased $55,693 or 38.3%. The transfer out of $127,719 to the general fund was intended to recover administration costs provided by the general fund.

Telecom - The operating income of $62,975 in fiscal year 2018 increased from the operating income of $12,778 in fiscal year 2017 by $50,197, or 392.8%. The fiscal year 2018 operating revenues decreased $2,421 or 1.5% from fiscal year 2017. Operating expenses decreased $52,618 or 35.1%. Purchased services increased from $42,662 in fiscal year 2017 to $48,127 in fiscal year 2018 for an increase of 12.8%.

Solid Waste - The fiscal year 2018 operating income of $64,313 decreased by 12.3% , or $8,986 over fiscal year 2017. The fiscal year 2018 operating revenues decreased $194 from fiscal year 2017. Operating expenses increased $8,792 or 1.1% from fiscal year 2017. Purchased services increased $6,412 or 0.9%.

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 $1,215,255 as compared to the 2017 fiscal year amount of $1,275,248. Of this year-end total, 356,058 is unassigned indicating availability for continuing City service requirements. Fund balance includes $282,289 restricted for capital outlay, $221,729 restricted for transportation improvements and $297,807 restricted for hotel-motel tax purposes. Fund balance includes assets not available for spending in the amount of $53,936, which is tied up in inventory. The total ending fund balances of governmental funds show a decrease of $59,993, or 4.7% 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 $148,888, or 54.1% in fiscal year 2018. In fiscal year 2017, the fund balance increased $31,405, or 12.9%.

Total revenues increased $556,774 or 13.4% more than fiscal year 2017.

Local option sales taxes increased $46,862 or 6.4%. Motor vehicle property tax increased $4,732 or 9.9%; however, motor vehicle title tax increased $777 or .58%. Fines increased $23,626 or 21.7%.

Total expenditures increased $423,414 or 9.3% from fiscal year 2017.

The general government function increased $74,611 or 9.7% from fiscal year 2017.

The expenditures for most other functions were approximately equal to the fiscal year 2017 amount except for public safety which increased by $48,002, or 2.04% and street department which increased by $315,132 or 32.0% resulting from an increase in capital outlay for a streetscape project.

The general fund's ending unassigned fund balance of $370,091 represents an increase of $430,802 from the December 31, 2017 balance of ($60,711). This balance represents the equivalent of 7.4% of annual expenditures, as compared to (1.3%) 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 vehicles and equipment
- Replacement of a vehicle in administration
- Sidewalk improvements downtown
- Equipment purchase for the public works department
- Funding the downtown master plan – park, greenspace and parking

In fiscal year 2018, this fund reported $287,624 in revenues and $221,537 in expenditures leaving a fund balance of $282,289.

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 2018, the City Council did amend the general fund budget. The revenue budget was amended upward by $278,476 to account for private donations received for the development of Thiele Park in downtown Sandersville. The City recognized $35,807 less than anticipated total revenues. Also, in fiscal year 2018, the City experienced a decrease in budgeted intergovernmental revenues in the amount of $189,710 primarily resulting from a decrease in the budgeted amount of $263,879 to $50,000 where negotiations regarding fire services provided to Washington County were unsuccessful. However, a new agreement with the County was successfully executed in early 2019. Charges for services collections fell short of the final budgeted amount by $2,924 and tax revenue collections exceeded the budgeted amount by $122,221 resulting from increases of $25,051 in motor vehicle title tax, $18,950 in sales tax and $83,090 in insurance premium tax.

The general fund expenditure budget was amended upward by $354,855. General government was increased by $41,538 and the public safety final budget was increased by $25,520; however, the actual budget came in $87,192 less than the final budget of $2,489,465 with a decrease in expenditures in the police department of $14,319, in the fire department of $56,284, in animal control of $12,589 and in EMA/E-911 of $4,000. The decrease in the fire department resulted from a decrease in personal services where a position was not filled due to the funding negotiations with the County. The public works final budget was increased by $278,476 equaling the private donations received in the general fund for the construction of Thiele Park downtown.

On the expenditure side, each city department made every effort to minimize spending and no department overspent their final amended 2018 budget. In total, the final budgeted amount was underspent by $177,987 primarily from public safety, which was underspent by $87,192, general government by $20,148, public works by $28,239, and housing and development by $32,787.

In total, the City expended 96.5 % 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, 2018, was $9,617,039 and $11,590,630 respectively. This was an increase in net investment in governmental activities of 7.4% and a decrease of 0.8% 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	
	2018	2017	2018	2017	2018	2017
Non-depreciable assets:						
Land	$ 960,416	$ 960,416	$ 222,257	$ 222,257	$ 1,182,673	$ 1,182,673
Construction in progress	130,218	910,486	426,095	356,775	556,313	1,267,261
Total non-depreciable assets:	1,090,634	1,870,902	648,352	579,032	1,738,986	2,449,934
Depreciable assets:						
Buildings	4,419,177	4,412,861	472,360	472,360	4,891,537	4,885,221
Equipment	5,298,631	5,091,123	5,218,126	4,870,632	10,516,757	9,961,755
Software	257,398	240,410	-	-	257,398	240,410
Infrastructure	4,695,539	2,970,121	25,054,145	24,741,340	29,749,684	27,711,461
Total depreciable assets	14,670,745	12,714,515	30,744,631	30,084,332	45,415,376	42,798,847
Less accumulated depreciation	6,144,340	5,629,978	19,891,007	19,072,734	26,035,347	24,702,712
Book value - depreciable assets	8,526,405	7,084,537	10,853,624	11,011,598	19,380,029	18,096,135
Percentage depreciated	42%	44%	65%	63%	57%	58%
Book value - all assets	$ 9,617,039	$ 8,955,439	$ 11,501,976	$ 11,590,630	$ 21,119,015	$ 20,546,069

At December 31, 2018, the depreciable capital assets for governmental activities were 42% depreciated. This compares to 44% at the December 31, 2017. 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, 65% of the asset values were depreciated at December 31, 2018, which almost equals the December 31, 2017 percentage of 63%.

Long-term Debt

At the end of this fiscal year, the City reported $3,411,026 of outstanding long-term debt, including $3,385,876 in GEFA loans and $25,150 in the GMA equipment lease pool. During the year, the City retired $334,542 or 0.1% of the outstanding business-type activities debt. The following are the changes in the GEFA and GMA loans during 2018.

	Outstanding 1/1/2018	Additions	Reductions	Outstanding 12/31/2018	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW00-023	$ 375,393	$ -	$ 40,684	$ 334,709	$ 41,921	$ 292,788
GEFA loan - 2002-L22WS	1,187,325	-	160,770	1,026,555	167,904	858,651
GEFA loan - 2010-L06WJ	917,863	-	51,389	866,474	53,382	813,092
GEFA loan - CW15003	1,215,525	-	57,387	1,158,138	57,981	1,100,157
GMA Loan - 9910003183	49,462	-	24,312	25,150	25,150	-
Total Business-Type Activities	$ 3,745,568	$ -	$ 334,542	$ 3,411,026	$ 346,338	$ 3,064,688

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

Economic Conditions Affecting the City

With a current local unemployment rate of 4.6% compared to Georgia at 3.8% and the U.S. at 3.6%, the City of Sandersville has experienced marked improvements in the local economy in recent years with the return of new retail and the expansion of local industry including Trojan Battery, Duraline/ Polypipe and Meltblown. As a result, the financial condition of the Water/ Sewer Fund, Telecom Fund and Solid Waste Collection Fund has experienced significant improvements in recent years with each fund self-supporting and non-reliant on other funds. Additionally, the net position in the City's Electric Fund increased in FY 2018 by $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 2018, the City's obligation for this 15MW of Project 1 and for the premium payments were $4,307,064 and $1,027,291 respectively. The operating income for this fund in FY 2018 increased from $1,450,415 to $2,029,339, for a 39.9% increase from FY 2017.

In FY 2018, General Fund revenues increased from $4,161,108 in FY 2017 to $4,717,882. Local Option Sales Tax (LOST) revenues increased 6.4% from $732,088 in 2017 to $778,950 in 2018 and Insurance Premium Tax increased $30,825 from FY 2017 to FY 2018, all indications of improved economic activity. Property taxes increased $184,796 resulting from a millage rate increase of .95 mills to 5.775 mills adopted to primarily support increased operating expenses in Public Safety and Public Works. 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 property taxes, where the city received 1,114,241 in franchise fees in 2016, $1,107,674 in FY 2017 and 1,103,243 in 2018. Motor vehicle property taxes decreased from $87,019 in 2016 to $47,825 in 2017 and increased to 52,557 in 2018.

In March 2013, 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 2013 SPLOST will provide the City with an estimated $1.3 million in funding for these capital projects for FY 2014 - FY 2020. 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 2019, the 2013 Special Purpose Local Option Sales Tax (SPLOST) will fund the scheduled replacement of police vehicles and conversions in the amount of $93,982, purchase equipment for the Fire Department and make improvements to the Fire Department property for a total of $30,200, compete phase 3 of a downtown master plan which includes a park, parking and street improvement project and replace a flatbed dump truck in the Public Works Department at an estimated cost of $54,000 and a Z track mower for $10,000. Capital projects in the Electric Fund for FY 2019 include $190,000 for the purchase of a material handler bucket truck. In 2019, the City will be negotiating the 2020 SPLOST agreement with Washington County to be placed on the November 2019 ballot for voter approval.

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 2012, the voters of Sandersville, Washington County and other local governments in the Central Savannah Regional Area approved 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 2018, LMIG and TSPLOST funds in the amount of $536,456 assisted in funding a Downtown Master Plan to include 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. In 2019, cities and counties in the CSRA regional area will again develop a priority list of regional projects to submit to the voters for approval to continue collection of this regional transportation SPLOST.

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, 2018

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 944,452	$ 8,116,398	$ 9,060,850	$ 12,536
Cash in Georgia Fund I	-	8,456,943	8,456,943	-
Investments	-	5,990	5,990	-
Receivables:				
Accounts	100,863	1,707,559	1,808,422	1,704
Taxes	5,680	-	5,680	-
Intergovernmental	119,611	-	119,611	-
Internal balances	27,744	797	28,541	-
Inventories	53,936	560,937	614,873	-
Prepaid expenses	-	-	-	-
Total Current Assets	1,252,286	18,848,624	20,100,910	14,240
Noncurrent Assets				
Capital assets (Note 3D)				
Nondepreciable	960,416	222,257	1,182,673	-
Construction in progress	130,218	426,095	556,313	-
Depreciable, net	8,526,405	10,853,624	19,380,029	-
Total Noncurrent Assets	9,617,039	11,501,976	21,119,015	-
Deferred outflows of resources				
Difference between expected and actual	418,320	-	418,320	-
Total Assets	11,287,645	30,350,600	41,638,245	14,240
Liabilities				
Current Liabilities				
Accounts payable	7,385	47,460	54,845	-
Sales taxes payable	-	30,767	30,767	-
Customer deposits	-	313,914	313,914	-
Interfund payable	28,541	-	28,541	-
Unearned revenue	-	-	-	-
Notes payable, current portion	-	346,382	346,382	-
Total Current Liabilities	35,926	738,523	774,449	-
Long-term Liabilities: (net of current portion) (Note 3F)				
Notes payable	-	3,064,644	3,064,644	-
Net pension liability	1,426,339	-	1,426,339	-
Total Liabilities	1,462,265	3,803,167	5,265,432	-
Deferred inflows of resources:				
Change in pension assumptions	399,284	-	399,284	-
Total Liabilities and deferred inflows of resources	1,861,549	3,803,167	5,664,716	-
Net Position				
Net investment in capital assets (Note 3H)	9,617,039	8,090,950	17,707,989	-
Restricted for housing and development	297,807	-	297,807	-
Restricted for capital outlay	282,289	-	282,289	-
Restricted for public safety	3,436	-	3,436	-
Restricted for transportation	221,729	-	221,729	-
Unrestricted	(996,204)	18,456,483	17,460,279	14,240
Total Position	$ 9,426,096	$ 26,547,433	$ 35,973,529	$ 14,240

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2018

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	$ 937,660	$ 156,151	$ 318,065	$ 79,234	$ (384,210)	$ -	$ (384,210)	$ -
Judicial	111,924	-	-	-	(111,924)	-	(111,924)	-
Public safety	2,580,782	137,094	167,011	-	(2,276,677)	-	(2,276,677)	-
Public works	1,197,834	-	254,507	253,800	(689,527)	-	(689,527)	-
Health and welfare	43,189	-	-	-	(43,189)	-	(43,189)	-
Culture and recreation	72,591	3,100	-	-	(69,491)	-	(69,491)	-
Housing and development	252,328	146,160	56,780	-	(49,388)	-	(49,388)	-
Interest	-	-	-	-	-	-	-	-
Total Governmental Activities	5,196,308	442,505	796,363	333,034	(3,624,406)	-	(3,624,406)	-
Business-type Activities:								
Water and sewerage	1,783,378	2,422,767	237,867	-	-	877,256	877,256	-
Electrical	11,738,917	13,768,256	-	-	-	2,029,339	2,029,339	-
Telecom	97,355	160,330	-	-	-	62,975	62,975	-
Solid waste	847,462	910,275	-	-	-	62,813	62,813	-
Total Business-type Activities:	14,467,112	17,261,628	237,867	-	-	3,032,383	3,032,383	-
Total - Primary Government	$ 19,663,420	$ 17,704,133	$ 1,034,230	$ 333,034	$ (3,624,406)	3,032,383	(592,023)	-
Component Unit								
Downtown Development Authority	$ 10,847	$ -	$ 15,644	$ -	$ -	-	-	4,797
General Revenues								
Property taxes levied for general government purposes					1,091,539	-	1,091,539	-
Sales tax					778,950	-	778,950	-
Insurance premium tax					423,742	-	423,742	-
Franchise tax					1,103,243	-	1,103,243	-
Alcohol tax					133,354	-	133,354	-
Other taxes					252,295		252,295	-
Gain on disposition of capital assets					-	-	-	-
Investment earnings (loss)					77	154,862	154,939	12
Miscellaneous					19,140	(7)	19,133	-
Total General Revenues					3,802,340	154,855	3,957,195	12
Transfers					407,842	(407,842)	-	-
Total General Revenues and Transfers					4,210,182	(252,987)	3,957,195	12
Change in Net Position					585,776	2,779,396	3,365,172	4,809
Net Position Beginning of Year					8,840,320	23,768,037	32,608,357	9,431
Net Position End of Year					$ 9,426,096	$ 26,547,433	$ 35,973,529	$ 14,240

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Balance Sheet
Governmental Funds
December 31, 2018

	General	TSPLOST Fund	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 172,801	$ 207,831	$ 260,772	$ 303,048	$ 944,452
Receivables:					
Accounts	100,863	-	-	-	100,863
Taxes	-	-	-	5,680	5,680
Intergovernmental	70,585	13,898	21,517	13,611	119,611
Interfund	27,744	-	-	-	27,744
Inventories	53,936	-	-	-	53,936
Prepaid expenses	-	-	-	-	-
Total Assets	$ 425,929	$ 221,729	$ 282,289	$ 322,339	$ 1,252,286
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 7,385	$ 7,385
Accrued expenditures	-	-	-	-	-
Interfund payable	797	-	-	27,744	28,541
Unearned revenue	-	-	-	-	-
Total Liabilities	797	-	-	35,129	35,926
Deferred Inflows of Resources					
- Property Taxes	1,105	-	-	-	1,105
Total Liabilities and Deferred Inflows of Resources	1,902	-	-	35,129	37,031
Fund Balances					
Nonspendable					
Inventory	53,936	-	-	-	53,936
Prepaid expenses	-	-	-	-	-
Restricted	-	221,729	282,289	301,243	805,261
Unassigned	370,091	-	-	(14,033)	356,058
Total Fund Balances	424,027	221,729	282,289	287,210	1,215,255
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 425,929	$ 221,729	$ 282,289	$ 322,339	$ 1,252,286

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, 2018

Total Governmental Fund Balances		$ 1,215,255
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	$ 15,761,379	
Less accumulated depreciation	(6,144,340)	9,617,039
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		1,105
Net pension liability		(1,426,339)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds		19,036
Net Position of Governmental Activities		$ 9,426,096

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, 2018

	General	TSPLOST Fund	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 3,794,745	$ 154,663	$ -	$ 56,780	$ 4,006,188
Licenses and permits	156,151	-	-	-	156,151
Intergovernmental	326,902	86,706	287,624	79,234	780,466
Charges for services	10,001	-	-	2,617	12,618
Fines and forfeitures	132,748	-	-	-	132,748
Investment earnings	-	-	-	-	-
Miscellaneous	297,335	-	-	358	297,693
Total Revenues	4,717,882	241,369	287,624	138,989	5,385,864
Expenditures					
Current:					
General government	844,775	-	-	-	844,775
Judicial	111,924	-	-	-	111,924
Public safety	2,402,273	-	-	1,994	2,404,267
Public works	1,298,958	-	3,038	-	1,301,996
Health and welfare	35,150	-	-	-	35,150
Culture and recreation	69,070	-	-	-	69,070
Housing and development	214,686	-	-	37,642	252,328
Capital Outlay	-	536,456	218,499	79,234	834,189
Debt Service:					
Interest	-	-	-	-	-
Total Expenditures	4,976,836	536,456	221,537	118,870	5,853,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,954)	(295,087)	66,087	20,119	(467,835)
Other Financing Sources (Uses)					
Proceeds from the disposition of capital assets	-	-	-	-	-
Transfers in	407,842	-	-	-	407,842
Transfers (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	407,842	-	-	-	407,842
Net Change in Fund Balances	148,888	(295,087)	66,087	20,119	(59,993)
Fund Balances Beginning of Year	275,139	516,816	216,202	267,091	1,275,248
Fund Balances End of Year	$ 424,027	$ 221,729	$ 282,289	$ 287,210	$ 1,215,255

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, 2018

Net Changes In Fund Balances - Total Governmental Funds		$ (59,993)
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	$ (514,362)	
Capital outlay	1,172,646	658,284
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.		3,316
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		(4,209)
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 @ 12/31/17	$ (12,727)	
Liability @ 12/31/18	1,105	(11,622)
Change In Net Position of Governmental Activities		$ 585,776

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 2,069,897	$ 5,202,453	$ 575,034	$ 269,014	$ 8,116,398
Cash in Georgia Fund I	705,958	7,750,985	-	-	8,456,943
Investments	-	5,990	-	-	5,990
Receivables					
Accounts	445,813	1,152,034	23,879	85,833	1,707,559
Interfund	119,977	154,422	797	-	275,196
Prepaid expenses	-	-	-	-	-
Inventory	87,168	461,441	12,328	-	560,937
Total Current Assets	3,428,813	14,727,325	612,038	354,847	19,123,023
Noncurrent Assets					
Capital assets					
Nondepreciable	168,636	53,621	-	-	222,257
Depreciable, net	9,027,161	1,512,372	192,170	121,921	10,853,624
Construction in progress	410,762	-	15,333	-	426,095
Total Noncurrent Assets	9,606,559	1,565,993	207,503	121,921	11,501,976
Total Assets	13,035,372	16,293,318	819,541	476,768	30,624,999
Liabilities					
Current Liabilities					
Accounts payable	-	47,460	-	-	47,460
Accrued expenses payable	-	-	-	-	-
Current portion of notes payable	321,188	-	-	25,194	346,382
Sales tax payable	-	30,767	-	-	30,767
Customer deposits	7,481	306,383	50	-	313,914
Interfund payable	-	119,977	-	5,549	125,526
Total Current Liabilities	328,669	504,587	50	30,743	864,049
Long-Term Liabilities (net of current portion)					
Due to electrical fund	-	-	148,873	-	148,873
Notes payable	3,064,644	-	-	-	3,064,644
Total Liabilities	3,393,313	504,587	148,923	30,743	4,077,566
Net Position					
Net investment in capital assets	6,220,727	1,565,993	207,503	96,727	8,090,950
Restricted	-	-	-	-	-
Unrestricted	3,421,332	14,222,738	463,115	349,298	18,456,483
Total Net Position	$ 9,642,059	$ 15,788,731	$ 670,618	$ 446,025	$ 26,547,433

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, 2018

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues					
Charges for services	$ 2,419,020	$ 13,758,473	$ 141,802	$ 910,275	$ 17,229,570
Miscellaneous	3,747	9,783	18,528	-	32,058
Total Operating Revenues	2,422,767	13,768,256	160,330	910,275	17,261,628
Operating Expenses					
Personal services - salaries	402,388	439,621	-	74,052	916,061
Personal services - benefits	160,479	126,128	-	28,701	315,308
Electricity purchased	-	9,987,751	-	-	9,987,751
Franchise fees	-	540,190	7,043	-	547,233
Purchased services	276,939	376,341	48,127	692,820	1,394,227
Materials and supplies	200,970	102,704	919	16,498	321,091
Miscellaneous	19,333	25,836	4,561	10,341	60,071
Depreciation	617,672	140,346	36,705	23,550	818,273
Total Operating Expenses	1,677,781	11,738,917	97,355	845,962	14,360,015
Operating Income (Loss)	744,986	2,029,339	62,975	64,313	2,901,613
Non-Operating Revenues (Expenses)					
Interest expense	(105,597)	-	-	(1,500)	(107,097)
Change in fair market value of investments	-	(7)	-	-	(7)
Intergovernmental grants	237,867	-	-	-	237,867
Interest and dividend income	12,918	141,944	-	-	154,862
Total Non-Operating Revenues (Expenses)	145,188	141,937	-	(1,500)	285,625
Income (Loss) Before Contributions and Transfers In (Out)	890,174	2,171,276	62,975	62,813	3,187,238
Contributions	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(127,719)	(238,210)	(9,134)	(32,779)	(407,842)
Change in Net Position	762,455	1,933,066	53,841	30,034	2,779,396
Net Position Beginning of Year	8,879,604	13,855,665	616,777	415,991	23,768,037
Net Position End of Year	$ 9,642,059	$ 15,788,731	$ 670,618	$ 446,025	$ 26,547,433

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 2,156,608	$ 13,686,798	$ 160,945	$ 942,993	$ 16,947,344
Cash payments for personal services	(562,867)	(565,749)	-	(102,753)	(1,231,369)
Cash payments for goods and services	(461,735)	(11,018,233)	(64,518)	(719,659)	(12,264,145)
Other cash receipts (payments)	-	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	1,132,006	2,102,816	96,427	120,581	3,451,830
Cash Flows from Noncapital Financing Activities					
Operating grants received	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(127,719)	(238,210)	(9,134)	(32,779)	(407,842)
Net Cash Provided by (Used in) Noncapital Financing Activities	(127,719)	(238,210)	(9,134)	(32,779)	(407,842)
Cash Flows from Capital and Related Financing Activities					
Capital grants	237,867	-	-	-	237,867
Principal paid on notes and leases	(310,274)	-	-	(24,268)	(334,542)
Interest paid on notes and leases	(105,597)	-	-	(1,500)	(107,097)
Proceeds from notes payable	-	-	-	-	-
Payments for capital acquisitions	(585,233)	(129,053)	(15,333)	-	(729,619)
Net Cash (Used in) Capital and Related Financing Activities	(763,237)	(129,053)	(15,333)	(25,768)	(933,391)
Cash Flows from Investing Activities					
Net purchase of investments	-	(108)	-	-	(108)
Interest and dividend income	12,918	141,944			154,862
Investment earnings	-	(7)	-	-	(7)
Net Cash Provided by (Used in) Investing Activities	12,918	141,829	-	-	154,747
Net Increase (Decrease) in Cash and Cash Equivalents	253,968	1,877,382	71,960	62,034	2,265,344
Cash and Cash Equivalents Beginning of Year	2,521,887	11,076,056	503,074	206,980	14,307,997
Cash and Cash Equivalents End of Year	$ 2,775,855	$ 12,953,438	$ 575,034	$ 269,014	$ 16,573,341
Cash and Cash Equivalents	$ 2,069,897	$ 5,202,453	$ 575,034	$ 269,014	$ 8,116,398
Cash in Georgia Fund I	705,958	7,750,985	-	-	8,456,943
Total	$ 2,775,855	$ 12,953,438	$ 575,034	$ 269,014	$ 16,573,341

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	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)	$ 744,986	$ 2,029,339	$ 62,975	$ 64,313	$ 2,901,613
Adjustments					
Depreciation	617,672	140,346	36,705	23,550	818,273
Loss on sale of capital assets	-	-	-	-	-
(Increase) Decrease in Assets					
Accounts receivable	(266,159)	(81,458)	615	32,718	(314,284)
Inventory	34,714	1,716	(3,868)	-	32,562
Prepaid expenses	-	209	-	-	209
Interfund receivable	-	-	-	-	-
Increase (Decrease) in Liabilities					
Accounts payable	-	982	-	-	982
Accrued expenses	-	-	-	-	-
Sales tax payable	-	5,862	-	-	5,862
Interfund payable	-	-	-	-	-
Customer deposits payable	793	5,820	-	-	6,613
Net Cash Provided by (Used in) Operating Activities	$ 1,132,006	$ 2,102,816	$ 96,427	$ 120,581	$ 3,451,830

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. A separately issued financial report is available for the Development Authority and is available at 141 West Haynes Street, Sandersville, Georgia, 31082.

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 are the City's major governmental funds:
>
> > ***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, 2018.

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 capitalizing their 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 $107,097. 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 2018 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 the year ended December 31, 2018.

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, 2018, 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, 2018:

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, 2018 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 8,456,943	43 day WAM

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

3-B Receivables

Receivables at December 31, 2018, 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, 2018, allowances for uncollectables were reported as follows:

General fund (fines)	$ 313,306
Water and sewerage fund (charges for services)	83,833
Electrical fund (charges for services)	558,295
Solid Waste (charges for services)	40,641
Telecom (charges for services)	248,928

3-C. Property Taxes

The City Council levied property taxes on October 15, 2018. Property taxes attach as an enforceable lien on property as of May 15, 2018. Property taxes were billed on January 4, 2018 and were payable on March 31, 2018.

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, 2018, 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 $23,100 for FY 2018.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2018, was as follows:

	Beginning Balance 1/1/2018	Additions	Deductions	Ending Balance 12/31/2018
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 960,416	$ -	$ -	$ 960,416
Construction in progress	910,486	945,151	(1,725,419)	130,218
Total capital assets not being depreciated	1,870,902	945,151	(1,725,419)	1,090,634
Other capital assets:				
Buildings	4,412,861	6,316	-	4,419,177
Equipment	5,091,123	207,508	-	5,298,631
Software	240,410	16,988	-	257,398
Infrastructure	2,970,121	1,725,418	-	4,695,539
Total other capital assets	12,714,515	1,956,230	-	14,670,745
Total capital assets	14,585,417	2,901,381	(1,725,419)	15,761,379
Accumulated depreciation:				
Buildings	1,664,396	121,758	-	1,786,154
Equipment	3,233,806	278,200	-	3,512,006
Software	166,427	17,437	-	183,864
Infrastructure	565,349	96,967	-	662,316
Total accumulated depreciation	5,629,978	514,362	-	6,144,340
Governmental activities capital assets, net	$ 8,955,439	$ 2,387,019	$ (1,725,419)	$ 9,617,039

Governmental activities depreciation expense:

General government	$ 121,861
Public safety	208,030
Public works	172,911
Culture and recreation	11,560
Housing and development	-
Total governmental activities depreciation expense	$ 514,362

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2018, was as follows:

Machinery and equipment	4,870,632	347,494	-	5,218,126
Infrastructure	24,741,340	312,805	-	25,054,145
Total other capital assets	30,084,332	660,299	-	30,744,631
Total capital assets	30,663,364	729,619	-	31,392,983
Accumulated depreciation:				
Buildings	328,490	8,759	-	337,249
Machinery and equipment	2,299,881	248,877	-	2,548,758
Infrastructure	16,444,363	560,637	-	17,005,000
Total accumulated depreciation	19,072,734	818,273	-	19,891,007
Business-type activities capital assets, net	$ 11,590,630	$ (88,654)	$ -	$ 11,501,976

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
General	$ -	$ 14,033	$ 174	$ 13,537	$ -	$ -	$ -
2013 SPLOST	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	119,977	-
Electrical	-	-	-	-	148,873	-	5,549
Telcommunications	797	-	-	-	-	-	-
Total	$ 797	$ 14,033	$ 174	$ 13,537	$ 148,873	$ 119,977	$ 5,549

Interfund balances at December 31, 2018, 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, 2018, consisted of the following:

	Transfers from:						
Transfers to:	General	Nonmajor Governmental	Water & Sewer	Electrical	Telecom	Solid Waste	Total
General	$ -	$ -	$ 127,719	$ 238,210	$ 9,134	$ 32,779	$ 407,842
Nonmajor Governmental	-	-	-	-	-	-	-
Total	$ -	$ -	$ 127,719	$ 238,210	$ 9,134	$ 32,779	$ 407,842

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, 2018, the City has four 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, 2018 follow:

Year	Principal	Interest	Total
2019	$ 41,921	$ 9,614	$ 51,535
2020	43,196	8,339	51,535
2021	44,510	7,025	51,535
2022	45,864	5,671	51,535
2023-2026	159,218	8,576	167,794
Total	$ 334,709	$ 39,225	$ 373,934

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.

Annual debt service requirements to amortize this loan as of December 31, 2018 follow:

Note 3 - Detailed Notes on All Funds (Continued)

Year	Principal	Interest	Total
2019	$ 167,904	$ 41,329	$ 209,233
2020	175,339	33,894	209,233
2021	183,144	26,089	209,233
2022	191,264	17,969	209,233
2023-2024	308,904	10,948	319,852
Total	$ 1,026,555	$ 130,229	$ 1,156,784

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, 2018 follow:

Year	Principal	Interest	Total
2019	$ 53,382	$ 32,087	$ 85,469
2020	55,452	30,017	85,469
2021	57,602	27,867	85,469
2022	59,835	25,634	85,469
2023-2027	335,826	91,518	427,344
2028-2031	304,377	23,252	327,629
Total	$ 866,474	$ 230,375	$ 1,096,849

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, 2018 follow:

Year	Principal	Interest	Total
2019	$ 57,981	$ 11,655	$ 69,636
2020	58,581	11,055	69,636
2021	59,187	10,449	69,636
2022	59,800	9,836	69,636
2023-2027	308,412	39,773	348,185
2028-2032	324,704	23,480	348,184
2033-2037	289,473	6,507	295,980
Total	$ 1,158,138	$ 112,755	$ 1,270,893

Note 3 - Detailed Notes on All Funds (Continued)

Georgia Municipal Association – In October 2014, the City borrowed $117,650 at an interest rate of 3.40% for the lease purchase of a 2014 Brush Hawg G-2224C Grapple Loader for the Solid Waste Fund. Payments are made in the amount of $6,422 quarterly with a final maturity date of October 13, 2019.

Annual debt service requirements to amortize this loan as of December 31, 2018 follow:

Year	Principal	Interest	Total
2019	25,150	537	25,687
Total	$ 25,150	$ 537	$ 25,687

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2018:

	Outstanding 01/01/2018	Additions	Reductions	Outstanding 12/31/2018	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW00-023	$ 375,393	$ -	$ 40,684	$ 334,709	$ 41,921	$ 292,788
GEFA loan - 2002-L22WS	1,187,325	-	160,770	1,026,555	167,904	858,651
GEFA loan - 2010-L06WJ	917,863	-	51,389	866,474	53,382	813,092
GEFA loan - CW15003	1,215,525	-	57,387	1,158,138	57,981	1,100,157
GMA loan - 9910003183	49,462	-	24,312	25,150	25,150	-
Total Business-Type Activities	$ 3,745,568	$ -	$ 334,542	$ 3,411,026	$ 346,338	$ 3,064,688

The City's GEFA loans payable are being repaid from the City's water and sewerage fund. The City's Georgia Municipal Association loan is being 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, 2018, the date of the most recent actuarial valuation, there were 182 participants consisting of the following:

Retired participants and beneficiaries	71
Vested former participants	26
Active employees	81
Active elected officials	4
Total membership	182

Funding Policy – The obligations to contribute for both the City and its employees are established by the City council through ordinance. City employees are not required to contribute to GMEBS. 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 10.34% of annual covered payroll. Effective March 1, 2017, 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 2018, the actuarially determined contribution rate was $8.71% of covered payroll.

For the year ended December 31, 2018, the City's recommended and actual contribution was $342,577 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, 2018 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, 2017*	$ 7,478,806	$ 6,123,698	$ 1,355,108
Changes for the year:			
Service Cost	144,127	-	144,127
Interest	562,396	-	562,396
Differences between expected and actual experience	286,477	-	286,477
Contributions - employer	-	296,590	(296,590)
Contributions - employee	-	2,861	(2,861)
Net investment income	-	756,662	(756,662)
Benefit payments, including refunds of employee contributions	(444,154)	(444,154)	-
Administrative expense	-	(16,967)	16,967
Other	117,377	-	117,377
Net changes	666,223	594,992	71,231
Balances at March 31, 2017**	$ 8,145,029	$ 6,718,690	$ 1,426,339

* *Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2017 are used to measure TPL as of March 31, 2017. The balances as of March 31, 2017 constitute measurements of the NPL for the fiscal year ending December 31, 2017.*

***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.*

Note 3 - Detailed Notes on All Funds (Continued)

Pension Expense for the Year Ended December 31, 2018

Service cost	$ 144,127
Interest on TPL	562,396
Employee contribution	(2,861)
Administrative expenses	16,967
Expected return on assets	(468,322)
Expensed portion of current year period differences between expected and actual experience in TPL	57,297
Expensed portion of current year period assumption changes	23,477
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investments earnings	(57,668)
Current year recognition of deferred inflows and outflows established in prior years	25,386
Total expense	$ 300,799

Deferred Outflows/Inflows of Resources related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 324,420	$ (151,824)
Changes of assumptions	93,900	(3,033)
Net difference between projected and actual earnings on pension plan investments	-	(244,427)
Total	$ 418,320	$ (399,284)

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, 2018	
2019	$ 48,488
2020	28,197
2021	(80,751)
2022	23,102
	19,036

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Assumptions

Current Valuation Date	July 1, 2018
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 Eleven 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 investment return and inflation assumptions used in the July 1, 2018 valuation were approved by the Board in December 2017 based on the results of an actuarial study conducted by Segal in September 2017. The mortality and other actuarial assumptions used in the July 1, 2018 valuation were approved by the Board in December 2014 based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014 conducted by Segal.

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, 2018 are 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%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	100%	

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%	Current Discount Rate 7.50%	1% Increase 8.50%
$ 2,456,332	$ 1,426,339	$ 565,583

Note 3 - Detailed Notes on All Funds (Continued)

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

** *2018 information will be determined after fiscal year end and will be included in the 2018 valuation report.*

3-H. Fund Equity

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

General Fund:	
Inventories	$ 53,936

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

General Fund	
Economic Development	$ -
Nonmajor Governmental Funds:	
Hotel - Motel Tax	$ 297,807
Confiscated Assets	3,436
Total	$ 301,243
Major Capital Projects Funds:	
TSPLOST	$ 221,729
Capital Projects - 2013 SPLOST	282,289
Total	$ 504,018

- *Unassigned* – The following fund balances include the General Fund unassigned amount of ($370,091):

Governmental Funds:	
Unassigned	$ 356,058

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2018 are as follows:

Net investment in capital assets:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 15,761,379	$ 31,392,983
Less accumulated depreciation	6,144,340	19,891,007
Book value	9,617,039	11,501,976
Less capital related debt	-	3,411,026
Net investment in capital assets	$ 9,617,039	$ 8,090,950

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, 2018. 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
2123 Wrightsboro Road
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, 2018 follows:

Fund balance, December 31, 2017	$ 278,311
Add hotel/motel taxes and misc.	57,138
Less:	
Expenditures	37,642
Transfers to general fund	-
Fund balance, December 31, 2018	$ 297,807

Expenditures of $37,642 (65.9% 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 a commitment 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 $45,095,313 at December 31, 2018. 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 and $1,027,291 for FY 2018, leaving a remaining balance due of $40,347,677. Also in fiscal year 2018, the City paid $4,307,604 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, 2018. 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, 2018.

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, 2018 was $15,772. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of net position.

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, 2018. The annual amount for the City for 2018 was $204,189.

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, 2018 was $5,990.

Note 5 – Subsequent Events

The City performed an evaluation of subsequent events through June 21, 2019, 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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 3,672,524	$ 3,672,524	$ 3,794,745	$ 122,221
Licenses and permits	146,185	146,185	156,151	9,966
Intergovernmental	516,612	516,612	326,902	(189,710)
Charges for services	12,925	12,925	10,001	(2,924)
Fines and forfeitures	121,117	121,117	132,748	11,631
Miscellaneous	5,850	284,326	297,335	13,009
Total Revenues	4,475,213	4,753,689	4,717,882	(35,807)
Expenditures				
Current:				
General government	823,385	864,923	844,775	20,148
Municipal Court	115,982	115,982	111,924	4,058
Public safety	2,463,945	2,489,465	2,402,273	87,192
Public works	1,048,721	1,327,197	1,298,958	28,239
Health and welfare	35,150	35,150	35,150	-
Culture and recreation	66,321	74,633	69,070	5,563
Housing and development	246,464	247,473	214,686	32,787
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,799,968	5,154,823	4,976,836	177,987
Excess (Deficiency) of Revenues Over (Under) Expenditures	(324,755)	(401,134)	(258,954)	142,180
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	2,500	2,500	-	(2,500)
Transfers in	407,842	407,842	407,842	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	410,342	410,342	407,842	(2,500)
Net Change in Fund Balances	$ 85,587	$ 9,208	148,888	$ 139,680
Fund Balances Beginning of Year			275,139	
Fund Balances End of Year			$ 424,027	

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 302,948	$ 100	$ 303,048
Receivables:			
Sales taxes	-	-	-
Hotel/motel taxes	5,680	-	5,680
Intergovernmental	-	13,611	13,611
Total Assets	$ 308,628	$ 13,711	$ 322,339
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 7,385	$ -	$ 7,385
Interfund payable	-	27,744	27,744
Unearned revenue	-	-	-
Total Liabilities	7,385	27,744	35,129
Fund Balances			
Restricted	301,243	-	301,243
Unassigned (deficit)	-	(14,033)	(14,033)
Total Fund Balances	301,243	(14,033)	287,210
Total Liabilities and Fund Balances	$ 308,628	$ 13,711	$ 322,339

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 56,780	$ -	$ 56,780
Sales taxes	-	-	-
Intergovernmental	-	79,234	79,234
Fines and forfeitures	2,617	-	2,617
Investment earnings	-	-	-
Miscellaneous	358	-	358
Total Revenues	59,755	79,234	138,989
Expenditures			
Current:			
Public safety	1,994	-	1,994
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	37,642		37,642
Capital Outlay	-	79,234	79,234
Total Expenditures	39,636	79,234	118,870
Excess of Revenues Over Expenditures	20,119	-	20,119
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	20,119	-	20,119
Fund Balances (Deficits) Beginning of Year	281,124	(14,033)	267,091
Fund Balances End of Year	$ 301,243	$ (14,033)	$ 287,210

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

	2018	2017
Assets		
Cash and cash equivalents	$ 172,801	$ 324,211
Receivables (net, where applicable):		
Property taxes	-	-
Sales taxes	-	-
Accounts	100,863	101,740
Interfund	27,744	14,033
Intergovernmental	70,585	67,029
Inventories	53,936	58,750
Prepaid expenses	-	-
Total Assets	$ 425,929	$ 565,763
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Accrued expenditures	-	-
Unearned revenue	-	277,100
Interfund payable	797	797
Total Liabilities	797	277,897
Deferred Inflows of Resources		
- Property Taxes	1,105	12,727
Total Liabilities and Deferred Inflows of Resources	1,902	290,624
Fund Balances		
Restricted	-	277,100
Nonspendable	53,936	58,750
Unassigned	370,091	(60,711)
Total Fund Balances	424,027	275,139
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 425,929	$ 565,763

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues		
Taxes	$ 3,794,745	$ 3,522,584
Licenses and permits	156,151	150,298
Intergovernmental	326,902	268,351
Charges for services	10,001	59,580
Fines and forfeitures	132,748	109,122
Miscellaneous	297,335	51,173
Total Revenues	4,717,882	4,161,108
Expenditures		
Current:		
General government	844,775	770,164
Municipal Court	111,924	102,473
Public safety	2,402,273	2,354,271
Public works	1,298,958	983,826
Health and welfare	35,150	35,150
Culture and recreation	69,070	88,722
Housing and development	214,686	218,816
Debt Service:		
Interest and fiscal charges	-	-
Total Expenditures	4,976,836	4,553,422
Deficiency of Revenues (Under) Expenditures	(258,954)	(392,314)
Other Financing Sources (Uses)		
Proceeds from the disposition of capital assets	-	-
Transfers in	407,842	424,842
Transfers out	-	(1,123)
Total Other Financing Sources (Uses)	407,842	423,719
Net Change in Fund Balances	148,888	31,405
Fund Balances Beginning of Year	275,139	243,734
Fund Balances End of Year	$ 424,027	$ 275,139

City of Sandersville, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 1,115,000	$ 1,115,000	$ 1,103,161	$ (11,839)
General property tax - delinquent	-	-	-	-
Motor vehicle property tax - current	65,000	65,000	52,557	(12,443)
Motor vehicle title adv tax	110,000	110,000	135,051	25,051
Mobile home - personal property	6,500	6,500	5,109	(1,391)
Public utility taxes	40,636	40,636	48,927	8,291
Real estate transfer taxes	1,000	1,000	1,142	142
Intangible taxes	200	200	4,508	4,308
Other	-	-	-	-
Penalties and interest on taxes	4,600	4,600	5,001	401
Total real and personal property taxes	1,342,936	1,342,936	1,355,456	12,520
Selective taxes:				
Sales tax	760,000	760,000	778,950	18,950
Franchise tax	1,101,340	1,101,340	1,103,243	1,903
Alcoholic beverage tax	127,596	127,596	133,354	5,758
Insurance premium tax	340,652	340,652	423,742	83,090
Total selective taxes	2,329,588	2,329,588	2,439,289	109,701
Licenses and permits:				
Alcoholic beverages	23,000	23,000	23,684	684
General business license	31,800	31,800	31,663	(137)
General business license - insurance	13,150	13,150	16,200	3,050
Financial institutions	48,385	48,385	45,894	(2,491)
Building structure and equipment permit	15,000	15,000	20,657	5,657
Permits	2,850	2,850	6,187	3,337
Other	11,800	11,800	11,588	(212)
Business license penalties	200	200	278	78
Total licenses and permits:	146,185	146,185	156,151	9,966
Intergovernmental				
Police grants	-	-	-	-
FEMA/GEMA emergency grant funds	-	-	10,327	10,327
Governor's Office of Highway safety grant	-	-	-	-
Forestry Commission grant	-	-	-	-
Forest land protection grant	200	200	2,811	2,611
GMA health grant	8,000	8,000	8,000	-
GMA safety liability grant	8,000	8,000	13,688	5,688
County reimbursement - public safety	263,879	263,879	50,000	(213,879)
County reimbursement - animal control	84,608	84,608	90,151	5,543
County development authority	146,160	146,160	146,160	-
Housing authority - payments in lieu of taxes	5,765	5,765	5,765	-
Total intergovernmental	516,612	516,612	326,902	(189,710)
Fines and forfeitures:				
Court fines	121,117	121,117	132,748	11,631
Charges for services:				
General government	2,500	2,500	-	(2,500)
Animal control	5,000	5,000	5,172	172
Public safety	2,625	2,625	1,729	(896)
Sale of cemetery lots	2,800	2,800	3,100	300
Total charges for services	12,925	12,925	10,001	(2,924)
Miscellaneous:				
Private donations	-	278,476	278,476	-
Miscellaneous	5,850	5,850	18,859	13,009
Total miscellaneous	5,850	284,326	297,335	13,009
Total revenues	4,475,213	4,753,689	4,717,882	(35,807)
Other financing sources:				
Transfers in	407,842	407,842	407,842	-
Proceeds from the disposition of capital assets	2,500	2,500	-	(2,500)
Total revenues and other financing sources	$ 4,885,555	$ 5,164,031	$ 5,125,724	$ (38,307)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government				
Governing body:				
Personal services	$ 87,962	$ 87,962	$ 108,885	$ (20,923)
Purchased services	52,823	65,423	36,768	28,655
Supplies	700	700	933	(233)
Miscellaneous	1,000	1,000	330	670
Total governing body	142,485	155,085	146,916	8,169
General administration				
Personal services	546,299	546,299	524,893	21,406
Purchased services	114,755	116,630	117,377	(747)
Supplies	10,450	10,450	19,357	(8,907)
Miscellaneous	1,000	1,000	2,036	(1,036)
Capital Outlays	-	27,063	27,063	-
Total general administration	672,504	701,442	690,726	10,716
General administration fees:				
Miscellaneous	8,396	8,396	7,133	1,263
Total general government	823,385	864,923	844,775	20,148
Municipal court				
Personal services	73,305	73,305	70,545	2,760
Purchased services	11,300	11,300	11,010	290
Supplies	500	500	320	180
Miscellaneous	30,877	30,877	30,049	828
Total municipal court	115,982	115,982	111,924	4,058
Public safety:				
Police:				
Personal services	1,290,414	1,285,414	1,234,183	51,231
Purchased services	161,952	161,952	176,947	(14,995)
Supplies	66,000	66,000	81,621	(15,621)
Miscellaneous	1,000	1,000	1,102	(102)
Capital outlay	700	26,724	32,918	(6,194)
Total police	1,520,066	1,541,090	1,526,771	14,319
Total carried forward	2,459,433	2,521,995	2,483,470	38,525

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 2,459,433	$ 2,521,995	$ 2,483,470	$ 38,525
Fire:				
Personal services	591,986	591,986	531,910	60,076
Purchased services	40,300	43,800	44,894	(1,094)
Supplies	19,600	20,596	23,744	(3,148)
Miscellaneous	500	500	50	450
Capital outlay	-	-	-	-
Total fire	652,386	656,882	600,598	56,284
Animal control:				
Personal services	134,393	134,393	127,245	7,148
Purchased services	12,000	12,000	9,781	2,219
Supplies	6,800	6,800	3,878	2,922
Miscellaneous	300	300	-	300
Capital outlay	-	-	-	-
Total animal control	153,493	153,493	140,904	12,589
EMA/E-911 Fee	138,000	138,000	134,000	4,000
Total public safety	2,463,945	2,489,465	2,402,273	87,192
Public works:				
Public works - operations:				
Personal services	157,097	157,097	143,440	13,657
Purchased services	16,463	16,463	18,026	(1,563)
Supplies	4,300	4,300	5,369	(1,069)
Miscellaneous	500	500	-	500
Total - public works - operations	178,360	178,360	166,835	11,525
Street department				
Personal services	474,054	474,054	454,270	19,784
Purchased services	60,250	60,250	58,965	1,285
Supplies	65,300	65,300	78,127	(12,827)
Miscellaneous	1,000	1,000	74	926
Street repairs	15,000	15,000	15,751	(751)
Capital outlays	-	278,476	278,476	-
Total street department	615,604	894,080	885,663	8,417
Total carried forward	4,197,276	4,542,810	4,411,470	131,340

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 4,197,276	$ 4,542,810	$ 4,411,470	$ 131,340
Fleet maintenance				
Personal services	55,131	55,131	55,515	(384)
Purchased services	6,475	6,475	4,352	2,123
Supplies	6,650	6,650	6,477	173
Miscellaneous	500	500	-	500
Capital Outlays	-	-	-	-
Total fleet maintenance	68,756	68,756	66,344	2,412
Parks and Cemetery				
Personal services	144,363	144,363	140,091	4,272
Purchased services	23,400	23,400	24,139	(739)
Supplies	17,738	17,738	15,358	2,380
Capital outlay	-	-	-	-
Miscellaneous	500	500	528	(28)
Total parks and cemetery	186,001	186,001	180,116	5,885
Total public works	1,048,721	1,327,197	1,298,958	28,239
Health and welfare				
Payments for senior center	35,150	35,150	35,150	-
Culture and recreation				
Disc Golf				
Personal services	-	-	-	-
Purchased services	7,600	9,912	8,707	1,205
Supplies	5,824	11,824	8,598	3,226
Capital outlay	-	-	-	-
Miscellaneous	6,000	6,000	4,868	1,132
Total disc golf	19,424	27,736	22,173	5,563
Parks:				
Payments to DAR	1,710	1,710	1,710	-
Forestry and nursery:				
Payments to Tree City	1,000	1,000	1,000	-
Total carried forward	4,509,317	4,863,163	4,717,963	145,200

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	4,509,317	4,863,163	4,717,963	145,200
Libraries:				
Payment to Rosa M. Tarbutton Library	44,187	44,187	44,187	-
Total culture and recreation	66,321	74,633	69,070	5,563
Housing and development:				
Planning and zoning				
Personal services	138,864	138,864	130,688	8,176
Purchased services	40,400	40,400	15,186	25,214
Supplies	4,000	5,009	5,611	(602)
Capital outlay	-	-	-	-
Miscellaneous	200	200	201	(1)
Total planning and zoning	183,464	184,473	151,686	32,787
Economic development and assistance				
UGA Archway	8,000	8,000	8,000	-
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	63,000	63,000	-
Total housing and development	246,464	247,473	214,686	32,787
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	4,799,968	5,154,823	4,976,836	177,987
Other financing Uses:				
Transfers out	-	-	-	-
Total Expenditures and Transfers	$ 4,799,968	$ 5,154,823	$ 4,976,836	$ 177,987

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	$ 292,127	$ 10,821	$ 302,948
Taxes receivable	5,680	-	5,680
Total Assets	$ 297,807	$ 10,821	$ 308,628
Liabilities			
Account payables	-	7,385	7,385
Fund Balances			
Restricted	$ 297,807	$ 3,436	$ 301,243
Unassigned (deficit)	-	-	$ -
Total Liabilities and Fund Balances	$ 297,807	$ 10,821	$ 308,628

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	$ 56,780	$ -	$ 56,780
Fines and forfeitures	-	2,617	2,617
Intergovernmental	-	-	-
Miscellaneous	358	-	358
Total Revenues	57,138	2,617	59,755
Expenditures			
Current:			
Public safety	-	1,994	1,994
Housing and development	37,642	-	37,642
Capital Outlay	-	-	-
Total Expenditures	37,642	1,994	39,636
Excess of Revenues Over Expenditures	19,496	623	20,119
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Net Change in Fund Balances	19,496	623	20,119
Fund Balances Beginning of Year	278,311	2,813	281,124
Fund Balances End of Year	$ 297,807	$ 3,436	$ 301,243

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 292,127	$ 273,664
Hotel/motel taxes receivable	5,680	4,647
Total Assets	$ 297,807	$ 278,311
Fund Balances		
Restricted for housing and development	$ 297,807	$ 278,311

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, 2018

(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 54,564	$ 54,564	$ 56,780	$ 2,216	$ 54,789
Miscellaneous	-	-	358	358	77
Total Revenues	54,564	54,564	57,138	2,574	54,866
Expenditures					
Current:					
Housing and development	37,143	38,001	37,642	359	60,934
Excess of Revenues Over Expenditures	17,421	16,563	19,496	2,933	(6,068)
Other Financing (Uses)					
Transfers out	-	-	-	-	(17,000)
Net Change in Fund Balances	$ 17,421	$ 16,563	19,496	$ 2,933	(23,068)
Fund Balances Beginning of Year			278,311		301,379
Fund Balances End of Year			$ 297,807		$ 278,311

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2018

	2018	2017
Assets		
Cash and cash equivalents	$ 10,821	$ 6,482
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 7,385	$ 3,669
Fund Balances		
Restricted for public safety	3,436	2,813
Total Liabilities and Fund Balances	$ 10,821	$ 6,482

City of Sandersville, Georgia

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

Confiscated Assets Fund

For the Year Ended December 31, 2018

(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ -	$ 2,617	$ 2,617	$ -	$ 1,765
Miscellaneous	-	-	-	-	465
Total Revenues	-	2,617	2,617	-	2,230
Expenditures					
Current:					
Public Safety	500	2,700	1,994	706	1,724
Capital Outlay	-	-	-	-	-
Total Expenditures	500	2,700	1,994	706	1,724
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(83)	623	706	506
Other Financing Uses					
Transfers Out	-	-	-	-	-
Net Change in Fund Balances	$ (500)	$ (83)	623	$ 706	506
Fund Balances Beginning of Year			2,813		2,307
Fund Balances End of Year			$ 3,436		$ 2,813

City of Sandersville, Georgia
Comparative Balance Sheet
T-SPLOST Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 207,831	$ 500,759
Intergovernmental receivable	13,898	16,057
Total Assets	$ 221,729	$ 516,816
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Unearned revenue	-	-
Total Liabilities	-	-
Fund Balances		
Restricted for transportation	221,729	516,816
Total Fund Balances	221,729	516,816
Total Liabilities and Fund Balances	$ 221,729	$ 516,816

City of Sandersville, Georgia
Comparitve Statement of Expenditures
and Changes in Fund Balance
T-SPLOST Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues:		
Sales Tax	$ 154,663	$ 157,264
Intergovernmental revenue	86,706	95,543
Total Revenues	241,369	252,807
Expenditures		
Public works	-	81,608
Capital Outlays	536,456	203,481
Total Expenditures	536,456	285,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,087)	(32,282)
Other Financing Sources		
Transfers out	-	-
Fund Balances Beginning of Year	516,816	549,098
Fund Balances End of Year	$ 221,729	$ 516,816

City of Sandersville, Georgia
Comparative Balance Sheet
2013 SPLOST Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 260,772	$ 202,501
Receivables:		
Intergovernmental	21,517	$ 16,870
Total Assets	$ 282,289	$ 219,371
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 3,169
Interfund payable	-	-
Total Liabilities	-	3,169
Fund Balances		
Restricted for capital purchases	282,289	216,202
Liabilities and Fund Balances	$ 282,289	$ 219,371

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2013 SPLOST Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues		
Intergovernmental	$ 287,624	$ 194,517
Expenditures		
Current:		
General government	$ -	$ -
Public works	3,038	4,067
Housing and economic development	-	-
Capital Outlay	218,499	508,937
Total Expenditures	221,537	513,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,087	(318,487)
Other Financing Sources		
Transfers in	-	-
Net Change in Fund Balances	66,087	(318,487)
Fund Balances Beginning of Year	216,202	534,689
Fund Balances End of Year	$ 282,289	$ 216,202

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	CDBG 2017	CHIP 2018	CHIP 2014	Total Nonmajor Capital Projects Funds
Assets				
Cash and cash equivalents	$ 100	$ -	$ -	$ 100
Receivables:				
Intergovernmental	13,437	174	-	13,611
Sales taxes	-	-	-	-
Total Assets	$ 13,537	$ 174	$ -	$ 13,711
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Interfund payable	13,537	174	14,033	27,744
Unearned revenue	-	-	-	-
Total Liabilities	13,537	174	14,033	27,744
Fund Balances				
Restricted for transportation	-	-	-	-
Unassigned (deficit)	-	-	(14,033)	(14,033)
Total Liabilities and Fund Balances	$ 13,537	$ 174	$ -	$ 13,711

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2018

	CDBG 2017	CHIP 2018	CHIP 2014	Total Nonmajor Capital Projects Funds
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Intergovernmental	79,234	-	-	79,234
Total Revenues	79,234	-	-	79,234
Expenditures				
Current:				
Public works	-	-	-	-
Housing and development	-	-	-	-
Capital Outlay	79,234	-	-	79,234
Total Expenditures	79,234	-	-	79,234
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
CDBG 2017 Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 100	$ -
Intergovernmental receivable	13,437	-
Total Assets	$ 13,537	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	13,537	-
Total Liabilities	13,537	-
Fund Balances		
Restricted	-	-
Unassigned (deficit)	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 13,537	$ -

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

	2018	2017
Revenues:		
Intergovernmental revenue	$ 79,234	$ -
Expenditures		
Housing and development	-	-
Capital Outlays	79,234	-
Total Expenditures	79,234	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfer in	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

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

	2018	2017
Assets		
Cash and cash equivalents	$ -	$ -
Intergovernmental receivable	174	-
Total Assets	$ 174	$ -
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 174	$ -
Fund Balances		
Restricted	-	-
Unassigned (deficit)	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 174	$ -

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2018 Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
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, 2018 and 2017

	2018	2017
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, 2018 and 2017

	2018	2017
Revenues:		
Intergovernmental revenue	$ -	$ 22,563
Expenditures		
Housing and development	-	22,563
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, 2018 and 2017

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,069,897	$ 1,828,847
Investments	705,958	693,040
Receivable:		
Accounts (net)	445,813	179,654
Interfund	119,977	119,977
Due from FEMA	-	-
Prepaid expenses	-	-
Inventories	87,168	121,882
Total Current Assets	3,428,813	2,943,400
Noncurrent Assets:		
Unamortized bond issuance costs	-	-
Capital assets:		
Nondepreciable	168,636	168,636
Depreciable, net	9,027,161	9,113,587
Construction in progress	410,762	356,775
Total Noncurrent Assets	9,606,559	9,638,998
Total Assets	13,035,372	12,582,398
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
GEFA loans payable	321,188	310,230
Customer deposits held	7,481	6,688
Total Current Liabilities	328,669	316,918
Long-term Liabilities (net of current portion):		
GEFA loans payable	3,064,644	3,385,876
Total Liabilities	3,393,313	3,702,794
Net Position		
Net investment in capital assets	6,220,727	5,942,892
Unrestricted	3,421,332	2,936,712
Total Net Position	$ 9,642,059	$ 8,879,604

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, 2018 and 2016

	2018	2017
Operating Revenues		
Charges for services	$ 2,419,020	$ 2,260,658
Miscellaneous	3,747	32,976
Total Operating Revenues	2,422,767	2,293,634
Operating Expenses		
Personal services - salaries	402,388	394,431
Personal services - benefits	160,479	160,903
Purchased services	276,939	324,839
Materials and supplies	200,970	145,277
Miscellaneous	19,333	28,102
Depreciation	617,672	591,999
Total Operating Expenses	1,677,781	1,645,551
Operating Income	744,986	648,083
Non-Operating Revenues (Expenses)		
Interest and dividend income	12,918	6,252
Intergovernmental Grant	237,867	351,244
Interest and fiscal charges	(105,597)	(115,757)
Total Non-Operating Revenues (Expenses)	145,188	241,739
Income Before Contributions and Transfers In (Out)	890,174	889,822
Contributions	-	-
Transfer In	-	-
Transfers Out	(127,719)	(127,719)
Change in Net Position	762,455	762,103
Net Position Beginning of Year	8,879,604	8,117,501
Net Position End of Year	$ 9,642,059	$ 8,879,604

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 2,156,608	$ 2,290,655
Cash payments to employees for services	(562,867)	(555,334)
Cash payments for goods and services	(461,735)	(451,496)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	1,132,006	1,283,825
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund receivable	-	-
Transfers in	-	-
Transfers out	(127,719)	(127,719)
Net Cash Provided by (Used in) Noncapital Financing Activities	(127,719)	(127,719)
Cash Flows from Capital and Related Financing Activities		
GEFA grant	237,867	351,244
Principal paid on GEFA notes	(310,274)	(285,607)
Interest paid on notes	(105,597)	(115,757)
Proceeds from notes payable	-	122,101
Acquisition of capital assets	(585,233)	(964,586)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(763,237)	(892,605)
Cash Flows from Investing Activities		
Interest and dividend income	12,918	6,252
Investment earnings	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	253,968	269,753
Cash and Cash Equivalents Beginning of Year	2,521,887	2,252,134
Cash and Cash Equivalents End of Year	$ 2,775,855	$ 2,521,887
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 2,069,897	$ 1,828,847
Cash in Georgia Fund I	705,958	693,040
Total Cash and Cash Equivalents	$ 2,775,855	$ 2,521,887

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2018 and 2017

(continued)

	2018	2017
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 744,986	$ 648,083
Adjustments:		
Depreciation and amortization	617,672	591,999
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	(266,159)	(2,979)
Inventories	34,714	44,863
Prepaid expenses	-	2,090
Interfund receivable	-	-
Increase (Decrease) in Liabilities:		
Accounts payable	-	(156)
Accrued expenses payable	-	-
Customer deposits payable	793	(75)
Net Cash Provided by (Used in) Operating Activities	$ 1,132,006	$ 1,283,825

City of Saudersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 5,202,453	$ 3,466,900
Cash in Georgia Fund I	7,750,985	7,609,156
Investments	5,990	5,882
Receivable:		
Accounts (net)	1,152,034	1,070,576
Interfund	154,422	154,422
Prepaid expenses	-	209
Inventories	461,441	463,157
Total Current Assets	14,727,325	12,770,302
Noncurrent Assets:		
Capital assets:		
Nondepreciable	53,621	53,621
Depreciable, net	1,512,372	1,523,665
Total Noncurrent Assets	1,565,993	1,577,286
Total Assets	16,293,318	14,347,588
Liabilities		
Current Liabilities:		
Accounts payable	47,460	46,478
Accrued expenses payable	-	-
Sales tax payable	30,767	24,905
Interfund payable	119,977	119,977
Customer deposits payable	306,383	300,563
Total Current Liabilities	504,587	491,923
Net Position		
Investment in capital assets	1,565,993	1,577,286
Unrestricted	14,222,738	12,278,379
Total Net Position	$ 15,788,731	$ 13,855,665

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, 2018 and 2017

	2018	2017
Operating Revenues		
Charges for services	$ 13,758,473	$ 13,352,016
Miscellaneous	9,783	36,475
Total Operating Revenues	13,768,256	13,388,491
Operating Expenses		
Personal services - salaries	439,621	455,122
Personal services - benefits	126,128	137,787
Electricity purchased	9,987,751	10,160,197
Purchased services	376,341	370,665
Franchise fee	540,190	528,099
Materials and supplies	102,704	114,874
Miscellaneous	25,836	23,471
Depreciation	140,346	147,861
Total Operating Expenses	11,738,917	11,938,076
Operating Income (Loss)	2,029,339	1,450,415
Non-Operating Revenues (Expenses)		
Interest and dividend income	141,944	135,032
Change in fair market value of investments	(7)	(12)
Interest and fiscal charges	-	-
Federal Grant	-	-
Total Non-Operating Revenues (Expenses)	141,937	135,020
Income (Loss) Before Contributions and Transfers In (Out)	2,171,276	1,585,435
Contributions	-	-
Transfers In (Out)	(238,210)	(238,210)
Change in Net Position	1,933,066	1,347,225
Net Position Beginning of Year	13,855,665	12,508,440
Net Position End of Year	$ 15,788,731	$ 13,855,665

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 13,686,798	$ 13,369,484
Cash payments to employees for services	(565,749)	(592,909)
Cash payments for goods and services	(11,018,233)	(11,156,279)
Other cash receipts (payments)	-	-
Net Cash Provided by (Used in) Operating Activities	2,102,816	1,620,296
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund receivable	-	-
Interfund payable	-	-
Transfers in (out)	(238,210)	(238,210)
Net Cash Provided by (Used in) Noncapital Financing Activities	(238,210)	(238,210)
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Interest paid	-	-
Acquisition of capital assets	(129,053)	(43,916)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(129,053)	(43,916)
Cash Flows from Investing Activities		
Investment earnings (loss)	(7)	(12)
Interest and dividend income	141,944	135,032
Net (purchase) sale of investments	(108)	(51)
Cash Flows from Investing Activities	141,829	134,969
Net Increase (Decrease) in Cash and Cash Equivalents	1,877,382	1,473,139
Cash and Cash Equivalents Beginning of Year	11,076,056	9,602,917
Cash and Cash Equivalents End of Year	$ 12,953,438	$ 11,076,056
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 5,202,453	$ 3,466,900
Cash in Georgia Fund I	7,750,985	$ 7,609,156
Total Cash and Cash Equivalents	$ 12,953,438	$ 11,076,056

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2018 and 2017

(continued)

	2018	2017
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 2,029,339	$ 1,450,415
Adjustments:		
Depreciation	140,346	147,861
Loss on sale of capital assets	-	-
(Increase) Decrease in Assets:		
Accounts receivable	(81,458)	(19,007)
Inventories	1,716	19,779
Prepaid expenses	209	6,830
Increase (Decrease) in Liabilities:		
Accounts payable	982	22,949
Accrued expenses payable	-	-
Sales tax payable	5,862	(3,197)
Interfund payable	-	-
Customer deposits	5,820	(5,334)
Net Cash Provided by (Used in) Operating Activities	$ 2,102,816	$ 1,620,296

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 575,034	$ 503,074
Receivable:		
Accounts (net)	23,879	24,494
Interfund	797	797
Prepaid expenses	-	-
Inventory	12,328	8,460
Total Current Assets	612,038	536,825
Noncurrent Assets:		
Capital assets:		
Depreciable, net	192,170	228,875
Construction in progress	15,333	-
Total Assets	819,541	765,700
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	207,503	228,875
Unrestricted	463,115	387,902
Total Net Position	$ 670,618	$ 616,777

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, 2018 and 2017

	2018	2017
Operating Revenues		
Charges for services	$ 141,802	$ 146,076
Miscellaneous	18,528	16,675
Total Operating Revenues	160,330	162,751
Operating Expenses		
Personal services - salaries	-	35,679
Personal services - benefits	-	15,285
Franchise fee	7,043	7,255
Purchased services	48,127	42,662
Materials and supplies	919	1,940
Depreciation	36,705	41,056
Miscellaneous	4,561	6,096
Total Operating Expenses	97,355	149,973
Operating Income	62,975	12,778
Transfers In (Out)	(9,134)	(9,134)
Change in Net Position	53,841	3,644
Net Position Beginning of Year	616,777	613,133
Net Position End of Year	$ 670,618	$ 616,777

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 160,945	$ 162,751
Cash payments to employees for services	-	(50,964)
Cash payments for goods and services	(64,518)	(57,579)
Net Cash Provided by (Used in) Operating Activities	96,427	54,388
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	-
Interfund payable	-	-
Transfers in (out)	(9,134)	(9,134)
Net Cash Provided by (Used in) Noncapital Financing Activities	(9,134)	(9,134)
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(15,333)	-
Net Increase (Decrease) in Cash and Cash Equivalents	71,960	45,254
Cash and Cash Equivalents Beginning of Year	503,074	457,820
Cash and Cash Equivalents End of Year	$ 575,034	$ 503,074
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 575,034	$ 503,074

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2018 and 2017

(continued)

	2018	2017
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 62,975	$ 12,778
Adjustments:		
Depreciation	36,705	41,056
(Increase) Decrease in Assets:		
Accounts receivable	615	179
Inventories	(3,868)	-
Prepaid expenses	-	375
Increase (Decrease) in Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	-
Customer deposits	-	-
Net Cash Provided by (Used in) Operating Activities	$ 96,427	$ 54,388

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 269,014	$ 206,980
Due from FEMA	-	-
Accounts receivable (net)	85,833	118,551
Prepaid expenses	-	-
Total Current Assets	354,847	325,531
Noncurrent Assets:		
Capital assets:		
Depreciable, net	121,921	145,471
Total Assets	476,768	471,002
Liabilities		
Current Liabilities:		
Accounts payable	-	-
Current portion of notes payable	25,194	24,312
Interfund payable	5,549	5,549
Total Current Liabilities	30,743	29,861
Noncurrent Liabilities		
Notes Payable, net of current portion	-	25,150
Total Liabilities	30,743	55,011
Net Position		
Net investment in capital assets	96,727	96,009
Unrestricted	349,298	319,982
Total Net Position	$ 446,025	$ 415,991

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, 2018 and 2017

	2018	2017
Operating Revenues		
Charges for services	$ 910,275	$ 908,569
Miscellaneous	-	1,900
Total Operating Revenues	910,275	910,469
Operating Expenses		
Personal services - salaries	74,052	76,233
Personal services - benefits	28,701	28,212
Purchased services	692,820	686,408
Materials and supplies	16,498	10,459
Depreciation	23,550	27,631
Miscellaneous	10,341	8,227
Total Operating Expenses	845,962	837,170
Operating Income	64,313	73,299
Non-Operating Revenues (Expenses)		
Interest Expense	(1,500)	(2,183)
Federal Grant	-	-
Total Non-Operating Revenues	(1,500)	(2,183)
Income (Loss) Before Contributions and Transfers In (Out)	62,813	71,116
Transfers In (Out)	(32,779)	(32,779)
Capital Contributions	-	-
Change in Net Position	30,034	38,337
Net Position Beginning of Year	415,991	377,654
Net Position End of Year	$ 446,025	$ 415,991

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 942,993	$ 875,915
Cash payments to employees for services	(102,753)	(104,445)
Cash payments for goods and services	(719,659)	(705,641)
Net Cash Provided by (Used in) Operating Activities	120,581	65,829
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	-
Interfund payable	-	-
Transfers out	(32,779)	(32,779)
Net Cash Provided by (Used in) Noncapital Financing Activities	(32,779)	(32,779)
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	(24,268)	(23,503)
Interest paid on notes	(1,500)	(2,183)
Payments for capital acquisitions	-	-
Net Cash (Used in) Capital and Related Financing Activities	(25,768)	(25,686)
Net Increase (Decrease) in Cash and Cash Equivalents	62,034	7,364
Cash and Cash Equivalents Beginning of Year	206,980	199,616
Cash and Cash Equivalents End of Year	$ 269,014	$ 206,980
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 269,014	$ 206,980

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2018 and 2017

(continued)

	2018	2017
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 64,313	$ 73,299
Adjustments:		
Depreciation	23,550	27,631
(Increase) Decrease in Assets:		
Accounts receivable	32,718	(34,554)
Prepaid expenses	750	750
Increase (Decrease) in Liabilities:		
Accounts payable	-	(1,297)
Accrued expenses payable	-	-
Net Cash Provided by (Used in) Operating Activities	$ 121,331	$ 65,829

City of Sandersville, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended December 31, 2018

Project	Original Estimated Cost	Revised Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
2013 Tax:						
Fire protection	$ 100,000	$ 100,000	$ 135,779	$ 3,562	$ 139,341	139.3%
Transportation improvements	500,000	500,000	411,516	3,038	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	38,046	91,698	129,744	43.2%
Water & sewer system equipment & upgrades	500,000	500,000	-	-	-	0.0%
General & admin equipment	100,000	100,000	7,150	67,673	74,823	74.8%
Police department vehicles & equipment	200,000	200,000	140,166	55,566	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, 2018, 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 June 21, 2019.

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.

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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
June 21, 2019